

Institution: Leeds Beckett University		
Unit of Assessment: Business and Management		
Title of case study: Anchors away: Creating an inclusive economy in the Leeds City Region		
Period when the underpinning research was undertaken: 2010-current		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
David Devins Jeff Gold Ian Sanderson	Professor Professor Professor	1991-current 1995-current 1991-2005; 2009-2011; 2011-2014
Period when the claimed impact occurred: 2016-current		
Is this case study continued from a case study submitted in 2014? No		
<p>1. Summary of the impact</p> <p>Anchor institutions make a major contribution to the character of a regional economy. Leeds Business School's (LBS) research is transforming how these organisations operate in the City of Leeds, providing an evidence-based foundation for policy that supports inclusive economic growth, ensuring fairer distribution of income and employment opportunities in the City. Action learning with 12 anchors over a two-year period (2015-17) co-created an innovative framework that is used to assess 'good jobs' in the supply chain and has encouraged organisations to spend more of their procurement budgets locally, with one anchor changing its discretionary spend from 25% to 60% channelled into the local economy. The research has inspired Leeds City Council to establish a permanent anchor network within the city, informed its City Region Inclusive Growth Strategy and informed policy approaches taken by the West Yorkshire Combined Authority and beyond (i.e. Wales and Key Cities Networks). During 2020, the research contributed to regional planning for sustainable, post-pandemic recovery.</p>		
<p>2. Underpinning research</p> <p>Despite being one of the wealthiest nations in the world, more than one in five people experience poverty in the UK (Social Metrics Commission). One policy response has seen the emergence of anchor institutions (anchors) as a means of addressing the persistent problem of poverty. Anchors – such as local authorities, hospitals and universities, make a major contribution to the character of a local economy through the amount they spend and the number they employ. At a time when public sector reform and greater devolution is creating space for these organisations to contribute to inclusive economic growth objectives, our research has identified major opportunities to alleviate poverty through innovation, co-production and new forms of collaboration between local organisations within and across sectors.</p> <p>Drawing on more than a decade of applied research associated with devolution and regeneration of deprived communities, Sanderson (R3) called for 'intelligent policy making' which identified the potential that action research and learning can play in supporting local economic development partnerships to improve their effectiveness in dealing with complex problems such as poverty. The research argues for the need to review the ideas that underpin thinking about evidence-based policy making, and move beyond the territory of instrumental rationality to a position founded upon two intellectual pillars: our developing knowledge about complexity and the role that practical knowledge plays in guiding action to address complex social problems.</p> <p>During a similar time-frame, Yeo and Gold (R4) were exploring the role of action learning within the discipline of Human Resource Development (HRD) and conceptualising the process as a type of transformative experience. They argue that linking action learning to HRD can lead to a continuous process of questioning complexity in organisations. Combining and extending these ideas informed the design, development and implementation of an action learning project (commissioned by the Joseph Rowntree Foundation, JRF) to explore the role that anchor institutions play in alleviating the complex problem of poverty in the Leeds City Region (LCR).</p>		

The research engaged twelve anchor organisations over a two year period (2015-17) and sought to encourage innovation in a variety of domains including influencing the money that is spent in the local economy through procurement activity and the provision of 'good jobs' that minimise the risk of in-work poverty. Working together, the anchors participating in the project found that they spent more than £1.4bn a year on procuring goods and services and identified the opportunity to shift just 10% of this spending to suppliers in the LCR which could be worth an additional £168 to £196m to the city region economy (**R1**). They also co-created a unique framework for 'good work' to apply to analysis of employment in their own organisations and in organisations operating in their supply-chains. Anchors then set about seeking to innovate in a variety of ways. This might seem from the outside easier than is the case, as it often takes considerable knowledge, skill, time and perseverance for innovative ideas to take root and become accepted (**R2**).

The selected outputs include a commissioned report (**R1**) 'More jobs, better jobs' partnership between the Joseph Rowntree Foundation, Leeds City Council and the Leeds City Region with findings from a review of practice internationally and action research. **R2** is a paper focused on evidenced based change and was recognised in 2020 for the Human Resource and Development book of the year prize. **R3** focuses on policy making in complex environments and **R4** on action learning methodology and both are published in journals with an ABS 2* ranking.

3. References to the research

- R1** Devins, D., Gold, J., Boak, G., Garvey, R. and Willis, P. (2017) Maximising the impact of anchors in the Leeds City Region <https://www.jrf.org.uk/report/maximising-local-impact-anchor-institutions-case-study-leeds-city-region>
- R2** Devins, D., Watson, A., and Turner, P. (2019) Evidence Based Change in a UK Public Sector Organisation. In Evidence Based Organizational Change and Development. *IGI Global. Winner of the Academy of Human Resource Development. Wayne Pace HRD Book of the Year Award 2020.*
- R3** Sanderson, I (2009) Intelligent Policy Making for a Complex World: Pragmatism, Evidence and Learning, *Political Studies*, **57(4)**, 699-719, <https://doi.org/10.1111/j.1467-9248.2009.00791.x>
- R4** Yeo, R.K. and Gold, J. (2011) The inseparability of action and learning: unravelling Revans' action learning theory for Human Resource Development (HRD), *Human Resource Development International*, **14:5**, 511-526, DOI: [10.1080/13678868.2011.604956](https://doi.org/10.1080/13678868.2011.604956)

