

# Oxfordshire Inclusive Economy Seminars

Findings and Next Steps

# Foreword



## Baroness Janet Royall, Principal of Somerville College Chair, Oxford Strategic Partnership

Oxfordshire has one of the strongest economies in the UK and has grown strongly over the past 15 years. We are home to the world’s number one ranked university, a highly educated population, innovative companies and research institutes in leading fields such as life sciences, clean energy, and artificial intelligence, and we are one of the three net contributors to the exchequer, generating an economic output of around £23 billion of Gross Value Added each year, from about 400,000 jobs and 30,000 businesses.

And yet Oxfordshire, despite our economic successes and assets, has a very unequal distribution of income. And our recent growth has *exacerbated* rather than reduced inequality. The lack of sustainable economic opportunities and income inequality are national and global issues and this is very much being felt locally. Oxford is ranked as the 2nd most unequal city in the UK and housing affordability is a critical long-term issue along with divergent educational attainment, health outcomes and food poverty for too many of our residents.

The publication of this report follows a series of inclusive economy seminars that I had the privilege to moderate and participate in with many of the UK’s leading thinkers and doers, along with local experts and practitioners. When we started the seminars in October 2019, we called this Inclusive Growth but quickly pivoted to *Inclusive Economy* to emphasise that our collective work to reduce inequality and expand opportunities needs to be *‘hard-wired’ into the economy irrespective of growth trends.*

As we progressed through thought-provoking and challenging discussions to understand the factors driving inequality, exploring place-based issues and strategies, and identifying how the private sector and employers can partner with public sector and non-profits to work collaboratively towards a more inclusive economy, three of the strongest messages we heard were that:

1. Words and metrics are important to define clarity of purpose and accountability, but it is essential to work at pace on **action and implementation.**
2. Our inclusive economy agenda of work must include a **system approach** that accounts for both soft and hard infrastructure as well as the business environment, financing and institutional capacity.
3. The inclusive economy initiative needs to reflect **more voices from the communities of Oxfordshire** and more engagement with the people we’re seeking to help in this work.

More recently, the COVID-19 global pandemic has resulted in a loss for many and a staggering impact to public health and the economy. As we embark on recovery in all aspects of life, one thing is certain – the importance of our agenda of work to create a more inclusive economy is more important than ever. And so, **we must take action.** And we must move swiftly to start tackling the priorities identified in this report, including the creation of an **Inclusive Economy Commission to guide and oversee this ambitious but necessary endeavor.**

Together with our core partners at the Oxfordshire Local Enterprise Partnership (OxLEP), Oxford City Council and all local district authorities, Oxford Strategic Partnership (OSP) are proud to publish this report reflecting the discussions and findings of our seminar series while embracing the challenges and opportunity to create a sustainable inclusive economy throughout Oxfordshire.

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# 1. Background to Inclusive Economy Initiative

Oxfordshire has one of the strongest economies in the UK, and has grown by almost 4% per annum since 2006. Yet, Oxfordshire, like the UK, has a very unequal distribution of income. Oxford is ranked the 2nd most unequal city in the UK and housing affordability is also a critical long-term issue. Some of the key areas of concern include:

## Earnings:

A significant number of people in Oxford and Oxfordshire are earning below the national real living wage of £9 p/h (10.3% and 14.6% respectively at the time of the seminars). The figures are stark when compared by gender or part-time and full-time.

## Housing:

The Housing Affordability ratio for Oxford was 17.23 in 2020, based on 2019 Housing Affordability Ratio, making Oxford the least affordable city in the UK (Centre for Cities, 2020) with average rents 57% of average monthly income and over 3,000 households on housing waiting lists in Oxfordshire.

## Educational attainment:

At the time of the seminars, 22% of Oxford's population was poorly qualified. A significant proportion of people may not be able to share in local prosperity gains or indeed contribute to them. This will be exacerbated by the changing structure of the economy and jobs created in future.

## Health outcomes:

Inequality in life expectancy at birth has widened from 8.5 years in 2010/12 to 9.5 years in 2017/18 in Oxford, demonstrating the stark differences in health and quality of life between lower and upper income individuals.

## Food poverty:

Good Food Oxford estimated at the time of the seminars that a typical family in Oxford needs to spend 42% of their income after housing costs on food and would need to earn approximately £16,000 (gross yearly @35 hrs a week) to be described as not being in food poverty. An individual paid at the national living wage (minimum wage) would only earn £14,250 (gross yearly @35 hrs a week).

## The Inclusive Economy Seminar Series:

Partners across Oxfordshire want to ensure that benefits of our local economy are spread more widely across the region. Evidence to date tells us that growth alone does not intrinsically reduce inequality so proactive interventions are needed.

OSP decided to undertake the Inclusive Economy Initiative –and when LIS commitment was agreed, to take the initiative forward in partnership, building on previous discussion with Oxfordshire Growth Board and the engagement of all Growth Board partners.

The Oxfordshire Local Industrial Strategy (LIS) aims to build on the County's world leading science and technology clusters to form the basis of a future economy with growth prospects of 10% per annum, creating new business sectors and revolutionise existing industries. This strategy sets an ambitious vision for Oxfordshire to be a top three innovation ecosystem by 2040.

As part of these ambitions the Oxfordshire Local Industrial Strategy (LIS) commits to supporting an inclusive economy and establishing an Inclusive Economy Commission to carry the work forward. This commission will identify bold and ambitious interventions, which partners from the public, private and community sectors across Oxfordshire can support and deliver. These interventions will build on strategic initiatives underway such as early years education, Oxford Living Wage, Community Employment Plans and inclusive recruitment practices to harness the potential of local people. There are opportunities to build on this work by setting out clear ambitions to create a more cohesive society and balanced economy that emphasises opportunities for all as a top priority.



This work also requires alignment across a broader regional dimension with the Oxford-Cambridge Arc. The Arc contributes over £117bn Gross Value Added (GVA) to the UK economy and the settlements between Oxford, Milton Keynes and Cambridge present a unique opportunity to nurture an economic asset of international standing – shaping places that demonstrate a world-class innovation economy. Yet, there is also desire across the Arc to ensure the benefits of economic success are felt across local communities as well as UK PLC. This will require new ways of working between the Government, local partners and businesses, along with long-term commitments and a thoughtfully crafted request for devolved powers and authority to enable implementation of inclusive economy initiatives. This is particularly timely based on the devolution White Paper expected in 2021 which will set out how further powers and funding would be devolved across England. The Government has said the legislation would aim to increase economic growth, productivity, and devolve decision-making, which should provide Oxfordshire with opportunities to influence policy options.

To pave the way for the establishment of the Oxfordshire Inclusive Economy Commission, a series of four seminars, initiated by Oxford City Council, the Oxford Strategic Partnership (OSP) and Oxfordshire Local Enterprise Partnership (OxLEP) were run to facilitate dialogue with partners to understand what the inclusive economy ambition should be, and begin to identify priority strategic interventions. The four *Inclusive Growth* seminars held are presented herein as a set of findings, suggested priority areas, and ideas on the proposed next steps which have emerged in these sessions.

Senior stakeholders from across all sectors of the city and county were invited to participate in the seminars. Stakeholders included senior leaders from business and the private sector, Chief Executive Officers and Leaders of the Oxfordshire Districts, Health Service, the University of Oxford and Oxford Brookes University, social enterprises and charities, and researchers and practitioners in economic development, skills training and further education and other groups identified throughout the process.

