

DELIVERING GOOD GROWTH

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AUTHOR: NIGEL WILCOCK, EXECUTIVE DIRECTOR, IED

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Economic growth accompanied
by worsening social outcomes
is not success, it is failure.

Jacinda Adern

Then Prime Minister of New Zealand, 2019

EXECUTIVE SUMMARY

The initiative

The Institute of Economic Development has been considering the concept of good growth for several years. In 2025, it was the overarching theme of our National Conference in Manchester. This document brings together our thoughts, illustrated with case studies from our members, to prompt a wider discussion across the economic development community. This will result in a further refined document.

Introduction

The very phrase 'good growth' can be provocative. Humanity is using nature 1.7 times faster than the planet's biocapacity can regenerate, and finite resources are being depleted. At the same time, the current economic development model has achieved limited success in reducing deprivation.

However, to cease endeavour is not a cause to rally around. There remains much to be done to improve the UK's economy and, with it, the life outcomes of all its communities. It is on this ambition that our good growth approach is based.

What is Good Growth?

Our definition of 'Good Growth' reflects a holistic approach that better captures the outcomes of economic activity. A good growth model must focus on sustainable prosperity that is socially equitable, environmentally responsible, and regionally balanced.

This shift requires integrating six core policy themes:

- ▶ Ensuring equality of opportunity
- ▶ Delivering high-quality public services
- ▶ Improving environmental outcomes
- ▶ Regulating market excesses
- ▶ Cultivating corporate citizenship
- ▶ Actively supporting communities

The central policy theme that requires broader acceptance for these changes to take place is that investment in high-quality services that reach all of our communities can create a virtuous socio-economic spiral.

Delivery through Economic Development

The approach that economic development professionals take can be seen through a lens of demand-side and supply-side initiatives.

Demand-side work has typically focused on supporting start-ups, spin-outs, and existing businesses, as well as attracting inward investment. It can deliver incremental improvement, as evidenced, for example, by the long-term approach at the Advanced Manufacturing Park in South Yorkshire. It can also deliver rapid transformation, as shown by Nissan's investment in Sunderland and the BBC's relocation to Salford. This is rockstar economic development, but many business support programmes have been untargeted and often risk displacing the old for the new. Few are explicitly aligned with the economic strategies of the area in which they are undertaken.

Supply-side economic development delivers the hard yards and can help shape the economy we want to create. The physical supply-side initiatives are easily recognised – unlocking infrastructure, development land and property. These may be costly and require additional capital funding to implement. Also important, and widely recognised, is work on aspects such as skills provision.

There are other, less heralded aspects of supply-side intervention. In addition to physical and human capital, there are intangible, financial, social, and institutional capitals to consider, along with how these can be developed in a local context.

Our work also considers good growth from the perspectives of the communities in which our members work.



The Urban Setting

At a simplistic level, the urban setting might be the ideal delivery environment for good growth. A critical mass of people allows creative and innovative collisions, stimulating new ideas and subsequent investment. The population density provides easier access to services, education and training, environmentally beneficial systems, and employment opportunities.

Over the past two decades, Western economies have seen growth focused on urban centres. At the same time, however, the SimCity simplicity of the model has had to engage with legacy problems. Engrained deprivation, barriers to inclusion, and a complex built environment become the key challenges to address.

Post-Industrial Towns

It has become acceptable to talk about some towns as having lost their original economic purpose as though they are somehow ostracised from the wider economy.

There is a societal and environmental imperative to address problems arising from changing economic fortunes, and in an increasingly digital economy that need not be geographically focused, there is an opportunity to make a difference.

Socially, towns are less transient than cities. In towns, the community ties outlast the original economic purpose. Within each town, the sunk investment in infrastructure, the built environment and services means that these towns must be reinvigorated and the existing sunk investment used effectively. The renaissance of these locations is a national challenge, but allowing failure whilst reinvesting in greenfield sites elsewhere is unacceptable.

Rural Economies

For some, rural economies are out of sight and out of mind; for others, they represent a pastoral idyll of a time long past. They certainly need more attention in the policy arena.

Rural areas are custodians of our natural capital and, to a large extent, the areas that literally feed us. They are also far more diverse than the economic narrative would have us believe, and often home to high-value businesses. In many cases, they offer the tourism and leisure economies that help sustain us.

Recognising this importance can lead to new methods of distributed service provision, different systems-led community energy projects, and solutions to local housing delivery. Rural economies and the rural environment are vitally important to delivering good growth. Their communities are often self-sufficient and resilient, but this must not mean they are overlooked in policy terms.

Supporting Those Most Difficult to Reach

There are communities experiencing different forms of deprivation across every type of geographic setting in the UK.

There is a lazy assumption that the UK offers universal access to public services, but many communities face barriers to entry. Some communities face geographic or digital isolation, while others cannot access services because of financial limitations, such as the cost of transport or the need to work multiple shifts. Educational attainment in some communities is low, and this can be self-reinforcing, as families have limited experience of the opportunities different levels of education can offer.

In other cases, the style of education delivery or the courses offered are unsuitable for the community's needs. In addition, the core skills and working practices of the modern workplace have changed considerably for anyone who has been absent for a while.

The reality is that education, skills and employment programmes have been designed to meet the needs of the majority. Adjustments to address the barriers faced by some communities could deliver significant benefits, reducing worklessness, creating new employment opportunities and, at the same time, driving growth.

Driven by Communities

The reality is that policy and well-intentioned intervention will only get an economy so far. The most sustained local economies are built organically from strong networks and shared values.

Recent policy interventions, such as the Big Local, have sought to stimulate community-led action whilst acknowledging that groups take time to form and deliver, and that the approach is long-term. Perhaps good growth can only be delivered one brick at a

Conclusion

At its heart, good growth is about curbing market excesses, extreme inequalities, and practices that cause environmental damage. The approach takes the view that a better articulated common cause, some redistribution, and the removal of barriers to achievement facing sections of society can lead to a stronger and more sustainable economy.

There is a final essential element in delivery. A re-examination of the social contract. Whilst good growth is mostly about enabling opportunity, the associated requirement is that individuals participate as fully as they are able. If this is not a two-way process, the approach is doomed to fail.

time. Communities may be most motivated when they are empowered to deliver and can then recognise the differences they achieve that affect their everyday lives.

Donating funds to local communities to help deliver their own economic futures is the type of policy initiative which probably keeps the Treasury awake at night, but it seems an approach where space and careful examination are worthwhile.

Skills and Employment

The story ends with people, but perhaps it should have begun there. Good growth can be achieved only with an appropriately skilled, enabled and well-motivated workforce that is fully rewarded for its contribution.

Current education, skills, and employment services have worked for the majority, but the current approach has also perpetuated barriers for many.

Different through-life skills approaches should not be seen as social policy but as fundamental to delivering good growth – creating value for the economy and for those taking part.

“ We cannot build a vital economy by delivering pizzas to one another.

Jim Wright | Author, 2016

In 2024, the Institute of Economic Development (IED) set out its manifesto, **'Grow Local, Grow National'**, which centred on making economic development a statutory function within Local Authorities.

This document also sets out a vision for economic development where greater prominence is given to:

- ▶ Devolution
- ▶ Funding stability and the funding pipeline
- ▶ Net zero
- ▶ Business development and inward investment
- ▶ Labour market and skills activation
- ▶ CPD in the economic development workforce

Many of these individual aims have been addressed by the government, but the central requirement to make economic development a statutory function remains. The IED campaign will continue as we work to secure this goal.

In 2025, the IED National Conference in Manchester focused on Good Growth. Good Growth was initially encapsulated in the United Nations Sustainable Development Goals, adopted in 2015 by all nation-states and championed by many countries, most notably New Zealand.

The IED is now revisiting Good Growth, and Nigel Wilcock, Executive Director, has set out a view of what it means for the UK and different aspects of policy.

The document is intended as a discussion paper for members, and during 2026, we will refine its approach and incorporate additional case studies through work across the membership.

WHAT IS GOOD GROWTH?

“ For economy is not just numbers and charts, but the beating heart of human hearts, a chance for progress, a chance for all, to rise and flourish, standing tall.”

Oscar Auliq-Ice | Economist, Investor, Philanthropist

Introduction

The traditional measure of economic success, Gross Domestic Product (GDP), focuses solely on the total volume of economic activity in a country. This does not emphasise what economic activity achieves and the outcomes for residents, communities or the environment.