4. Details of the impact

The research has directly contributed to Leeds City Council putting in place strategies and practice changes that have progressed the City's vision of creating an inclusive economy, focused on social goals, social justice and environmental sustainability. This has included establishing a permanent Leeds Anchor Network, directing more of the anchor organisations' procurement budgets into the local economy and supporting 'good jobs' within the supply chain. The six local authorities that make up the West Yorkshire Combined Authority have also benefitted from the research findings and it has been used to inform inclusive growth planning by the Welsh Government and the Key Cities Network's engagement with government.

Creating an inclusive economy: first steps

The research findings were a major lever in mobilising support from the anchor organisations within in the City to move towards creating an inclusive local economy. The research enabled the anchors to collectively identify and to take the first steps towards changing their own practices and policies. The Lead Officer for Skills and Employment at Leeds City Council at the time explained how important the findings were in initiating a programme of change:

... there was real interest in the Anchor concept at the Council and in February 2018, I submitted a report to the Council's Leadership Team and the Cabinet on a proposed programme to be taken forward at the Leeds local authority geography with key local partners. The ability to reference independent academic research which identified key levers and quantified the potential impact was invaluable in securing ownership by key strategic leaders. For example, the report estimated that collective action to shift a further 10% of anchor institutions' procurement expenditure to the Leeds City Region would be worth £170-£190m to the local economy every year, supporting local businesses and in turn jobs growth – this headline really helped to secure attention and support (C1a, former Chief Officer Employment and Skills, Leeds City Council).

Recognition that **procurement can be one of the best ways of connecting economic growth to alleviate poverty** emerged during the research. By developing a better understanding of the effects of their organisational spend, participating organisations were able to look to increase their impact on the local economy, establish targets for redirecting spend locally, adapt procurement processes and seek to develop capacity within local supply chains. Representatives of local authority procurement teams in West Yorkshire worked collaboratively during and after the project, sharing information and knowledge, acting as ambassadors for change in their organisations and influencing £150,000,000 procurement spend in the West Yorkshire Combined Authority.

One of the research participants, Leeds City Council, commissioned external consultants to undertake more detailed analysis of their procurement spend (**C2, CLES, 2019**) and shared this with other partners in a newly established 'Leeds anchor network' (see below). The report recommendations called for the City's anchors to ensure their own procurement practices were accessible to a diverse supply chain to open up opportunities, to engage with suppliers to enhance their understanding of social value and to introduce contract monitoring systems to track progress on spend figures and its indirect impact. The research framework has **informed the development of a new procurement strategy (2019-2024)** in Leeds (implemented as a consequence of the **Inclusive Growth Strategy, 2017-18**), setting out improvements to deliver wider social value, including a commitment to paying the real living wage, through procurement. The Council's spend with third parties through procurement and commissioned activity remains close to £800,000,000 per annum and engages over 930 contractors (**C3, Leeds City Council, 2020**). Within one of the university anchors, the procurement team embraced the opportunity to embed sustainability into all procurement activity. The analysis and subsequent actions has seen the university move from about a quarter to almost 60% of discretionary spend in the city, 70% of which is now with small and medium sized businesses, with 20% in the most deprived areas of Leeds. The University now **monitors and reports on this spend and continually improves measurement and reporting on impact.**

Participating organisations also used the co-produced framework for good jobs to review existing employment practices with a particular focus on understanding and meeting the needs and aspirations of the lowest paid. Research outputs realised in the course of the action research project included the identification of almost 50 good practices associated with initiatives to support inclusive growth and alleviate poverty. The sharing of this knowledge amongst participants created a platform to support innovation and provided a foundation for impact in participating organisations. Leeds City Council was particularly proactive in this domain, conducting reviews and developing or refining interventions to **better meet the needs of those at risk of in-work poverty in their workforce (15,000 workers)**. Changes include payment of the real living wage, fringe benefits designed to meet the needs of those at risk of poverty, advice and guidance to support financial inclusion, health and wellbeing initiatives (see **R2**). They extended this work through the West Yorkshire Combined Authority with the sharing of good practice providing a source of inspiration and practical ideas to support change in human resource management and development practices in other local authorities. The Procurement Manager at York Teaching Hospitals Trust adapted the procurement

process to **include the framework for Good Jobs in their tendering process** for local services (£4,500,000) and continues to promote it with peers in other areas of the Yorkshire region.

Establishing the Leeds Anchor Network

The research recommendations highlighted the role that local authorities have to play in catalysing and coordinating collaborative anchor activity, making the most of their convening role and enabling other anchors to contribute to the alleviation of poverty. The action research project provided a foundation for this through learning sets developing practical intelligence associated with procurement and employment and the City Council used this knowledge to embrace the opportunity to facilitate the development of a Leeds Anchors Network (**C4, Leeds City Council, 2018**). Leeds City Council made further investments to develop the approach outlined in the underpinning research to support the implementation of the anchors initiative (**C5, Leeds City Council**).