## 2. Summary Notes from Inclusive Growth Seminars

This section presents a summary of notes from the presentations and discussion at each of the four (4) Inclusive Growth seminars.

### Seminar 1: Defining the Challenge and Potential Interventions

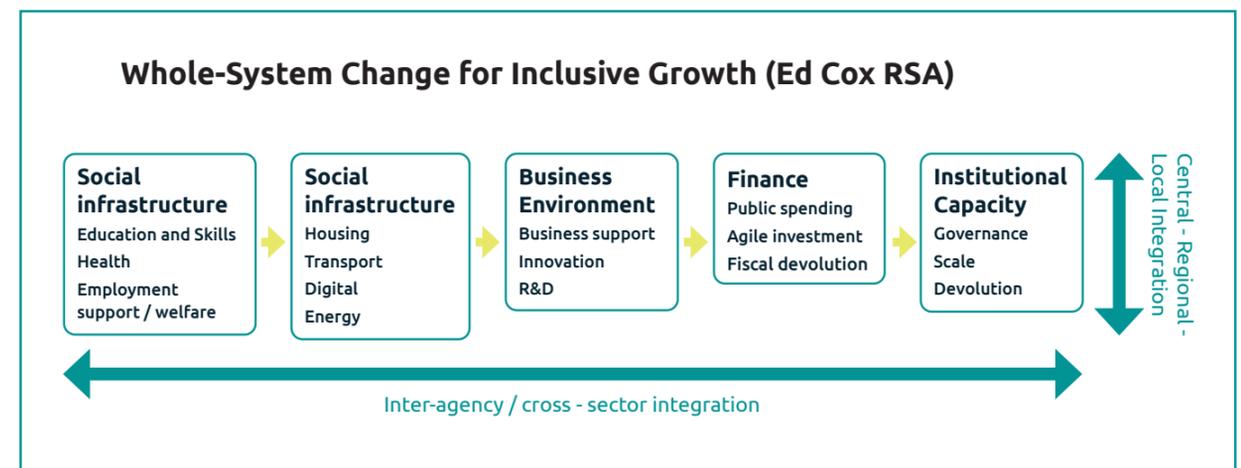
**HELD ON:** Wednesday, 16<sup>th</sup> October 2019 at Somerville College, University of Oxford

**SPEAKERS AND PANELISTS:**

- Ed Cox, Royal Society of Arts (the RSA)
- Dr. Mark Fransham, London School of Economics
- Professor Brian Nolan, Oxford Martin School, University of Oxford
- Will Hutton, Principal of Hertford College, University of Oxford

### Summary Notes from Presentations and Discussion

The first Inclusive Growth seminar focused on the research, policy and data on economic and social inequality to define the real scale of the challenge nationally and locally. The seminar also started the discussion on potential interventions to be developed through the seminar series and beyond.



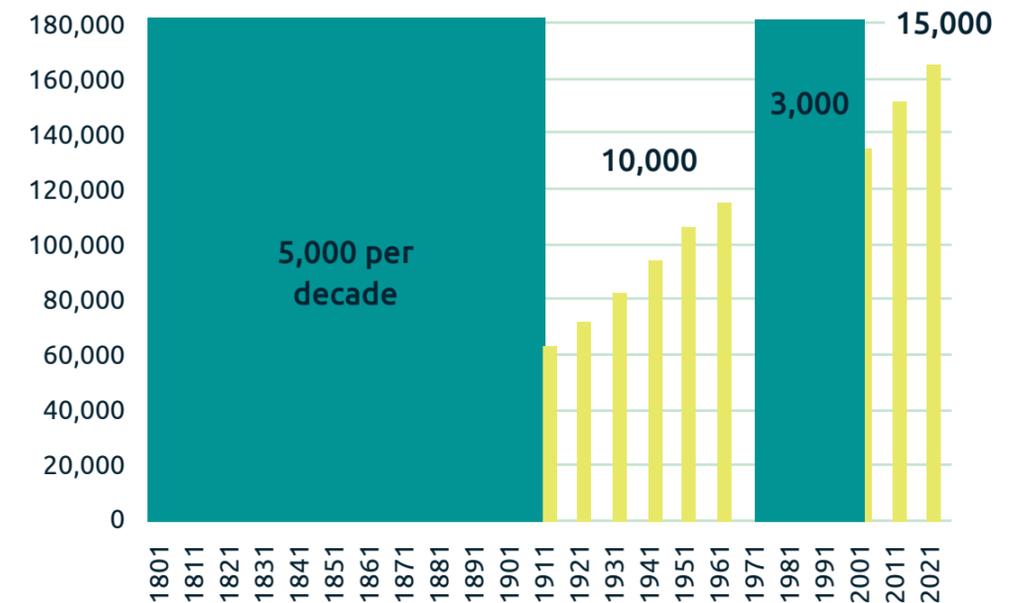
### KEY PRESENTATION POINTS AND DISCUSSION COMMENTS INCLUDED:

- There are three key aspects to inclusive growth: 1) people and places; 2) who contributes and who benefits; and 3) opportunities and outcomes.
- Social (or soft) infrastructure such as education, skills, health and well-being is as important if not more so than physical (or hard) infrastructure like transport, telecommunications, and housing.
- It's relatively easy to adopt language in support of inclusive growth but more challenging to convert that into action. But there are examples of action from the UK and beyond that the RSA and others are highlighting as best practices that others (like Oxfordshire) can follow.
- Working towards a more inclusive economy requires a change in mind-set in many ways related to quality of economic opportunities, what we measure, involving communities in decision-making, etc. .
- There are lots of inclusive growth measurement indicators – the key is to not use a single index indicator (which can seem abstract) but rather focus on a small combination of metrics that matter to the community.
- Income distribution trends over the past 20-30 years have shown that the lower and middle income workers are not doing well economically, with fewer job opportunities for lower and middle-skilled workers.
- Drivers of wage inequality include the very high wage gains and rates of the finance sector (compared to other sectors) as well as a broader global decline in competition within sectors, especially technology, which allows large firms to moderate pay gains.

### Strategic Mindset for Inclusive Growth (Ed Cox, RSA)

From	To	Type of Systemic Intervention
Economic and social impacts of policy are considered separately	Economic and social impacts are considered together	Policy integration
Emphasis on the <i>quantity</i> of growth (number of jobs, dollar amount of investment)	Emphasis on the quality of growth (e.g. growth distribution, job, quality)	Quality jobs
Physical investment in communities distributed in an inequitable manner	Equitable investment in people and places as a combined means to inclusive growth	Equitable infrastructure
Public, private and philanthropic resources distributed in a widespread, scattershot, one-time fashion	Public, private and philanthropic resources distributed in a concentrated, coordinated and sustained fashion	Co-ordinated, long-term investment
Top-down, non participatory decision-making on policies impacting communities	Inclusive policy setting that leverages the talents, voice and experience of local residents	Shared decision making
Wealth building opportunities restricted to top income earners	Wealth building opportunities for people of color and low income	Widespread financial security

Population Growth in Oxford 1801-2021 (Mark Fransham, LSE)