A definition of “Good Growth” must reflect a more holistic approach which better reflects the outcomes of economic endeavour. Such a model will focus on sustainable prosperity that is socially equitable, environmentally responsible, and regionally balanced. This shift requires integrating six core policy themes:

- ▶ Ensuring equality of opportunity
- ▶ Delivering high-quality public services
- ▶ Improving environmental outcomes
- ▶ Regulating market excesses
- ▶ Cultivating corporate citizenship
- ▶ Actively supporting communities



Ensuring Equality of Opportunity and Access to Services

The foundation of Good Growth rests on social justice, specifically the comprehensive guarantee of equality of opportunity. This goes beyond the theoretical availability of success and requires removing structural barriers that prevent individuals from fulfilling their potential, regardless of background, geography, or socio-economic status.

Central to this is providing high-quality services for residents. Education, healthcare, and robust social security are not merely welfare costs; they are foundational economic investments. High-quality universal childcare, for instance, boosts workforce participation and improves early-life outcomes, while effective public health provision reduces economic inactivity and enhances national productivity.

Recognising that public provision of services can act as an engine of social mobility, identifying and supporting individuals to better life outcomes will directly benefit the economy. Without equitable access to high-quality services, economic growth will inevitably reinforce existing inequalities, limit opportunities for many, and ultimately undermine the potential for economic development.

This is encapsulated in the argument for improved productivity. A common debate in the UK focuses on how poor productivity is holding back the economy. This is a debate in an economic bubble. Productivity improvements could indeed boost growth, especially if the number of working residents remains the same. The real-world, good-growth debate can also focus on how more people are brought into the labour market and how they can generate economic output. An increase in people in fulfilling work is a better outcome for residents and the economy.

Improving Environmental Outcomes

A non-negotiable condition for “Good Growth” is limiting the environmental impact of economic activity. In reality, this requires a decoupling of economic activity from resource depletion and carbon emissions. The UK’s commitment to achieving Net Zero emissions by 2050 provides the necessary legislative framework, but Good Growth embeds this commitment into every policy decision—from infrastructure investment to trade agreements.

The focus must shift towards greater circularity in the economy, where waste is minimised, resources are kept in use for as long as possible, and consumption is reduced. This green transition offers significant economic growth, driven by innovation in renewable energy, sustainable materials, carbon capture technology, and retrofitting the existing housing stock. Good Growth defines success not by the volume of goods produced, but by the efficiency with which needs are met within resource boundaries. This ensures that prosperity is not borrowed from future generations, but is built on genuine, long-term environmental sustainability.

The returns from growth also need to be reinvested in biodiversity and, where possible, reversing environmental degradation.

From time to time, this approach can seem to be too great a task, but progress has been made. With the next steps focusing on change at a more community level, through, for example, building adaptation, changes to heating, and innovative electrical systems, greater economic benefits can also be achieved locally.

Regulating Market Excesses and Cultivating Corporate Citizenship

Good Growth demands a refinement of free-market economics to curb excesses, ensure that corporations operate as good citizens, and penalise and therefore disincentivise bad practice. The dominant ideology of shareholder primacy—where maximising short-term returns for investors trumps all other concerns—must be replaced by a stakeholder capitalism model. Corporate scandals repeatedly underscore the need for such an approach.

Curbing excesses includes measures to tackle harmful speculative practices, rigorous enforcement of competition law, ensuring market dominance does not restrict agile innovation in the market and legislation to ensure fair employment.

Alongside this approach, encouraging corporate citizenship means embedding Environmental, Social, and Governance (ESG) principles into core business models, not merely as a marketing exercise. Corporations are economic actors embedded within society, and their license to operate depends on their demonstrable contribution to public good—through ethical supply chains, fair labour practices, investment in local skills, and responsible tax behaviour. Good Growth fosters firms that contribute net positive value to their communities and the environment, rather than extracting it.

Overall

Good Growth, therefore, links economic, social, and environmental objectives. It is the pursuit of sustainable prosperity, where a stable climate, equitable opportunity, well-governed markets, and greater local determination are mutually reinforcing. It demands a shift in how success is measured—from passive observation of GDP to active cultivation of these interconnected policy areas. By embedding equality of opportunity and high-quality services as investments, enforcing responsible corporate behaviour, driving a rapid environmental transition, and empowering local economies, the UK can define and achieve a form of growth that improves outcomes.

Actively Supporting Communities

Individuals experience economic performance from an individual and community perspective rather than at a macro-economic level. There is an increasing emphasis in the UK on the need for bottom-up, community-led initiatives that not only deliver growth but also foster a shared sense of purpose. This community-led approach, alongside policies to capture wealth in its broadest sense within a community, has also gained traction. This has become known as Community Wealth Building.

Community Wealth Building is an intentional, systemic approach to local economic development that ensures wealth generated in a place stays in that place, creating resilient, diverse, and locally controlled economies.

This strategy mobilises anchor institutions—large, typically non-mobile public or non-profit organisations like universities, hospitals, and local authorities—to use their vast economic power for local benefit.

Community Wealth Building, alongside broader community-defined economic development initiatives, has the potential to turn around areas suffering socioeconomic decline and rising levels of deprivation in a way that centralised policy initiatives are unlikely to achieve.

DELIVERING GROWTH IN A LOCAL ECONOMY

“Someone is sitting in the shade today because someone planted a tree a long time ago.”

Warren Buffett | US Investor and Philanthropist

Introduction

In 2024, it was estimated that humanity was using nature 1.7 times faster than the planet's biocapacity could regenerate, and that the UK used up its theoretical annual resource allowance in mid-May¹. Under these circumstances, some may argue, with good reason, that the last thing required is growth.

Good Growth is intended to start addressing these issues, and, with the UK economy currently barely growing at all, it is important to consider how growth may be stimulated in a local economy where there is no control over macroeconomic policy levers.

A starting point is to acknowledge that the private sector drives wealth creation. Individual public sector investment can stimulate local demand, and is an important consideration when the economic rationale for a location is in decline. Still, overall economic growth is achieved through business activity.

One helpful way to consider how local growth may be achieved is to separate actions into demand- and supply-side interventions. Demand-side interventions will encourage business investment. The supply-side interventions will ensure that business investment and development are facilitated and that barriers to growth are removed. These are the types of strategic interventions that can facilitate sustainable growth.

¹Earth Overshoot Day forecasts

Demand-side

Demand-side activity in local economies has typically focused on business support to boost start-ups, encourage business growth, and attract inward investment. The basic foundation of these approaches is that economic actors have imperfect knowledge, and, for start-ups or existing businesses, training courses, specialist programmes of activity, or expert advice can propel growth. In the case of inward investment, the approach is generally through promotion, followed by support during the investment process.

In each of these cases, grant support has sometimes been used to incentivise business growth further.

In practice, these programmes of activity have had mixed success. When evaluations of business support programmes such as the European Regional Development Fund (ERDF) and Shared Prosperity Fund (UKSPF) are examined over the long-term it is clear that a large amount of effort has been spent supporting micro-businesses which are focused on the provision of local services. The economic and employment impacts of supporting micro-businesses are generally weak, and in the medium term, providing support to local service providers has no net effect on the economy. There are only so many cups of coffee that the local population can drink or dogs that can be groomed. In other words, a large amount of business support activity is provided in sectors where the displacement effect is close to 100% - support for Café A places economic pressure on Café B.

Where business support programmes are effective, the evidence suggests that the programme is designed for a specific sector, that genuine expertise is offered on the sector's challenges, that an element of peer-to-peer support is included, and that business mentors are available to provide support.



The support offered is most effective when it is provided in a one-to-one setting and lasts over time rather than as a quick burst. It goes without saying that these programmes involve careful design and a high cost in delivery.

The sectors selected at a local level are also important. The Industrial Strategy sets out the eight high-growth industries that the government is now focusing on. Where an area has a genuine strength in these industries, or where local demand in a sector comes from a 'prime' or tier-one business, there is a clear opportunity.

Of course, not all locations have an obvious point of differentiation, but under these circumstances, growth remains possible in a local area – the most successful businesses in a local area are difficult to predict.

Still, they may be supported in their growth aspirations through different initiatives such as export promotion, links into R&D or support in aspects such as productivity improvements, integrating AI or lowering energy consumption.

It is also important to consider that the Industrial Strategy focused on knowledge industries in which the UK has aspirations for further success. At a more mundane level, there are in-built drivers in the UK economy that will require continued investment, and therefore the potential for local growth, in construction, building retrofit and smart systems, logistics, social care and medical devices, amongst others. Consideration of how these industries may grow in the local economy and what supply-side initiatives may be required will be necessary.