The Council has convened a group of a dozen large organisations rooted in the city, a network of universities, colleges, health and hospital trusts, and major utilities that acts a pillar of a wider inclusive strategy in the city of Leeds. The aim is to increase the positive impact these organisations have on the City, and in particular to provide more support to those suffering disadvantage (**C6, Leeds City Council Anchors Network**). These anchors employ 1 in 7 of the Leeds workforce, and spend more than £2,000,000,000 every year on goods and services. The Leeds Anchor Network is chaired by the Vice Chancellor of Leeds Beckett and is **encouraging innovation to increase the amount of money circulating in the city economy through targeting local spend and supporting the development of sustainable local supply chains (C7, Leeds in Conversation)**. The Chief Officer, Culture and Economy at Leeds City Council confirmed the centrality of the Anchor network in realising the City Council's vision of economic growth that is fairly distributed across society:

'We see the Leeds Anchors Network as being a fundamental partnership in the city in terms of helping us deliver against our inclusive growth strategy' (C1b, Chief Officer, Culture and Economy, Leeds City Council).

Informing inclusive economy policy discussions beyond Leeds

LBS's research on the use of evidence in policy making and the role that anchor institutions play has been applied more widely. The Corporate Policy Manager at Wakefield Municipal District Council notes the impact of the underpinning research on the Key Cities Network, a network of 24 mid-size cities and urban areas located across the UK. The research has provided the group with evidence that it has used to engage and lobby with ministers at the Ministry for Housing, Communities and Local Government (MHCLG) and Business, Energy and Industrial Strategy (BEIS).

The work on Anchor Institutions in the LCR was highly influential across Key Cities authorities, particularly in supporting the work of the WYCA's Inclusive Growth Group. It provided information and data for engagement and lobbying with government ministers, both at MHCLG and BEIS, around raising the potential and profile of Key Cities members with government and a greater focus on inclusive growth." (C1c, Corporate Policy Manager at Wakefield Municipal District Council)

Professor Devins's work also supported a number of subsequent policy reports prepared by Key Cities. It has shaped thinking and planning with politicians and officers at local and regional level including the issues around the wider inclusive growth agenda and to the development of Local Industrial Strategies.

The **Welsh Government has used the research** to consider the development of a framework to promote shared value and an approach to evaluation that encourages learning and sustainable development (**C8, WCPPP, 2017**). One of the authors (Devins) of the underpinning research has informed further **policy scoping work undertaken by NHS**

England and is acknowledged by the World Health Organisation in a report that brings forward new evidence, practical methods and opportunities to show how the health sector is essential to a stable, functioning economy (**C9, Boyce and Brown, 2019**). More recently the underpinning research and the Leeds Anchors Network are cited in a report highlighting the role of health in driving inclusive, economic growth in a post-pandemic future (**C10, Yhealth4growth, 2020**). Most recently of all, the Dean of LBS, University Head of Procurement, and the Chief Executive of Leeds City Council discussed the impact of the Anchor network/model at [InvestNorth 2021](#), a major new conference attended by the Government Minister for the Northern Powerhouse alongside public and private sector leaders.

5. Sources to corroborate the impact

- C1** Testimonials from the Leeds City Region: **a** former Lead Officer for Skills and Employment at Leeds City Council; **b** Chief Officer, Culture and Economy at Leeds City Council; **c** Corporate Policy Manager, Wakefield Metropolitan District Council [included as PDFs]
- C2** CLES (2019) Progressing Procurement Processes and Practices in Leeds. Report prepared by Centre for Local Economic Strategies [included as PDF]
- C3** Leeds City Council (2020) Report to Infrastructure, Investment and Inclusive Growth Scrutiny Board Date: 8 January 2020. [included as PDF]
- C4** Leeds City Council (2018) Report to Infrastructure, Investment and Inclusive Growth Scrutiny Board Date: 31 October 2018. [included as PDF]
- C5** Leeds City Council, 'The Leeds Anchors Network: A place based approach to inclusive growth' presentation [included as PDF]
- C6** Leeds City Council Anchors Network Website [not suitable for PDF, freely accessible online] <http://www.leedsgrowthstrategy.co.uk/anchor-institutions/>
- C7** Leeds in Conversation (2020) Podcast [not suitable for PDF, freely accessible online] <https://leedsinconversation.podbean.com/e/episode-nine-leeds-anchors-network/>
- C8** WCPP (2017) Achieving Inclusive Growth in Wales. Wales Centre for Public Policy Online [included as PDF]
- C9** Boyce, T. and Brown, C. (2019) Economic and Social impacts and benefits of health systems (p. ix) Copenhagen. World Health Organization. [included as PDF]
- C10** Yhealth4growth (2020) Levelling up Yorkshire and Humber. Health as the new wealth post-Covid (pp.20-23 and 37) Yorkshire and Humber Academic Health Network, NHS Confederation Yorkshire Universities [included as PDF]