- Oxford is a historically divided city. In 2018, Oxford contributed 6.75bn to the national economy and with currently around 122,300 jobs in city of Oxford, 14% more than in 2013 this growth rate is stronger than the national level of 10%. Despite this 11 areas in Oxford are in the most deprived decile nationally on Indices of Multiple Deprivation. Life expectancy for Oxford residents is above average at 81 years for men and 85 years for women however this can vary by up to 10 years for women and 15 for men depending on where in Oxford you live.
- These growth pressures, with wages at the lower and middle levels rising slowly, have resulted in a staggering housing affordability gap for the city of Oxford that has extended throughout Oxfordshire with longer transport commutes one of the results (though longer commutes are due to many factors). Oxford's housing affordability ratio is now the worst in the UK, with average house prices 17 times the average salary
- There is also an educational divide within Oxford with some areas of the city and county performing below average on educational attainment, despite Oxford's international brand as a centre for learning. Educational attainment in state schools in Oxford is below the average for England and latest figures show the average attainment 8 (equivalent to GCSE level) score per pupil in Oxford is 45.9 which is below the national and Oxfordshire averages of 46.9 and 47.7 respectively.
- There are many positive assets and initiatives in Oxfordshire underway to support a more inclusive economy, including a growing number of successful social enterprises, living wage employers and skills-training opportunities. Oxford has the chance to be a laboratory to incubate socially-minded firms and social enterprises.

- Opportunity to cultivate and encourage 'inclusive firms' dedicated to social betterment, including local procurement spending practices, inclusive recruitment and other public benefits.
- To address key challenges like housing affordability, can Oxfordshire pilot innovative and bold programs such as permanently designating some housing at discounted prices through housing associations and other institutional property owners?

### An Inclusive Economy of Inclusive Stakeholder Firms?

Will Hutton, former Principal of Hertford College, University of Oxford and renowned academic, journalist and author of among many influential works such as 'The Stakeholding Society' outlined in his presentation a unique opportunity for Oxfordshire:

The University of Oxford could play an integral role as an Anchor Institution in partnering with the Public Sector (especially Police, NHS and Emergency services) and Local Authority (Oxfordshire County and City Councils) to use its procurement leverage to make a requirement of its contractors to commit to public benefit and provide the mechanisms and framework to deliver it. This would generate significant social value as well as model practical applications of an inclusive economy.

This would build on and further the Community Employment Planning initiatives already underway in the city.

Forthcoming University of Oxford and Local Authority partnership developments in the pipeline that would be particularly suitable to adopt this approach include:

- Oxford North
- West End Global Innovation District

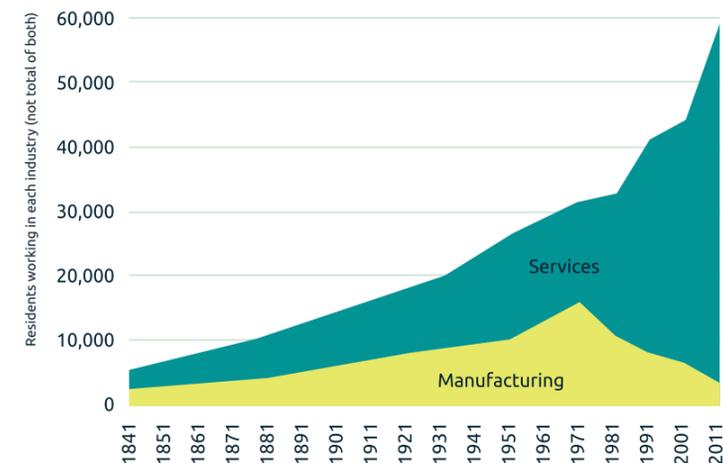
The University of Oxford could in addition require its spin-outs to incorporate around an agreed declaration of purpose to incorporate this approach. The network of inclusive firms generated and scaled up in this way would all be committed to this purpose and therefore deliver long-term social betterment and value for the city and Oxfordshire as a Social Enterprise county.

### Discussion Questions

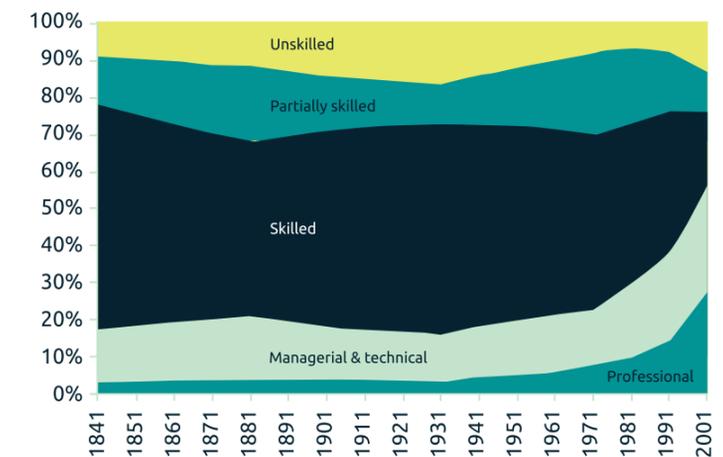
1. Who is the inclusive growth for? It should mean improved outcomes and opportunities for all – young and old, rich and poor, etc.
2. What can be done about lower wage jobs? More wide-spread adoption of living wages is a start, along with improved education and targeted job skills training, and keeping more of local procurement spending local. This could contribute to the economic sustainability of local service businesses who are more likely to employ local residents. In this way, a small change for larger organisations could have a significant positive local impact.

3. How can the universities (which are fundamentally a non-profit 'charity') be more engaged in inclusive growth with the City?
4. Can an inclusive growth program be used partly to help highlight, promote and scale-up the positive work already being done in Oxfordshire?
5. Are there effective ways to measure 'well-being' for inclusive growth?
6. There is a fundamental need to add more housing (consistent with the Housing plans contained within the Local Plans of Local Authorities).
7. Individual businesses often lack the ability to engage with the community (charity work) or to hire apprentices – can these kinds of efforts be pooled together for stronger collective action? 'Team Oxford' being launched by Aspire is one option here.

Oxford Residents in Employment by Industry, 1841-2011, (Mark Fransham, LSE)



Oxford Residents in Work by Type of Occupation 1841-2001, (Mark Fransham LSE)



# Seminar 2: Place-based Strategies

**HELD ON:** Monday, 28th October 2019 at Kellogg College, University of Oxford

## SPEAKERS AND PANELISTS:

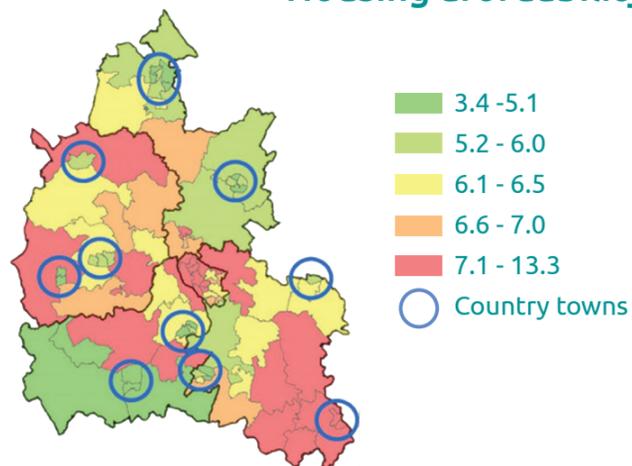
- Bev Hindle, Director of Oxfordshire Growth Board
- Gareth Hart, Chair of Plymouth Inclusive Growth Group
- Jayne Woodley, CEO of Oxfordshire Community Foundation
- Neil McInroy, Centre for Local Economic Strategies (CLES)

## Summary Notes from Presentations and Discussion

Economic inequalities and deprivation are often concentrated in specific areas of cities and towns, or affect places in specific ways. The solutions to the inequality challenge can also lie within these places strengths and opportunities. This seminar focused on lessons learned from cities and organisations that are taking the initiative to lead public-private place based strategies and investments.