Supply-side

Given that it is the business that decides when to invest, irrespective of the cheerleaders on the public sector benches, it is perhaps the supply side where economic development can make its most direct intervention.

The most appropriate supply-side initiatives will need to be determined at a local level, often in consultation with the businesses in a local area – and it is the importance of this type of business engagement which is frequently underplayed when business support programmes are being considered.

The physical supply side initiatives are easily recognised – infrastructure, development land and property. These may be costly and require additional capital funding to implement. Also important, and widely recognised, is the work on aspects such as skills provision.

There are other, less heralded aspects of supply-side intervention; to better define and determine them, it is helpful to return to the six capitals set out in the Levelling-Up White Paper. In addition to physical and human capital, there is intangible, financial, social, and institutional capital to consider.

Using these headings as a guide, economic development might consider technology transfer partners and mechanisms as examples of addressing intangible capital. Work on the financial supply side might set out routes to different types of business finance. Social capital might link initiatives to reach those furthest from the labour market with employers willing to take on and support new cohorts of employees. Addressing aspects of institutional capital, consider how public sector policies are communicated to local businesses to highlight future opportunities and ensure local preparedness.

Conclusion

Local growth and competitiveness can be achieved irrespective of the macroeconomic situation through locally based initiatives. Unlike the national-level growth ambition, local-level growth can be stimulated through collaboration with the public sector. Genuine wealth creation, however, is delivered by private investment.

Business support activities are a common approach to stimulating private investment and local economic growth, though their impact has been variable. It is essential, however, to recognise that business engagement can also inform the supply-side interventions appropriate for a local economy, and it is this element of business engagement which is often underplayed.

Supply-side interventions are not solely required in the provision of physical infrastructure and skills – there are a number of more nuanced mechanisms that the public sector can support to unlock a supportive environment for growth.



DELIVERY IN AN URBAN SETTING

Introduction

Economic growth within the UK in recent decades has focused on cities. As the economy has shifted toward an ever-increasing focus on service industries, locations with greater access to people have gained prominence. The interactions between organisations in our cities have generated economies of agglomeration. At the same time, improvements in city-centre housing and the concentration of leisure activities have increased cities' appeal as places to live.

The concentration of economic activity in UK cities, while a source of regional disparity, offers systemic advantages in delivering environmental and equitable progress that are difficult to replicate in less dense settlements. In short, cities can be engines of Good Growth.

“ Cities and city leaders are stepping up when nation states fail.”

Jan Vapaavuori | Mayor of Helsinki, Finland, UN Social Development Goals Summit 2018

Environmental

Cities can provide an efficient approach to delivering environmental programmes due to their density and critical mass of users, enabling far more cost-effective deployment of green infrastructure and behavioural change initiatives. The impact of expenditure on solutions is also likely to be greater, given the potential scale of the deployment.

Clearly, impacts do not occur without intervention and potential areas of work are outlined below.

The most significant environmental advantage is the inherent efficiency of urban transport. High-density living shortens trip distances, making walking, cycling, and public transport viable transport alternatives to cars. The large, concentrated user base also makes heavy-capacity, low-carbon public transport systems, such as underground systems or trams, economically viable.

The compact nature of cities can also drive greater efficiency in energy and resource use. High-density construction makes it feasible to develop District Heating Networks (DHNs), whilst cities can maximise the use of shared infrastructure. In addition, the concentration of commercial and industrial activity in cities creates unique opportunities for a circular economy.

Of course, an urban environment is not automatically a pleasant, safe or healthy place to live. To combat this, cities are pioneering the use of Green and Blue Infrastructure (GBI) to alleviate environmental and health issues. Urban green spaces can reduce heat, address flooding risk, and filter air pollution. Effective incorporation of GBI can also support biodiversity, improving air quality, and offering accessible spaces for recreation.

Opportunities in Equality

From an equality perspective, cities can leverage their concentration to provide services and economic opportunities that address deprivation and enhance social mobility. The core of the “Good Growth” model in cities lies in the agglomeration economies that create dense, highly productive labour markets. The challenge remains in ensuring that residents have equal access to the opportunities presented by high-quality education, training, and affordable housing.

A large, concentrated pool of skilled and unskilled workers allows for better matching of employees to high-productivity, high-wage firms, facilitating greater specialisation and innovation. While nominal wages are higher, the high cost of housing means that real wages for lower-income workers may not be significantly better than in towns. Still, the sheer volume and diversity of job opportunities can provide pathways for social mobility and resilience against sector-specific shocks.

The concentration of people and the confluence of transport routes can help ensure that no one is left behind in accessing opportunities to develop different types of skills and experiences. The reality is that proactive education, skills and employment programmes are required to ensure that no communities or individuals are left behind. There is also a risk that housing costs push lower-income residents farther from those opportunities that could support them. If public service delivery does not achieve rapid, concentrated community change, previous resentment can build, and aspirations are thwarted.

The reality, therefore, is that despite the opportunities, significant levels of deprivation persist in the UK's cities and targeted interventions are required to break the cycle.

Overall

In theory, therefore, cities are the settings where Good Growth can be achieved most effectively. In reality, ageing building stock and infrastructure, the complexity of systems in long-established cities, the cost of housing and the long-standing deprivation in some areas make practical delivery difficult. In addition, whilst the unit costs of delivering services may be lower, the sheer scale of intervention required in large city areas makes effective delivery expensive.

Social and Health Services

Population concentration can enable the efficient and specialised delivery of essential social services. Critical mass enables the centralisation of highly specialised healthcare and social care services (e.g., teaching hospitals, mental health crisis centres) that require large patient volumes to be sustainable.

Advancements in healthcare are leading to the emergence of specialised centres. Given the sophistication of the treatments involved, the specialist training required of physicians, and the cost of some equipment, this is inevitable. Nevertheless, there remains some resistance in the UK to this approach, with patient groups citing a ‘postcode lottery’ to treatment and large-scale protests if some services are removed from localised healthcare settings.

Cultural and Social Infrastructure

Cities offer an unparalleled density of cultural, social, and leisure provision. Proximity to restaurants, theatres, museums, music venues, other leisure activities and specialist retail has become an attractor for many, acting as a magnet for skilled workers and tourists, reinforcing the agglomeration cycle.

Another often overlooked benefit for diverse populations is that cities offer a greater chance of finding community, reducing isolation, and accessing a broader range of tailored support services.

CHALLENGE OF POST-INDUSTRIAL TOWNS

“ People in small towns, much more than in cities, share a destiny.”
Richard Russo | US Writer, Screenwriter, and Teacher



Introduction

Good Growth cannot shy away from the struggles of post-industrial towns. The tides of economic fortune deeply impact communities, and individuals are not infinitely mobile. There is also a need to utilise the state's sunk investment evenly to avoid resource waste. This is the economic basis for a 'levelling up' agenda.

Clearly, reversing structural decline from a change in the dominant sector's fortunes requires a multi-faceted approach. Contributing to national "Good Growth" initiatives must be place-based and focus on local strengths rather than simply replicating the city model.

Place-Based Economic and Industrial Strategy

The most vital step is addressing any further risk of decline and moving towards building local economic resilience through diversified sectors. This is likely to require government support and prioritisation in the short term to achieve a defined structure of economic resilience. Much is often made of identifying 'unique' strengths, but in reality, not all areas have one. A defined strength in growing sectors can be built upon.

Any strategy is likely to involve harnessing anchor Institutions and local businesses, as well as launching initiatives to develop local skills. Care is needed to avoid falling into the trap of supporting companies which result in almost 100% displacement of employment. A town, especially one in decline, has a limited capacity to support personal service businesses, retailers, or hospitality providers. The market can determine which of these businesses will survive.

Business support can facilitate introductions into new skills providers, new supply chains, export markets and product or process development initiatives. Growth can be supported by ensuring that skills match the needs of these businesses, that employment land and property are readily available, and that business owners are aware of different options for securing growth funding.

Environmental Initiatives

Towns can drive a specific form of environmental Good Growth focused on resourcefulness, regeneration, and sustainable connectivity. Post-industrial towns often have large, contaminated brownfield sites or legacy building stock from former industrial activity, which could be redeveloped. This redevelopment involves a cost premium, but where this is achieved, greenfield sites can remain undisturbed.

The economic and environmental benefits of bringing investment into already developed communities, complete with existing physical and social infrastructure, despite the apparent high initial cost, are an underexplored area of economic development.

Improving Connectivity and 'Pride in Place'

Addressing the physical and social isolation of many left-behind towns is crucial for both equality and growth. Economic degradation frequently results in under-investment in the upkeep of the public realm, the repurposing of historic assets that were once central to the town's fabric, and the maintenance of public transport links as demand falls.

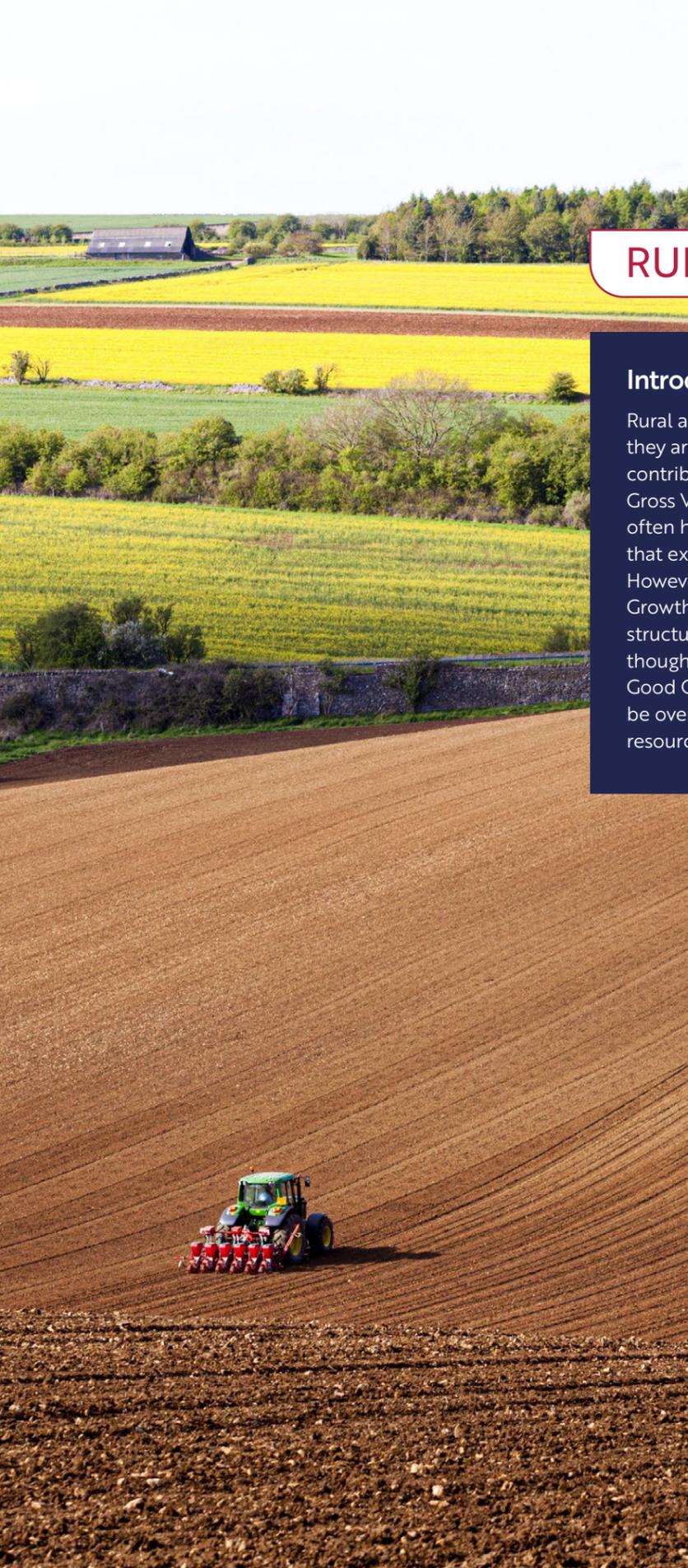
The creation of a plan to maintain the core physical and transport assets is fundamental to economic turnaround. Enabling public, community, or private investment in core activities or buildings, including historic assets, can often help maintain the distinctiveness of place, and it is from this that a renaissance can sometimes be achieved.

Conclusion

There is no silver bullet to address the decline in areas where the original economic purpose has been eroded. Long, patient and prioritised work is needed to reinvigorate the six capitals of physical, human, intangible, financial, social, and institutional capital at a place level.

Good Growth, however, highlights that it is undoubtedly better to focus on reinvigorating these places and building on their physical and social capital rather than allowing one community to fall apart, whilst at the same time enabling growth in those locations currently favoured by the economic environment, but which will lead to further environmental degradation.

Good Growth in the UK needs to be better spatially distributed to take advantage of existing development and avoid further damage to the environment.



RURAL ECONOMIES

Introduction

Rural areas are not merely pastoral landscapes; they are a diverse mosaic of enterprise, contributing an estimated 15.8% of England's Gross Value Added (GVA) and supporting vibrant, often highly innovative, business ecosystems that extend far beyond traditional farming. However, their potential for driving national Good Growth is currently constrained by deep-seated structural and spatial challenges. Rural economies, though not uniform, present opportunities for Good Growth in the UK but challenges must be overcome to unlock this extensive national resource fully.

“Poverty is considered quaint in the rural areas because it comes thatched.”

John Gummer | Former UK Politician

The Green Economy and Net Zero Leadership

The most transformative opportunity lies in the rural economy's capacity to serve as the central plank of the UK's transition to Net Zero. Rural land and coastal waters are the physical sites for the bulk of renewable energy generation, which is central to a sustainable economy.

Rural areas, particularly those in Scotland, Wales, and rural English regions from Cornwall to Northumberland, hold significant assets in onshore and offshore wind, solar, and emerging technologies like geothermal energy. The development of battery storage schemes and decentralised energy networks on agricultural and estate land is creating new, high-value income streams for land owners. It can lead to a more resilient, locally-owned energy supply, which can become a key plank of economic security.

Innovation in agri-tech and biotechnology—such as precision farming and sustainable food production provides further opportunities for rural areas. It is vital for securing a resilient national food system and meeting climate targets.

The shift in agricultural policy, replacing direct subsidies with schemes that pay to deliver benefits such as the Environmental Land Management Schemes, creates new markets for natural capital. Farmers and land managers can generate income from carbon sequestration (through tree planting and peatland restoration), biodiversity net gain, and flood management. This directly links economic activity to environmental stewardship, embodying the “sustainable” dimension of Good Growth.

At the same time, however, there is a need to ensure that this does not undermine national food production, which is part of a national security focus.

Diversification, Entrepreneurialism, and the Knowledge Economy

The stereotype of the rural economy as solely agricultural is outdated. Rural areas possess a surprisingly high density of businesses, predominantly micro and Small and Medium-sized Enterprises (SMEs), which are crucial for local resilience and innovation.

The UK's food and drink manufacturing sector is closely linked to rural supply chains. Farm diversification into areas like renewable energy, leisure, and bespoke food processing adds significant value. This fosters shorter, more resilient supply chains, a clear social value metric in the Good Growth framework.

Improved digital connectivity (where it exists) has facilitated a surge in home-working and micro-enterprises in the added-value service sector, such as IT, design, and professional services. These knowledge-intensive businesses bring higher-value employment and a younger demographic to rural communities, diversifying the labour market and creating career pathways that can challenge the brain-drain narrative.

Social Value and Local Resilience: Rural enterprises, particularly SMEs, are often more deeply embedded in their local communities than larger, multinational firms. They frequently use more local suppliers, employ local staff, and support local services. This focus on social value, a core Good Growth principle, ensures that wealth generated is circulated within the regional economy, creating a more substantial multiplier effect.

Sustainable Tourism and Heritage

Tourism in rural areas, already a sector worth over £29 billion annually and a significant employer, offers further potential for sustainable growth by maximising the appeal of natural and cultural capital.

Shifting the focus from high-volume to high-value, sustainable tourism (eco-tourism, food trails, wellness retreats) can increase revenue while minimising any negative environmental impact. Investing in the quality of the visitor economy strengthens the distinctiveness of rural places and supports local infrastructure.

Rural areas can also leverage their landscapes to contribute to the “Health” and “Well-being” components of Good Growth. Access to nature for physical and mental health is an invaluable public good. Investing in footpaths, cycle networks, and accessible green spaces supports community well-being and, by extension, a more engaged and productive workforce.

Specific Challenges Constraining Rural Good Growth

Despite these enormous opportunities and the fact that Good Growth is rooted in rural communities, the path to Good Growth is littered with structural impediments that exacerbate regional inequality and prevent the full realisation of their potential. A dispersed, low-density population primarily causes these challenges.