### Housing Affordability (Bev Hindle, Oxfordshire Growth Board)

#### Affordability is not just city vs county Housing affordability (map)



MAP: Housing affordability (ration of house prices to income)  
Source: District Data Service analysis

Oxfordshire's county towns are circled in blue.

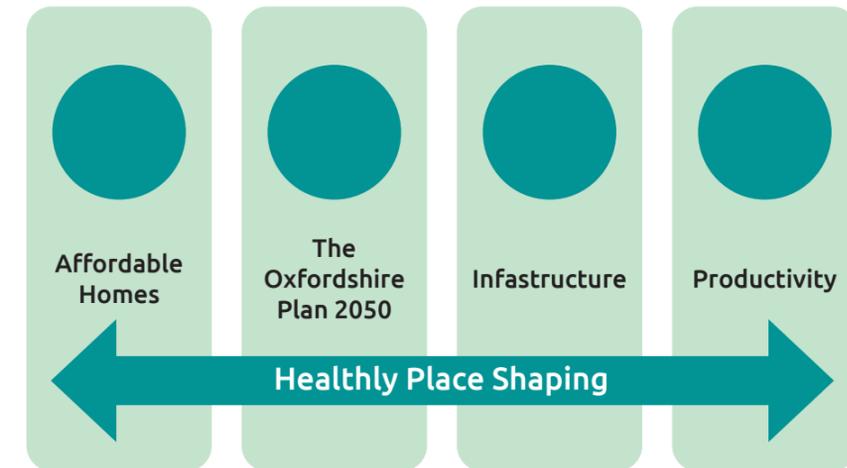
- These are more affordable than their rural hinterlands, largely due to the housing mix available.

Areas coloured red are at least as unaffordable as the Oxford average.

- Many rural areas are as unaffordable as Oxford

### The Oxfordshire Growth Deal (Bev Hindle, Oxfordshire Growth Board)

#### Using growth to support healthy living and address health inequalities



### KEY PRESENTATION POINTS AND DISCUSSION COMMENTS INCLUDED:

- The Oxfordshire Housing and Growth Deal and Housing Infrastructure Fund represent a £500m plus investment in infrastructure and housing to support economic growth. More investment will follow. On its own, this economic growth could see inequality worsen. Or, it could be used as a catalyst to reduce inequality and invest in people and communities.
- A fundamental understanding of Oxfordshire and the aspirations of local people is needed (listening beyond the louder voices). This is the only way to address the inequality being experienced and make the most of our many local assets. We need to listen to younger people and those excluded from the debate about growth, considering social and environmental issues as well as economic. The Oxfordshire Plan 2050 provides an opportunity to state our inclusivity aspirations clearly.
- We can address health inequalities through a scaled up 'healthy place shaping' approach, learning from programmes alongside housing development at Barton Park and Bicester.
- When we consider infrastructure investments, we need to consider the social and community impacts up front. For example, how might Cowley Branch Line impact existing residents of Blackbird Leys? Will it benefit local people or displace communities and how do we influence the best outcomes?
- Affordability of homes and the challenges of desirable location are prevailing factors county-wide. Neighbourhood deprivation is not solely an Oxford issue. Banbury and other areas within affluent Oxfordshire also have significant challenges.

## Plymouth's Definition of Inclusive Growth, Objectives and Lessons Learned (Gareth Hart)

### PLYMOUTH'S DEFINITION OF 'INCLUSIVE GROWTH'



*'Growing prosperity that reduces inequality and is sustainable'*

### OBJECTIVES

01

Integrate Inclusive Growth in policy of businesses and organisations across the city

02

Ensure recruitment, retention and development of all sections of society

03

Embed Inclusive Growth in procurement and commissioning across the city

### LESSONS LEARNED

- Needs to be a strategic priority not an afterthought
- Clarity of purpose
- Political engagement (control v laissez faire)
- Business engagement
- Language and concepts matter deeply
- It takes time and it is a journey

- We are part of the Oxford to Cambridge Arc 'a posterchild for Economic Growth', expected to grow to £180Bn GVA. Yet, it is possible for the area to decline or underperform. If it does, inequality will be a key cause of any underperformance. Productivity growth requires all sections of the available workforce to contribute. There are encouraging words from Arc policy makers but action is now required.
- Other places have a head start on Oxfordshire in terms of concerted action and place-wide partnership. Plymouth is one example having clearly defined the aim; 'growing prosperity that reduces inequality and is sustainable' and a set of objectives. They have also agreed key performance metrics such as income inequality and work based poverty. Partners are now working together on inclusive economy initiatives that have cross-sector leadership.
- The legacy of austerity and the resulting reductions in public spending over the last decade are part of the inequality issue we face and we need to secure greater investment through whatever means will work.



Bristol City Funds is a £10 million investment fund set up to target the causes and effects of inequality in the city to help build Bristol as a city that works for everyone. The fund aims to reduce the barriers which create inequality and poverty, to create a sustainable city where people thrive and are proud to call it home.

The Bristol City Funds enable partners to work together, bringing local businesses, communities, funders and the public sector round the same table, to share resources, expertise and pool knowledge. Through City Funds partners can raise money locally and attract national finance, earmarking new money for Bristol to help the city to address its key priorities.

The City Funds aim to see positive change that transforms the lives of individuals and communities, and to build an environmentally sustainable city. The initiative allows the value of every pound invested in the city to be amplified, through strategic, cooperative partnerships addressing the root causes of inequality and poverty.

For more information see: [www.bristolcityfunds.co.uk](http://www.bristolcityfunds.co.uk)

- The success of local initiatives must also be about long-term impact and strategy and not reliance on attracting time-limited grants. We must consider how to incubate and scale up the initiatives that make a difference with partners.
- We should not forget we already have great local initiatives underway including the *Oxford Homeless Movement*, *Makespace Oxford* (meanwhile property use), and *Age Friendly Banbury*. Let's work together to incubate and then scale up what works well. An example proposed was 'Growing Young Minds' a new Oxfordshire Community Fund initiative aimed at investing in early years education in family homes to avoid the attainment gap that creates disadvantage for many young learners. Considering the low educational attainment in some Oxford schools could this work be expanded to more areas of need? There is demonstrable economic rationale behind such investments that is being missed.

### Inclusive Economy: Everyone Benefits (Jayne Woodley, OCF)

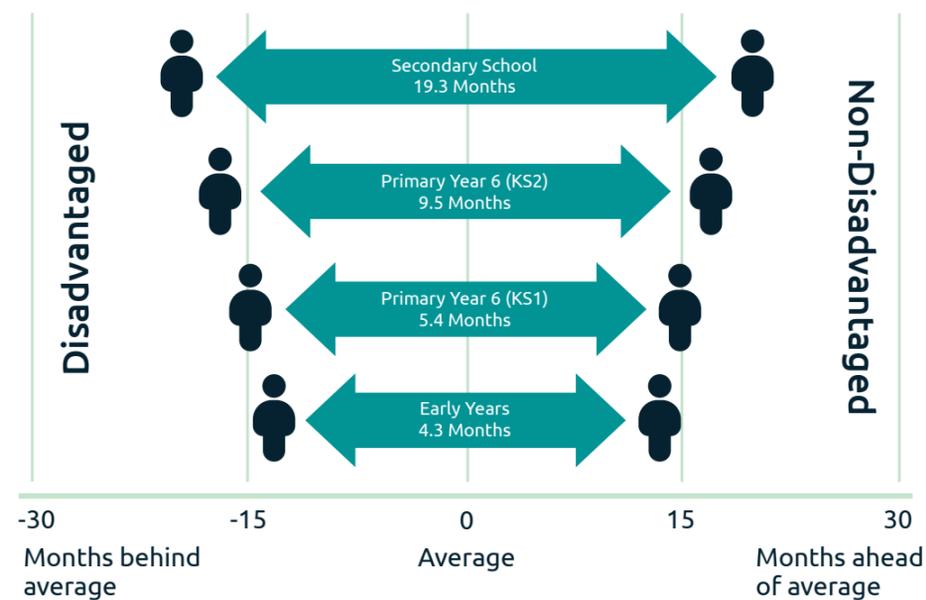


- We have a global wealth issue in terms of its distribution as the ten richest men have the same wealth as 50% of the rest of the world. There is also a disconnect between growth and poverty. The economy is a social construct and one we can change over time. Why are public services seen as a cost to the economy rather than an investment? Many commentators from across the political spectrum are signaling the need for a new economic paradigm. This will require a cultural shift over time.
- A range of cities and regions in the UK are taking forward a community wealth building approach. Oxfordshire has the economic strength and assets to make a real success of such an approach. The question is how ambitious we wish to be and how many anchor organisations we can get behind the agenda. Which of the principles of wealth building will we employ locally?
- What is an inclusive economy? It should be conceived in terms of the economy as a whole rather than growth. It is one where inclusivity is hard-wired in and not an add-on. For example, North Ayrshire is spending all of its £250m Growth Deal through the lens of community wealth building.

### The Power of Agency, Anchor Institutions (Neil McInroy, CLES)



### Trends in National Educational Attainment and Disadvantage (Jayne Woodley, OCF)



'Closing the Gap?' Trends in educational attainment and disadvantage', Education Policy Institute (July 2017)

### Discussion Questions:

1. We must focus on the inclusivity of the economy as a whole, whether it is set to grow, remain static or decline.
2. There is a call from the audience for a concerted effort to bring partners together on this agenda.
3. There was a consistent call to ensure that all communities have a say in economic and growth issues.
4. We should consider prioritizing inward investment that generates wealth locally over that which extracts local wealth. Alongside social value from our collective spend, should we also be more ambitious in pursuing new company ownership models such as worker owned co-ops?
5. It should be noted that most spin-outs first have a social aim, and second have an aim to be commercially sensible. We need to realise and work with that. It's not all about profit for most spin-outs; it's about change and disruption to solve major issues. Our Industrial Strategy embeds this concept and shows we can attract the right type of investment.
6. We should however consider how we ensure our new 'innovation districts' are planned county-wide, and are inclusive rather than enclaves
7. Key workers, travelling from ever greater distances harms productivity and the lives of workers making long-commutes. Consider this in housing and transport policy.
8. Are we in danger of having too many pledges that ultimately become time consuming and less impactful? Should we focus on the instruments we already have instead?
9. We should absolutely build on the good work already happening but within a partnership framework with broadly agreed ambition and objectives. Then we can ensure greater impact over the long-term. This requires ongoing commitment from those involved.

### Community Wealth Building – Five Principles (Neil McInroy, CLES)

#### Fair employment and just labour markets

Anchor institutions have a defining impact on the prospects of local people. Recruitment from lower incomes areas, paying the living wage and building progression routes all improve local economies.

#### Progressive procurement of goods and services

Developing dense local supply chains of businesses likely to support local employment and retain wealth locally: SMEs; employee-owned businesses; social enterprises, cooperatives and community business.

#### Plural ownership of the economy

Developing and growing small enterprises, community organisations, cooperatives and municipal ownership is important because they are more financially generative for the local economy – locking wealth in place.

#### Socially just use of land and property

Deepening the function and ownership of local assets held by anchor institutions, so that financial and social gain is harnessed by citizens. Develop and extend community use – public sector land and facilities as part of “the commons”.

#### Making financial power work for local places

Increase flows of investment within local economies by harnessing and recirculating the wealth that exists, as opposed to attracting capital. This includes redirecting local authority pension funds, supporting mutually owned banks.

### How Progressive Do You Want To Be? (Neil McInroy, CLES)

CLES	Spend	Employment	Land and Property	Local Finance	Ownership of the Economy	Anchor approach
Preston	CLES progressive economics for people and place	CLES progressive economics for people and place	Started	Started	CLES progressive economics for people and place	CLES progressive economics for people and place
Islington	CLES progressive economics for people and place	CLES progressive economics for people and place			CLES progressive economics for people and place	
Wirral	CLES progressive economics for people and place	CLES progressive economics for people and place	CLES progressive economics for people and place			CLES progressive economics for people and place
Manchester	CLES progressive economics for people and place		CLES progressive economics for people and place			
Gateshead	CLES progressive economics for people and place					CLES progressive economics for people and place
Oldham	CLES progressive economics for people and place					CLES progressive economics for people and place

## Seminar 3: Economic Opportunities for All

**HELD ON:** Wednesday, 20<sup>th</sup> November 2019 at Oxford City College, Blackbird Leys

### SPEAKERS AND PANELISTS:

- Trevor Phillips, Co-Founder of Webber-Phillips
- Dominic Hare, CEO of Blenheim Palace
- Penny Rinta-Suksi, Partner at Blake Morgan LLP
- Paul Roberts, CEO Aspire Oxfordshire
- Sally Dicketts, CEO Activate Learning

### Summary Notes from Presentations and Discussion

This seminar focused on the themes of workforce skills and training, employer engagement and initiatives, and the role the business sector can play to expand economic opportunities to all. The presentations and panel discussion covered how businesses can have a positive impact on their communities, such as local procurement spending policies and inclusive recruitment, as well as opportunities around skills, training and education that can reduce inequality in Oxfordshire.

### KEY PRESENTATION POINTS AND DISCUSSION POINTS:

Educational attainment, parity of esteem for technical education, and low take up of apprenticeships are all significant issues. Coupled with the ongoing transformation in the world of work, the direction of which is ‘unknowable’, we need to ensure that local people are not left with their noses pressed against the window of a glass dome, looking into our knowledge economy with no prospect of participating in it or benefiting from the prosperity created.



### Big challenges we face include:

- **Digital transformation and what it means**
- **Demographics (age & global middle-east and Africa fastest growing populations) – ‘do we need to do much about skills locally when we can get them overseas?’**
- **Harnessing the potential of diversity of our workforce**
- Technology-specific skills will quickly become relevant and then redundant. So we also have to focus on fundamental skills and adaptability with even closer working between education and business. Skills that will matter regardless include independent critical thinking, resilience and confidence, advanced social skills (team working, negotiation), and raising educational attainment.
- The ability to access training budgets at various career stages is important. Devolution of control over local budgets for further education to enable this should allow improved local ability for training providers and partners to adapt to shifting employer training needs. It was also highlighted that there has been a fall of 40% in employer investment in skills in recent years. Training should be viewed by employers as an investment and not a cost.
- Autonomy of workers matters in the evolving world of work, so we should give people more responsibility to change things as people are happier in work if given power to help shape their work.