Spatial inequality in infrastructure remains the single most significant barrier to rural productivity and quality of life, with gaps in broadband and mobile connectivity, a greater reliance on private vehicles, and the decline or absence of local public transport services. This leads to higher transport costs and reduced labour market mobility, creating barriers for lower-income households and young people in accessing jobs, education, and centralised services such as hospitals.

A core element of Good Growth is providing a healthy, secure standard of living, yet the rural housing market is fundamentally broken for many residents and businesses. Rural housing is facing an acute affordability crisis with a disconnect between high property values (driven by amenity migration and second homes) and low average rural wages.

Rural businesses cite the resultant lack of affordable, key-worker housing as a top constraint on their growth. Seasonal workers, care staff, teachers, and agricultural labourers cannot afford to live in the

communities they serve, leading to chronic staff shortages and increased business operating costs, thereby suppressing productivity and innovation.

Everyday life in rural communities is becoming increasingly difficult. The structure of the rural economy, coupled with declining local services, creates vulnerability. Rural households and businesses face structural disadvantage in utility costs. With around 25% of rural homes off the mains gas grid, residents are reliant on more expensive fuel sources like oil and LPG. This, combined with the higher costs of maintaining older, less energy-efficient properties, intensifies the cost-of-living crisis and impacts the profitability of rural enterprises.

The declining availability and accessibility of local essential services force residents to travel long distances, increasing costs and reducing the quality of life. This decline hits vulnerable populations hardest and undermines the very social cohesion that defines Good Growth.

The issue is often misunderstood by policymakers with a persistent problem of rural statistics “masked” within broader regional data sets, meaning the specific vulnerabilities and needs of deeply rural areas are frequently overlooked by national policy and funding mechanisms. This lack of tailored, granular policy leads to generic interventions that fail to address the unique constraints of dispersed rural markets.

Conclusion

The UK cannot achieve Good Growth without fundamentally changing its approach to rural economies. These areas are not just custodians of the national environment; they are dynamic, entrepreneurial ecosystems uniquely positioned to lead the shift to Net Zero.

The opportunity is clear: to leverage rural natural capital, support its high density of innovative SMEs, and capitalise on the growing demand for sustainable, high-quality local products and experiences.

However, realising this potential requires a prioritised approach to ensuring uniform access to digital infrastructure, enabling the workforce to remain in place by tackling the housing crisis and by delivering skills training in a decentralised manner.

SUPPORTING THOSE MOST DIFFICULT TO REACH

“The disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect persons of poor and mean condition, is the great and most universal cause of the corruption of our moral sentiments.”

Adam Smith | Economist

Introduction

The persistent challenges faced by the most deprived communities are distance from opportunity, limited educational attainment, a lack of experience in the modern workforce, and limited financial means. This results in intergenerational challenges in terms of employment, housing, and health, and the associated spiral has meant that many of the neighbourhoods ranked as the most deprived in 2025 were the same communities ranked in the same position in the Indices of Multiple Deprivation when they were first published 25 years ago.

Clearly, to address these issues, a holistic strategy is required. This strategy must move beyond traditional economic aid to focus on empowerment, asset-building, and systemic change.

The ambition for Good Growth provides the essential framework for this, redefining success not just by economic output (GDP) but by how broadly prosperity, opportunity, and well-being are shared across all people and places.

Defining the Challenge

The challenges outlined are interconnected and represent systemic barriers that are self-reinforcing:

- ▶ **Education and training.** With limited experience of the opportunities that different education can bring, and an education system that is focused on certain types of qualifications and learning styles, limited educational attainment from an early age onwards is perhaps the most significant hurdle in addressing deprivation. This is covered by a separate chapter (Chapter 10).
- ▶ **Lack of Social and Cultural Capital.** Without direct experience of the modern workplace, residents lack the networks, mentors and awareness of those aspects such as interview skills, workplace norms, teamwork, different communication styles, and commonplace IT literacy needed to access and retain jobs.
- ▶ **Geographical and Digital Distance.** Physical remoteness from support services to help access employment (including Job Centre Plus), training institutions, and transport infrastructure, compounded by a lack of reliable, affordable broadband, creates a literal and figurative barrier to the modern, digital-first economy.
- ▶ **Financial Limitations.** Low income restricts access to essential enablers of opportunity, such as childcare, reliable transport, educational materials, and the ability to take on training that doesn't offer immediate pay. Reliance on reasonably well-paid but insecure work is frequently a barrier to switching into an initially lower-paid work which could provide a more secure and rewarding opportunity over the longer term.

Addressing these issues requires a place-based, community-led approach that builds both the capacity of the people and the place itself.



Building Human and Social Capital

The goal is not just to provide training, but to provide relevant, supported pathways into good, sustainable jobs. Training and skills development are considered in detail later in this document, but there are some general initiatives which can support Good Growth in this area.

The creation of 'good work' training partnerships can enable the development of bespoke, sector-specific training and apprenticeship programmes, generally designed with local employers who need future recruitment and who commit to offering fair pay, full employment contracts, and the opportunity for progression. There are benefits for potential employees, the organisations involved, and the local economy when such schemes focus on relatively future-proofed sectors such as construction, building retrofitting, green energy, digital services, and social care.

In addition to good work training partnerships, opportunities may arise to offer Intermediate Labour Market (ILM) Schemes. Under this model, temporary roles are identified with participating programme organisations and qualifying individuals are offered these paid roles with the expectation that individuals gain recent, relevant work experience and a reference, serving as a stepping stone to permanent employment.

A different approach, particularly effective in working with public sector bodies or the Voluntary, Community and Social Enterprise (VCSE) sector, is to develop Asset-Based Community Development (ABCD) models. This approach shifts the focus from community needs. It recognises that different aspects of local delivery are points of differentiation and represent community assets which are transferable to neighbouring areas. By mapping existing skills, talents, and social networks within the area, training can be designed to build on these inherent strengths, fostering a sense of ownership and self-reliance, and creating a community opportunity that engages new workforce participants.

An intensive approach to supporting families in the most challenging circumstances is to provide appropriate integrated life and job coaching. Under this approach, skills training is paired with comprehensive support, including mentorship from individuals who have faced similar challenges, mental health services, and coaching on soft skills, financial literacy, and career navigation. This directly addresses the 'inexperience' barrier.

Bridging the Digital and Geographic Divide

To overcome the barrier of distance, a focus on connectivity and decentralised access is paramount. By only providing services, including skills and employment services, in a central location, the most deprived members of the community are frequently excluded.

Various delivery models have been developed in an attempt to overcome these difficulties:

- ▶ Where the provision of services in multiple remote locations is prohibitive, there is the alternative solution of funding "hub-and-spoke" transport solutions where flexible, on-demand transport services such as community minibuses or ride-share programmes connect residents to industrial estates, college campuses, and employment centres outside their immediate neighbourhood, filling the gap left by fixed and diminishing public transport.
- ▶ Enable the provision of "Hyper-Local" Remote Work Infrastructure to allow residents to secure remote roles. This can involve providing high-speed connectivity to community hubs and/or encouraging organisations to provide the necessary equipment and digital connectivity to workers in remote communities, effectively bringing the job to the person.
- ▶ Establish high-speed, free-access digital and co-working centres within the community (e.g., in libraries, community centres). These hubs can offer digital literacy training, remote work setups, and access to online job portals and remote learning.
- ▶ Some locations have been able to provide subsidised mobile connectivity by working with telecoms companies to offer subsidised or free home broadband and device access to low-income households, treating digital access as essential infrastructure for participation in the economy.

Where these services work well, the actual cost to the public sector agency may be low, with residents only needing support at the outset and with employment opportunities reducing their need for the full cost of provision.

Increasing Financial Inclusion and Local Wealth

Work on financial inclusion has increasingly recognised that overcoming income limitations requires initial direct financial support, followed by a focus on generating wealth within the community. Schemes which have addressed these issues have included the following:

- ▶ The provision of temporary, targeted financial support (either through cash, payment to meet requirements or loans) to cover the actual costs of accessing new career opportunities. These costs might include childcare, work clothes, tools, and lost wages while a person is in training or the initial weeks of employment. This mitigates the risk of poverty-driven drop-out. Innovative approaches to the provision of such finance, where there is a genuine opportunity for the individual, may, in reality, be lower than the cost of equivalent benefits or tax credits, especially in the long run.
- ▶ Various schemes have established local, micro-finance funds that provide small, patient capital loans and grants to new businesses started by residents. These schemes can prioritise local companies that create local jobs and address local needs.
- ▶ Different mechanisms have been established that channel a portion of profits from local regeneration or energy projects into a fund for community-determined investments. Similar to section 106 contributions or a Community Infrastructure Levy, the scheme can become a long-term investment bond for the community.