### Delivering Our Purpose (Dominic Hare, Blenheim Palace)

1. **Triple our economic contribution to the local economy**
2. **Train over 100 apprentices in 10 years plus training goal for developing own staff**
3. **House 300 families in truly affordable homes**
4. **Receive 750k paying visitors with a top quartile satisfaction rating**
5. **Become a net generator of green energy**
6. **Be rated as a top 100 best employer**
7. **Have transformed the Palace and Park by completing a £40m restoration programme**
8. **Have reacquired key works from the old collections and established a new one**
9. **Create an additional endowment portfolio of £45m dedicated to the conservation and enhancement of our World Heritage Site,**
10. **Double our charitable contribution to the community**

- Roles have to be financially sustainable – for living wage policies; employers cannot justify pay if the work is not worth the living wage. We might focus on the value of jobs and ensuring that job roles are designed to achieve higher values.
- Landed estates and institutions (public, private or charitable) have particular power and opportunity to make a difference through their assets. In the long-term, their own fortunes are linked to those of the local economy and the population based around them.
- Blenheim Palace has provided local best practice here through strategic initiatives that help fulfill their stated purpose of being the lifeblood of the local economy. These cover housing, tourism, educational partnerships and enterprise among others. The social impact of these initiatives is being measured in a focused and sophisticated way (e.g. community well-being scores). If more landed estates follow suit, the impact will likely be transformative.
- Organisations should be encouraged to understand and measure the costs as well as the benefits of their activity to make a measurable difference. Consumers and employees are demanding more and organisations of all types will need to adapt to this societal change. In line with this, we need an ecosystem where social enterprise and social aims in business are normalised. We need to get to a place of purposeful, collaborative businesses.
- We should ask ourselves as organisations – how we are recruiting, (hiring, inspiring and developing), how fairly are we paying people, and how are we investing wealth? Ultimately, what social purpose do organisations have and what value are we generating alongside commercial success?
- We should urgently consider how we can pool the apprenticeship levy among partners more effectively. Otherwise we have a missed opportunity. What other skills funding opportunities are we missing?
- How do we support environmental sustainability and decarbonisation for those on low incomes? There are ways to decarbonise at pace and boost local skills to in the process (e.g. property retrofit schemes).
- Genuinely affordable housing in sufficient numbers is a key priority for all employers. They need talented young workers who can afford to live here. How do employers play a role in solving this issue?



## Seminar 4: Advancing an Inclusive Economy Initiative for Oxfordshire

**HELD ON:** Wednesday, 29th January 2020 at Oxford Town Hall

### **CHAIR AND SPEAKERS TO GUIDE BREAKOUT GROUPS:**

- Baroness Janet Royall, Principal Somerville College
- Ahmed Goga, Director of Strategy at OxLEP
- Gordon Mitchell, Chief Executive Oxford City Council

The focus of the fourth Inclusive Growth seminar was work conducted by attendees on five breakout group topics aimed at helping develop ideas for how we can implement an inclusive economy initiative in Oxfordshire:

- 1) **Ambition, goals, and key performance metrics**
- 2) **Near-term actions to implement now**
- 3) **Long-term strategic priorities**
- 4) **Establishing an Inclusive Economy Commission**
- 5) **Funding and investing to support an inclusive economy**

**The highly engaging group discussions with active participation across all sectors was indicative of the interest and passion that Oxfordshire leaders have to see inclusive economy concepts turn into action. A brief summary of highlights and recommendations from the report back on group work included the following ideas and directions:**

- When setting out the ambitions and goals for this work, it's important to have broader community input, and some of the next steps should include surveys and other mechanisms to hear from a larger number of Oxfordshire residents.
- Key performance metrics should cover both: a) economic and income-related measures; and b) social well-being and health.
- It was recommended that the ambition of this work can be summed up in a few concise statements that everyone in Oxfordshire can say, and that it includes a truly collaborative set of public, private, university and non-profit partners.
- There was strong agreement that a top priority for near-term implementation should be procurement that emphasises: 1) participation from multiple anchor institutions throughout Oxfordshire; 2) increasing the share of spend that is captured locally; and 3) enhancing the social value contributions and benefits through procurement.
- It was recommended that a task force ('coalition of the willing') be set up to initiate this work with more partners joining over time. There are strong precedents on developing social value policies from other places (and Oxford City Council is currently working on a new policy), along with great ideas already underway with social enterprises, proposed 'meet the buyer' events, etc.

- There was a broad agreement we need to engage with young learners and a broader section of the community on their aspirations to communicate the economic opportunities that can be accessed. Broad awareness raising and boosting aspirations of people otherwise disengaged. Getting the messaging right is vital.
- Mental health of learners and workforce health issues can have a major economic impact and boost inclusion if tackled coherently.
- Concerted and joined-up actions from employers and educators, engaging with communities is already in evidence. We need to do it more consistently as truly meaningful collaboration and with shared aims. Employers are engaging well in many cases.
- Design thinking to get different people with the right expertise to create future curriculums.
- Broad buy-in to achieve social value through spend is possible. Can we collectively think about how we open up opportunities on the demand-side and boost supply chain capability? And if some anchor institutions and employers lead by being transparent with their local spend and social value of procurement, then others will follow.
- Finally, it was highlighted that efforts will fail unless we have cross sector leadership with clear aims and ambition, and influence that can gain buy-in from a range of quarters.

- Attendees recommended that Oxfordshire adopt a mantra that we should set up lots of pilot projects to find innovative solutions, and that it's okay to 'fail' as long as we can learn from it, fail cheaply, and then move on to the next good idea.
- Another near-term recommendation was to find ways for anchor institutions to generate more social value from their land holdings (e.g. community centres, lower-cost workspaces).
- Education and skills training are clearly the highest priority long-term strategic issue identified through this work with substantive discussion around early education, tracking educational performance, growing the number of apprenticeships, adult education and employer-driven skills training, etc.
- While numerous organisations are engaged in promising education and skills training initiatives for Oxfordshire, this needs to be a joined-up, long-term campaign.
- Oxfordshire's near and long-term housebuilding agenda provides opportunity for innovative partnerships, developing a workforce to support this sector, sourcing construction materials locally, and bringing communities together.
- There needs to be an ongoing inclusive economy body to carry this work forward over time rather than just creating a short-term temporary commission.

- The agenda of work needs to reflect more voices from the communities of Oxfordshire and the people we're seeking to help in this work.
- There are near-term actions that should be advanced, and an inclusive economy commission can help determine which projects can be implemented now, which partners are needed to deliver positive change, and which project opportunities need more evidence or learning to determine next steps.
- It's important for the commission to include some senior leaders of organisations and anchor institutions that maintain large budgets that can contribute towards this work and influence policy and investment.
- The most effective size for the commission needs to be carefully considered so that it doesn't become too large, but that it can still reflect multiple sectors and communities throughout Oxfordshire.
- Experiences from other cities / regions that are implementing inclusive economy strategies tells us that we need to identify and generate dedicated resources and staffing to be successful. For example, other places are funding staff and/or consultants above £100,000 per year.
- There are multiple opportunities for inclusive economy funding from private, public and university sectors within Oxfordshire, and other places have demonstrated how we can start considering the social return on investment. This can be done through innovative partnerships around pensions, social impact bonds, cooperatives, etc. but more work is needed to scope this out and it will need to be tightly connected to our overall ambitions and key priorities, and guided by the Commission.