Prosperity that is Shared and Sustainable

The concept of Good Growth rejects the 'grow first, distribute later' model. In its purest form it is a fundamental shift that defines successful economic policy by three key dimensions: Fairness, Sustainability, and Resilience.

Good Growth mandates that economic benefits are shared equitably across all demographic groups and geographic areas.

Good Growth is redefining values, moving beyond simply increasing GDP to also measuring social capital and well-being. For example, an initiative that creates 50 high-quality jobs for long-term unemployed residents in a deprived area is valued more highly than a programme that creates 50 low-quality jobs for already-affluent commuters.

Good Growth aims to create fair access to opportunity, with strategies specifically designed to level the playing field. They ensure that individuals start from a position of equity (getting what they need to succeed) rather than equality (getting the same as everyone else, regardless of existing barriers).

Good Growth recognises the importance of community power and participation by insisting upon community empowerment. The shift to Asset-Based Community Development and Community-Led Enterprise Funds means that the growth strategy is co-created with residents, ensuring that solutions are locally relevant and sustainable. People are not passive recipients of aid; they are active participants in their own economic destiny.

Good Growth as Sustainability and Resilience

A truly resilient economy leverages all of its human capital and is prepared for future challenges. On that basis, there is a need to future-proof skills by focusing on sectors where the drivers of change are likely to ensure that the new skills acquired are not temporary but align with the long-term, sustainable economic transition. This makes both the individuals and the local economy more resilient to global changes.

Good Growth also involves consideration of the local economic multiplier ensuring that a greater proportion of the money generated locally stays within the community. This can create a powerful local economic multiplier effect, leading to more new businesses, better local services, and a more robust local economy that is less vulnerable to external shocks. This is one of the bases of Community Wealth Building set out in the next chapter.

Good Growth also acknowledges that health, education, and environment are pre-conditions for economic participation. By integrating support (e.g., mental health services in job coaching, better transport for health access), it tackles the social determinants of poor health and low employment, ensuring the growth is sustainable in the long term.

Conclusion

Presenting economic opportunities to the most deprived communities is not merely a social expenditure; it is an essential investment in an entire region's productivity and resilience. The three key barriers—distance, inexperience, and limited income—are overcome through a strategy of hyper-local support, bespoke skill development, and targeted financial inclusion.

This approach is the very definition of Good Growth. By prioritising social equity, community power, and long-term sustainability over simple aggregate growth metrics, it ensures that economic expansion is appropriate, deeply embedded, and widely shared. The macroeconomists' focus on the importance of boosting productivity overlooks the contribution to growth that reintegrating more of the population into employment could make and the enormous social and financial benefits it would unlock.

DRIVEN BY COMMUNITIES

“Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it’s the only thing that ever has.”

Margaret Mead | US Cultural Anthropologist, Author and Speaker

A Quiet Revolution

Over the last decade, there has been a gradual shift in some strands of local economic thinking across the UK. This shift has involved a reduced focus on top-down regeneration and reliance on external corporate investment towards genuinely grassroots, community-led economic development (CLED). Driven by austerity, a crisis of affordable housing, and a widespread rejection of the “trickle-down” economic model, regeneration has increasingly been achieved by working more closely with communities and in some cases, communities have taken action to build local wealth, own assets, and democratise their local economies.

The harnessing of a community voice to better define outcomes from regeneration and economic development schemes is welcome. Still, in the most innovative cases, structural change has been attempted, with economic value captured locally and used to generate jobs, assets, and prosperity that remain under local control in perpetuity.

Several models of this grassroots economic movement have been accelerated over the last ten years.



Social Value

One universal measure to secure corporate economic development activity as a force for good at the local level is social value. Social Value in procurement means public bodies must consider the broader economic, social, and environmental benefits (beyond just price/quality) when buying services, driven mainly by the Public Services (Social Value) Act 2012. This legislation required commissioners to think about how contracts can improve well-being, boost local economies, create jobs, or protect the environment. The legislation was significantly strengthened in 2023 to increase requirements and enforcement.

Several additional areas focused on local community well-being have emerged, which are much more rooted in local decision-making and some of these are outlined below.

Community Asset Transfer (CAT) and Ownership

As local authorities and other public services have faced budgetary pressures, community groups have increasingly taken ownership of local assets and delivered local services. In some cases, public sector schemes have facilitated this shift, recognising that local community-led delivery can improve outcomes and require less public funding. Over the last decade, libraries, public gardens, former council buildings and even pubs have been acquired by communities to both save them from closure and use them to deliver local economic benefits.

One of the core activities within this work has been the Community Land Trust (CLT) Movement. CLTs are non-profit, democratically-controlled organisations that acquire and steward land for community benefit, most often, but not always, to create permanently affordable housing. Crucially, the CLT owns the land in perpetuity, separating the value of the building from the land, with the intention of locking in affordability for future generations and retaining control over land use.

The CLT movement has grown rapidly over the last decade. As of 2024, there were over 300 operational CLTs in England and Wales, with thousands of permanently affordable homes either completed or in the development pipeline, directly tackling the economic problem of housing affordability at a hyper-local level.

Community Transfer has progressed further in Scotland, supported by the Scottish Government’s Community Ownership Support Service (COSS) and the Community Right to Buy (CRtB). These schemes had delivered 840 separately owned assets across Scotland, providing regeneration, housing, and service delivery under local control. It is estimated that over 2.7% of Scotland’s land is now under community ownership.

Enterprise and Social Capital Building

A core barrier for deprived communities is the lack of a visible, accessible pathway into ‘good’ employment and enterprise creation. Grassroots groups have responded with hyper-local initiatives focused on practical skill-building and enterprise support.

One large-scale initiative aimed to make a difference across a number of communities in England. The Big Local Programme was launched by the National Lottery Community Fund and supported by a new charity, the Local Trust. The Big Local is a commitment of over £200 million to 150 neighbourhoods. The idea was that each area would receive at least £1 million over 10 to 15 years, with the key condition that residents decide how the money is spent. This was intended as the ultimate expression of grassroots control.

In some ways, the Big Local may be seen as an early expression of what can be achieved at a local level, and some of this thinking has been picked up in the UK-wide central government initiatives, Plan for Neighbourhoods / Pride in Place Fund. These schemes have recognised that communities can be empowered to make a positive difference and that day-to-day delivery at a local level can transform lives.

In addition, the UK has a growing number of social capital providers that offer patient capital at modest interest rates to continue supporting social initiatives. In this way, charities and not-for-profit foundations have developed new models to help deliver the transfer of assets and services from the public sector into the voluntary, social and community sector.

Community Energy and the Transition Economy

Some local groups have been established to play a direct role in delivering local infrastructure. Community-owned broadband delivery is well established in several rural areas, and a similar approach is now being rolled out in energy generation. Some communities have delivered local energy schemes focused on generating clean energy and reducing the cost of energy to public and community assets, as well as residents.

The key success is that the financial benefits (profits from energy generation) and control over the assets remain within the community. The model is intended to deliver a transition to low carbon, whilst directly benefiting residents not only through lower energy costs but also through the creation of employment opportunities involved in installation and maintenance. The chance to roll out schemes such as this more widely will require legislation to balance the opportunities from 'private-wire' networks with requirements to connect to the national grid.

The Community Wealth Building (CWB) Movement

The CWB movement embraces many of those initiatives described above, but is intended as a far-reaching initiative which relies on grassroots involvement and the democratisation of local institutions. It is a system-wide approach focused on five interconnected pillars: inclusive procurement, fair employment, social use of land/assets, financial inclusion, and alternative ownership.

CWB is sometimes referred to as the Preston Model because, since the early 2010s, Preston City Council and its major local institutions (universities, hospitals, police) have worked with the Centre for Local Economic Strategies (CLES) to shift their procurement spending intentionally. They redirected contracts to local, usually SME or cooperative, suppliers, rather than large, national corporations. They also promoted the Real Living Wage and developed new, local-first supply chains.

The CWB movement is now particularly prominent in Scotland with a new CWB Bill recently passed (Nov 2025) to mandate action by Ministers, councils, and public bodies via action plans for universal implementation and tackling inequality.