# 3. Summary of Key Findings, Messages and Themes to date

Summing up the findings, messages and key themes presented and discussed at the seminars to date reveals a number of ideas that could be carried forward as part of an Oxfordshire Inclusive Economy initiative:

- Strong, consistent support to focus on **Inclusive Economy** (rather than solely growth) where the ambition should be to hard-wire inclusivity into the economy so it delivers economic and social outcomes that benefit all of the community. Economic growth as an end in itself is not enough and we also need to think about investment decisions that support virtuous economic benefits.
- It's critical to structure the inclusive economy within a **system approach** that accounts for both soft and hard infrastructure as well as business environment, financing and institutional capacity. Soft infrastructure includes workforce skills, health, community well-being, etc.; and hard infrastructure includes transport, housing, digital, and other physical assets.
- Words and metrics are important to define clarity of purpose and accountability, but with inequality widening and impacting greater parts of the labour market, it is essential to leverage existing assets and work at pace to focus on **action and implementation**.
- While income inequality has been an issue in Oxford and Oxfordshire for a few decades, the growth in inequality over the past decade has been most pronounced in **housing prices and a lack of affordable housing** for Oxfordshire's workers which has severe implications on where people live, transport and commuter flows, and a fresh awareness of more hidden impacts such as in-work poverty, the growing use of food banks, and increases in health inequality.
- Technological change and the shift towards a service-led knowledge economy is reshaping employment and hollowing out existing occupations while creating new types of jobs. As a result, the middle has been squeezed as growth in finance, technical, management and professional services have increased with fewer opportunities for traditional 'skilled' workers.
- Oxfordshire has **tremendous economic assets and opportunities** to leverage as a strong economy should allow more opportunities to be bold. Of many examples, the University of Oxford which is planning to develop 'innovation districts' to combine their vast number of tech/science spinouts with residential living and provides an opportunity to effectively integrate a new community with existing neighborhoods.

- A growing number of Oxfordshire local authorities, social enterprises, anchor institutions, charities, private companies, and landed estates (Blenheim Palace) are already undertaking substantive actions and policies in support of a more inclusive economy. **Bolder, meaningful collaboration** among these partners working towards a **shared vision and goals** is needed to achieve measurable impact on key metrics such as improved educational performance, higher wages and more affordable housing.
- Critical to the successful implementation of inclusive economy initiatives is the need for **increased local powers and flexibilities** to work at the local/regional level along with devolved funding from central government to test and scale-up promising programmes. New forms of finance from complementary sources, including community crowd sourcing, social impact bonds and the private sector are vital and require innovative design, investment and leadership.

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## Defining Inclusive Growth/Economy

The presentations by experts working in this area nationally and globally also provided language that Oxfordshire can consider for a working definition of inclusive economy:

The Organisation for Economy Cooperation and Development (OECD) defines inclusive growth as "economic growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society."

CLES offers that: "An Inclusive Economy offers a genuine progressive conceptual frame in which greater consideration is given to social benefits that flow from, and feed into, economic activity. The Plymouth Inclusive Growth Group has simplified the definitional language to be: "Growing prosperity that reduces inequality and is sustainable."

These policy debates pointed us to start with this Plymouth definition as it concisely emphasises the ideas of increasing overall prosperity, ensuring all residents partake in increased prosperity, and that policies and initiatives are driven to find lasting (sustainable) solutions.

# 4. Potential Priority Areas for Inclusive Economy Agenda in Oxfordshire

Areas for further exploration which could help define the goals and tactics for an Oxfordshire Inclusive Economy agenda include:

**Increasing local spend and enhancing local businesses through procurement** – learning from the experiences of other UK cities, Oxfordshire can look to boost local spend and economic capture through procurement strategies of anchor institutions such as local authorities, universities and colleges, the health sector and major local businesses. The benefits of this will be to add to the sustainability of local businesses and foster opportunities for local business set up, who often employ local residents. This could include: a) initiatives to boost the capacity of local small and medium sized businesses to be competitive suppliers; and b) creating more clarity on priority criteria to generate social value.

**Place-based programmes / investment to targeted areas (e.g. high deprivation)** – there is an acknowledged reality that deprivation and inequality of opportunity is concentrated in particular areas of Oxfordshire, and that place-based programmes and investment that combine hard and soft infrastructure can be shaped to retain more economic benefits locally. These benefits can include enhancing the skills of local residents, creating pathways for work, and opportunities in new businesses. For example, this can follow current neighbourhood initiatives to include a business support function to start-up businesses, investment in community facilities, enhanced skills training, alongside the emerging community and education impact zones.



**More targeted investment in better educational attainment, skills-based training, and access to jobs in the new economy** – talent development and the ability to empower local residents to gain the skills needed to compete and access new forms of employment are critical to opening up opportunities. Support at every stage of learning, including early education interventions, with an effective pathway into employment requires a more dynamic skills and education system with more engaged business leadership. There is a challenge to develop awareness of opportunities in new sectors for young people – whether that be technology or services. This should consider targeted initiatives to help people excluded from the workforce to overcome barriers to jobs.

**Linking social/community outcomes and benefits as part of infrastructure investments** – Extensive investment of circa £700m is planned in Oxfordshire's infrastructure which will improve connectivity between local communities and economic opportunities. An example is the Cowley Branch line as a potential infrastructure project that must ensure that new rail services will benefit existing local residents and not lead to gentrification. This will require explicit goals, metrics and commitments to achieve benefits for the community and existing residents beyond infrastructure delivery.

**Enhancing access to affordable commercial property and workspace** – helping to incubate and grow local start-up businesses (including social enterprises) requires having access to affordable workspace. This could be pursued through 'meanwhile use' programmes, leveraging public sector ownership of land and buildings, partnering with anchor institutions that own substantial property, and other initiatives.

**Addressing housing affordability in innovative communities** – with the combination of housing growth, infrastructure delivery, and institutional partnership, there should be opportunities to use innovation and experimentation to try new models for housing that more quickly and directly address affordability, including potential housing discounts, and new forms of ownership.

**Encourage more socially and environmentally responsible businesses** – while this work is underway, more can be done to increase the number of socially and environmentally responsible businesses through Corporate Social Responsibility (CSR), best practices, alternative forms of ownership, etc. This initiative could be linked to procurement to give priority status on spending decisions to suppliers that earn recognition for socially responsible actions (e.g. paying all employees a living wage).

# 5. Economic impact of COVID-19 and implications for inclusive economy

When the Oxfordshire inclusive economy initiative started in summer 2019, and the four seminars were conducted between October 2019 and January 2020, COVID-19 was effectively unknown and the global health pandemic it caused was unforeseen. As this report was being compiled, designed, and reviewed, it became clear that COVID-19 would have a major impact on both the health and economic well-being of our residents. While the work of the City Council and its partners focused on crisis support and delivery of critical services, we have also developed and started implementing economic recovery plans throughout Oxfordshire.

Central to our collective economic recovery planning work is a recognition that the priorities and inclusive economy work that we started to outline in this report is as important, if not more so, than ever before. Thus, the core issues, opportunities and actions developed through the seminars and various other stakeholder meetings is still fully relevant. And the need to establish an Inclusive Economy Commission to drive and guide this work is fully recognized by all participants. As an example at the district level, Oxford City Council has embraced inclusive economy as one of four corporate priorities and is establishing an Inclusive Economy Programme Board to implement and monitor progress across Council service areas.