Conclusion

These initiatives demonstrate that effective CLED in the UK over the last decade have been characterised by: asset lock-in (ensuring land/profits stay local), democratic control (residents as decision-makers), and integration (linking economic growth with greater levels of equality in access to employment, public services, housing and infrastructure etc). They are a collective counter-narrative to economic centralisation, building prosperity one community at a time.

For some, these initiatives are about democratising local services and creating a more locally responsive and efficient means of delivery. For others, the approach can generate greater collective ownership and represents direct action to address inequality. The challenges in delivery are securing the broad involvement of residents and ensuring they continue to invest their time.

It remains to be seen whether the different approaches outlined remain niche approaches to local issues or are the beginning of a more mainstream approach to economic development.

SKILLS AND EMPLOYMENT

“ The ultimate resource in economic development is people. It is people, not capital or raw materials, that develop an economy. ”

Peter Druker | Management Consultant, Educator and Author



Introduction

Skills and employment are central to achieving Good Growth. Skills and employment can address the damaging impact of deprivation, begin to address social immobility, and drive business growth, which, in turn, can create opportunities for reinvestment in local economies.

Creating a system that incentivises lifelong investment in skills for both businesses and individuals is perhaps the most effective way to implement Good Growth.

Foundational Reforms for a Skills-Led Economy

The most significant strategic development is the creation of a new, employer-led architecture for the skills system.

In England (with similar reforms in the devolved administrations), Skills England is being established to act as the single, authoritative voice on England's current and future skills needs.

This approach is central to the government's Industrial Strategy, with a mandate to ensure the skills system is aligned to strategic economic priorities, such as the transition to net zero and the adoption of AI and digital technologies. It is unclear whether this approach will also address the skills needs of industries where socioeconomic drivers will create demand, such as social care, or of industries where wider government policy, such as housebuilding, will require construction skills.

What is clear is that by providing a clear, evidence-based assessment of future skills demand (e.g., in Digital Technologies, Adult Social Care, Construction, and Engineering), agencies can aim to reduce skills mismatches. Within this model, targeted investment is projected to drive faster growth in high-demand "priority occupations," supporting high-value economic output, which is the core of Good Growth.

The government is also committed to reforming the Apprenticeship Levy into a more flexible Growth and Skills Levy.

The original Levy was criticised for limiting how funds could be spent and for contributing to a decline in apprenticeships for young people.

The reform aims to give businesses greater flexibility to spend levy funds on a broader range of high-quality training that meets their specific needs, including shorter, foundation-level apprenticeships and other technical courses.

This reform seeks to reverse the long-term decline in employer investment in training, especially for Small and Medium-sized Enterprises (SMEs), which often lack the resources to invest in workforce development. Increased, targeted employer-led training is essential for boosting productivity across the private sector, a key component of sustainable economic growth.

Local Skills Improvement Plans (LSIPs) are statutory, employer-led frameworks that determine the skills needs and priorities for change in local areas. They are focused on England, but similar initiatives are in place across devolved administrations.

The initiative is intended to place local employers at the heart of the planning process, ensuring that training provision from Further Education (FE) colleges and other providers directly addresses local labour market needs. This tailored approach is vital for breaking "low-skills traps" in areas that have lost major industries and for promoting the creation of higher-value, sustainable employment opportunities regionally.

This is another area where it is clear that business engagement is fundamental to delivering an effective scheme.

Initiatives for New Entrants to the Workforce

These initiatives are focused on providing clear, high-quality technical and vocational pathways for young people, reducing reliance on university-only routes, and addressing early-life inequality of opportunity.

The government is delivering a Youth Guarantee to ensure every young person (specifically 18 to 21 year-olds in England, with a focus on those at risk of falling out of education or employment) has access to an apprenticeship, quality training, education opportunities, or support to find a job.

This guarantee aims to break down barriers for young people from disadvantaged backgrounds by ensuring a universal safety net of support and opportunity, rather than allowing them to become NEET (Not in Education, Employment, or Training).

Significant investment is being made in new technical colleges specialising in high-demand sectors like construction and healthcare.

These are intended to transform Further Education (FE) colleges into Technical Excellence Colleges that offer state-of-the-art training and foster close links with industry.

T-Levels are two-year technical qualifications equivalent to three A-Levels, combining classroom study with a substantial industry placement.

They are designed to offer a gold-standard technical alternative to A-Levels, improving the quality and status of vocational education and providing employers with a pipeline of work-ready young people.

While the Levy is being reformed, Apprenticeships remain the primary route to "learn a trade, earn a wage." A recent focus has been on ensuring more funding is available for lower-level training programmes, particularly for those aged 16–21, to help young people get a foot on the career ladder in priority sectors like construction.

Initiatives for the Unemployed and Low-Paid Workers

For individuals who are unemployed or in low-paid, insecure work, the focus is on rapidly upskilling and providing direct routes into employment.

Skills Bootcamps are short, intensive training courses lasting up to 16 weeks that focus on in-demand technical skills, such as software development, HGV driving, and green construction.

They are open to adults aged 19 and over and are often completely free for the unemployed, with a guaranteed job interview or a direct route into employment upon completion. They are particularly effective for re-skilling individuals looking to change sectors or for those in low-paid work seeking career progression.

By rapidly training people in skills that employers are actively demanding, Bootcamps reduce immediate labour shortages, boost productivity, and move individuals from precarious or low-value work into more stable, higher-paid roles, directly contributing to inclusive growth.

The Free Courses for Jobs initiative provides fully funded Level 3 (A-Level equivalent) qualifications for adults aged 19 and over who do not already have one, are earning below a specified low-wage threshold, or are unemployed.

This policy directly addresses the "great skills divide," in which those with higher qualifications are more likely to access further training. By making Level 3 qualifications free for the lowest-skilled adults, it attempts to close the attainment gap and increase the earning potential for those most disadvantaged in the labour market.

A commitment is in place to transform and join up the services offered by Jobcentre Plus and the National Careers Service into a new National Jobs and Careers Service.

The aim is to move away from a "tick box" culture to a more personalised service that focuses on both employment assistance and career advancement. Investment in upskilling Jobcentre staff through new coaching academies is central to this.

This reform is particularly vital for tackling inactivity and inequality driven by health issues, with plans to devolve funding to local areas for an integrated work, health, and skills offer. This holistic approach is crucial to helping people with long-term health conditions or disabilities return to sustainable employment.

Initiatives for Those Already in Work and Mid-Career

The challenge for this group is often the low incentive for employers and individuals to invest in mid-career training, which contributes to low productivity.

In-Work Training: The reformed Growth and Skills Levy aims to make it easier for businesses to use funds for existing employees, including those in mid-career, to gain higher-level skills, especially for career progression into management or technical specialist roles.

Skills Bootcamps, as noted, are highly relevant here, offering short-term, sector-specific re-skilling opportunities that fit around existing commitments,

providing a flexible path for workers to transition into higher-demand, greener, or digital roles without requiring a multi-year commitment.

The government has promoted resources like The Skills Toolkit, offering free online courses for adults to develop foundational digital and numeracy skills.

Meanwhile, lifelong learning provision has been intended as a low-barrier, accessible approach and is crucial for preparing the existing workforce for increased digitisation and automation. This preventative approach aims to reduce the risk of mid-career obsolescence and maintain high employment rates.

New entrants are offered a Youth Guarantee, T-Levels, and Specialist Technical Colleges, which provide a guaranteed, high-quality non-academic pathway, ensuring that young people from all backgrounds, particularly those without the resources for university, have a clear route to high-skill, high-wage employment.

The Unemployed/Low-Paid are offered Free Courses for Jobs, Skills Bootcamps, Reformed Jobcentres, which target the “great skills divide” by making Level 3 and rapid re-skilling (Bootcamps) free for the lowest-paid and unemployed.

It gives individuals a viable path out of the low-wage, low-skill cycle.

The In-Work/Mid-Career person is eligible for the Growth and Skills Levy, the Skills Toolkit, and Flexible Training, which encourages employers to invest in progression and re-skilling for existing staff, countering the trend where training often disproportionately goes to the already highly qualified. The flexible format helps overcome barriers like time constraints for parents and older workers.