## Economic Context

The health and economic impacts of COVID-19 are, and will continue to be, profound. It will affect the livelihoods and jobs of thousands of local people in Oxfordshire. For example, the RSA recently estimated that 22,000 jobs are at risk in Oxford (18% of the total) with other researchers suggesting unemployment rates over 10% nationally. Evidence and early data research points to the COVID-19 pandemic having the largest impact on the people who were already economically deprived before this new crisis. This means that for a city like Oxford, with one of the highest levels of income inequality in England, the effects are likely to be geographically concentrated in lower income communities with higher pre-existing levels of deprivation. This also means effects will be larger for many less-skilled workers (not able to safely remote work from home) and BAME groups employed disproportionately in lower paid sectors. Further, the killing of George Floyd in the United States and the subsequent global protests against structural racism further highlight the urgency to work harder to create a more equal society, and generate greater opportunities for all.

These more recent impacts and events increase the importance of implementing inclusive economy initiatives, with particular emphasis on:

## Increased community participation in setting inclusive economy priorities and actions

Consistent with findings from the fourth seminar on advancing inclusive economy priorities, there is a growing awareness that for this to be successful, we need much greater participation and leadership from a wider-range of community leaders and representatives. In short, early work of the Inclusive Economy Commission and City Council must include proactive methods of engaging a wider set of residents and community stakeholders, which can leverage existing community service area efforts by Districts as well as social enterprises, educators, and community services in local areas.

## Helping people get back to work

Substantial numbers of workers have already been furloughed and many will lose their jobs permanently. Some promising regional initiatives to help redeploy workers who lost their job into a position with near-term opportunity (e.g. grocery stores/delivery) likely will need to be scaled-up to mitigate against the negative effects of long-term unemployment. But, much more will be needed, such as upskilling, increased apprenticeships, and the idea of partnering with industry to tailor fast-paced training programs to meet their upcoming hiring needs. And it is critical that effective community employment plans (CEPs) are put in place for major construction projects to retain local jobs for local residents. In OxLEP's Oxfordshire Investment Plan the People Pillar outlines a need to create a 'responsive skills system which can provide the talent which businesses need to thrive and grow' which is critical to recovery. The People pillar is structured around the Oxfordshire 'Social Contract', an innovative programme (with relevance for other areas of the UK) anchored in inclusive growth and levelling-up economic opportunities across the County.

## Place-Based Inclusive Economy / Neighbourhood Regeneration

We think that addressing income inequalities and geographically concentrated COVID-19 impacts will need to take on a stronger place-based emphasis, with targeted community-level interventions around skills training and small business support (for example), as the economic impacts are generally being felt most acutely in lower income neighbourhoods. Initial ideas currently being piloted and explored include:

- Establishing Town Teams to develop community-led recovery plans for specific areas.
- Scoping out the potential for empty (or soon to be empty) estate shops to be used for community-led activities/businesses and social enterprises.
- Working with Activate Learning, OxLEP, Aspire etc. to explore the use of community centres for renewed focus as places of skills training, job redeployment, and enterprise support, with particular emphasis on supporting younger people and those on furlough or made redundant.
- Seeking community wealth building and ownership as part of current and future regeneration and development projects.

## How Inclusive Economy informed Oxford City Council's COVID 19 recovery planning:

Like many areas, the city council put in place a phased recovery plan to support its residents and businesses through the COVID crisis. Some examples below highlight the clear policy steer playing out in practice at each phase, Response, Restart, Recover & Rebuild.

### Response

The City Council has distributed £27m in business grants through COVID 19 support for rate payers. Where BEIS Discretionary grant funds allowed some local freedoms, these were used to support businesses that demonstrate they pay the Real Living Wage or Oxford Living Wage, or that they can demonstrate positive social and environmental impacts. £1.419m was provided to 200 local businesses using these approaches. Social enterprises and other similar socially focussed businesses such as cycle repair co-op Broken Spoke were among many others that received a £5,000 grant as a result.

Another example of inclusive economy approaches was Oxford Direct Services' (ODS) work to support the work of the Locality Response Hubs including the delivery of food and prescription drugs to vulnerable households. The subsidiary company delivers on the Oxford Model of attracting trading income to deliver services on behalf of Oxford residents. During the pandemic, this is just one example where ODS took the role on directly by providing the service.

### Restart

Getting people back to work will be a key aim through the restart and recovery phases. Oxford City Council is working with local social enterprise Aspire to build a network of advisors to work directly in our localities and Locality Hubs, to build a larger network of volunteer advisors to signpost people to the best training, employment and other pre-work support available, where they are affected by redundancy or unemployment. This seven month pilot will then be mainstreamed if demand is there and proved successful.

Through the restart and now recovery phases, our new Procurement Policy, agreed Despite post COVID financial pressures, the City Council also moved ahead with a one year Procurement Strategy. Its focus is on ethical and sustainable procurement, equality and diversity, and Social Value with an implicit commitment to work with social enterprises and co-ops within this.

This policy was recently demonstrated in practice with the council using RAW Workshop, a social enterprise employing local people overcoming disadvantage to provide sustainable wood planters to free up outside dining space.

### Recover

There is, even in Oxford, a likelihood of increased retail vacancies as well as upheaval in the wider commercial property market. With a mind to this, the City Council has secured government funding (subject to due diligence) through OxLEP funding to provide small capital pots to fit out over 112 vacant units for meanwhile uses. The aim will be to provide new opportunities for enterprises typically locked out of commercial property in the past and tie this with new employment programmes such as the government's Kick Start to Work programme. Socially focused enterprises will benefit. Living Wage paying will be encouraged for those that benefit.

The City Council is also working alongside commercial tenants to support long-term sustainability of their businesses as we face shared challenges of recovery from the economic shock of COVID 19.

### Rebuild

This is of course just the start. Oxford City Council and a range of partners are now set to establish an Inclusive Economy Commission to address the long-term challenges through best practice and concerted partner action, alongside communities. Initiatives will include social value focused procurement, place-based programmes of investment to reduce deprivation, targeted skills and infrastructure investments, and provision of affordable housing and workspace. It will also align with broader policies such as 'Early years' education initiatives, growing apprenticeship opportunities and regional investments across the Oxford-Cambridge ARC. Alongside this, the city's new economic strategy will be launched to focus on this rebuilding through triple bottom line objectives

# 6. Next Steps to Advance Inclusive Economy Initiative

To advance Oxfordshire's inclusive economy work agenda, OSP and OxLEP plan to engage in a number of action-oriented work packages in 2021. This is likely to include:

- Working with the City and County Council and a wide-range of partners to form an *Inclusive Economy Commission* or group to clarify purpose, scope and help carry work forward.
- To establish the Commission, we will profile similar efforts in other parts of the UK and internationally, reflecting the unique characteristics which define Oxford and Oxfordshire as a globally recognised hub for innovation and learning.
- Supporting the initial work of the Inclusive Economy Commission and help engage with partners to develop more specific initiatives, pilot projects and policies to start implementing inclusive economy priorities.
- Initiating a task and finish group (or similar) on local procurement spending and social value with anchor institutions.
- Working with partners to undertake community engagement to bring more voices and perspectives into this initiative.



This Report was written by Oxford City Council Officers

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