Good Growth and Addressing Inequality of Opportunity

These initiatives contribute to Good Growth by:

- ▶ **Boosting Productivity:** The shift to an employer-led system (LSIPs, Skills England, Growth and Skills Levy) ensures that training investment is targeted at high-value, high-demand skills. Closing skills gaps in priority sectors like Digital and Engineering is a direct way to improve the UK’s chronically low productivity.
- ▶ **Creating a Resilient Labour Market:** By prioritising the domestic supply of skilled labour and investing in technical education (T-Levels, new technical colleges), the UK aims to reduce reliance on overseas workers for essential roles. This creates a more self-sufficient, stable, and resilient economy.
- ▶ **Future-Proofing the Workforce:** Focusing on skills for net zero and AI adoption ensures that the growth generated is sustainable and prepares the economy for future technological and environmental transitions.

They also seek to address inequality of opportunity by differentiating support to tackle entrenched inequalities across an entire career.

Addressing Inactivity

A parallel policy focus on addressing inactivity due to ill health and on expanding flexible working options is crucial for tackling inequality, as a lack of flexibility often traps parents, carers, and those with health conditions in low-paid, poor-quality jobs, regardless of their skill level. By integrating health and employment support and promoting flexible, inclusive work, the new framework aims to remove non-skills-based barriers to progression and full participation.

Conclusion

In summary, the UK is moving towards a coherent, decentralised, and employer-driven skills system. The initiatives from the national guidance of Skills England and different schemes from the devolved administrations are fundamentally designed to create an environment where targeted skills investment drives high-value economic growth while simultaneously dismantling the systemic barriers that perpetuate the inequality of opportunity.

Why Enterprise Facilitation Mattered to Me and Blaenau Gwent: Inspired by Dr Ernesto Sirolli

Author: Moe Forouzan, Team Manager – Business and Innovation, Blaenau Gwent County Borough Council

Evidencing: Changing the economic development function to align with good growth



In the world of economic development, it's easy to get caught up in strategies, KPIs, frameworks, interventions, and budgets. But sometimes, the most profound insights come from stepping back, reflecting, and listening.

That's exactly what happened when I encountered Dr Ernesto Sirolli's TED Talk, "Want to Help Someone? Shut Up and Listen!" His message didn't just challenge my thinking – it reshaped how I approach economic development.

Sirolli's philosophy is deeply rooted in the community. He argues that the traditional model of economic development – where experts parachute in with ready-made solutions – often fails because it overlooks the most important resource: the people. His mantra, "Shut up and listen," is not a dismissal of expertise but a call to respect the lived experience, passion, and potential of local individuals.

Listening as a Development Tool

In Blaenau Gwent, a community with a proud industrial heritage and a resilient spirit, this approach has proven invaluable.

For years, economic development efforts focused on infrastructure, incentives, and policy. While these are important, they don't always reach the people who are quietly building, creating, and innovating in their own way.

By adopting a listening-first approach, I began to see a different landscape – one filled with untapped entrepreneurial energy. Conversations with residents revealed ideas for businesses, social enterprises, and creative projects that had never surfaced in formal consultations. These weren't just business plans – they were expressions of identity, community, hopes, and dreams!

Facilitating Passion, Not Prescribing Solutions

Enterprise facilitation, as Sirolli describes it, is about helping people do what they love by connecting them with the right support.

It's not about telling them what to do – it's about helping them find a team that complements their skills. This model respects the entrepreneur's vision and builds around it, rather than trying to reshape it to fit a predefined mould.

In Blaenau Gwent, this has meant creating environments where people feel safe to share their ideas and where support is tailored to their unique needs. It's about asking, "What do you love to do?" and then helping them build a team that fills in the gaps – whether that's marketing, finance, or operations. This approach has helped unlock potential in individuals who might never have engaged with traditional business support services.

A Culture Shift in Economic Development

One of the most powerful outcomes of embracing enterprise facilitation has been the shift in mindset among practitioners and stakeholders.

Instead of focusing solely on metrics and outputs, we've started valuing relationships, trust, and long-term impact. We've learned that economic development isn't just about GDP or GVA – it's about local passion, dignity, respect, and community resilience.

This shift has also helped us engage more effectively with our clients, meeting them where they feel comfortable and coaching them on their passion while building a successful team around them. By listening first and facilitating rather than directing, we have created more inclusive pathways into enterprise and entrepreneurship.

Lessons for Practitioners

For fellow economic development professionals – both new and experienced – Sirolli's message is both a challenge and an invitation. It challenges us to rethink our role – not as fixers, but as facilitators. And it invites us to trust in the creativity and capability of the communities we serve.

In Blaenau Gwent, this approach has helped us rediscover the power of local enterprise and passion. It has reminded us that the best ideas often come from the ground up, and that our job is to nurture them – not control them. Enterprise facilitation isn't a silver bullet, but it's a powerful tool for building sustainable, people-centred economic growth.

Dr Sirolli's words continue to echo in my work: "If people don't want to be helped, leave them alone." But when they do want help – when they're ready to build something meaningful – we must be ready to listen, support, and believe in their vision.

Outstanding Success in Delivering Growth: Haringey High Growth Business Programme

Author: Bev Hurley CBE, Executive Chair, YTKO Group

Evidencing: Aligning business support with good growth



The Challenge

The London Borough of Haringey has 13,000 businesses, mostly micro, with 91% employing fewer than 10 people, typical of the UK business profile. In addition, the borough has the second-lowest number of VAT-paying businesses, and many companies operate in low-margin sectors. In 2021, it had the third-lowest number of jobs in London. These factors combine to place significant constraints on the borough's ability to generate jobs and local economic growth.

Furthermore, it is well documented that high-growth and growth businesses generate a greater number of new jobs and have a significant impact on local economies compared to average-performing SMEs. These businesses had hitherto been unsupported through public investment, and their presence in the local economy – and what barriers and challenges they faced in scaling their companies – was largely unknown.

The Solution

The Council invested in a one-year pilot to find, engage and support 25 high-growth and growth-potential businesses with the highest quality, intensive and professional growth expertise. The headline goals were to enable the creation of 20 new jobs and for 50% of the cohort to be forecasting at least 10% revenue growth within the next 12 months.

YTKO Ltd won the Haringey High Growth Business Programme (HGBP) contract in April 2024, with a budget substantially under six figures.



Key Success Factors

► **A highly credible team.** YTKO's core delivery team all had first-hand experience of running and growing businesses up to £10m, and/or significant P&L responsibility, and two were also experienced investors, Chairs or NEDs. They also have a cadre of 45 tried and trusted expert Associate Consultants, all with direct experience of building businesses or operating at C-Suite level in large companies.

Furthermore, YTKO's innovative approach was based on four decades of proven commercial success, direct experience of being a high-growth company, plus a track record of delivering highly successful growth business support programmes, creating over 17,000 new UK jobs.

This "wearing the T-shirt" authenticity was essential to both engagement and delivery. Growth businesses are time-poor, more cynical and sceptical about "free" and "Council" initiatives – outwith grants – and this was a brand-new programme starting from scratch. Credibility is vital to quickly establishing trust, disclosure, respect and commitment to change and action.

► **Expert functional knowledge and experience.** The team's in-depth operational knowledge of the challenges and barriers to growth also encompassed the three key business disciplines at both strategic and tactical levels: Markets, Finance and People. The prime driver of business success (and No. 1 reason for all business failure) is securing more, and more profitable, customers. This in turn requires sufficient working and growth capital, and high-performing teams to deliver.

► **Robust due diligence.** High-growth data providers don't use such real-world success factors in their analysis, and data is often outdated. YTKO conducted substantial research on each potential business to ensure that limited public funds were focused where they would have the most impact.

► **Impact measurement.** YTKO used the Growth Maturity Index in their assessment process, giving each business a benchmark starting score and indicating which of the five levels of business maturity were in play, enabling them to hone in on key issues quickly. Applicants received an in-depth, highly tailored report and analysis on their gaps and weaknesses, with recommended actions. Clients took the Maturity Index again at the end of their support, providing a tangible, measurable way of assessing impact beyond normal output metrics.

► **Client-centric, wraparound 1:1 support and aftercare.** All support was delivered on a 1:1 basis, and clients could work with any and all of the delivery team, according to their needs. Members of the YTKO team became part of their businesses, working alongside them, and maintained relationships and provided continuing guidance through their aftercare programme as change became embedded.

The Outcome

The HGBP pilot was a transformational programme for both commissioners and beneficiaries, and an outstanding success in delivering growth across a range of outcome metrics. It is eminently scalable across the UK. For more information, the Executive Summary and case studies can be downloaded at ytko.com/haringey.

High Growth Business Programme

Tender requirement – Jobs created	20
Actuals achieved (inc 9 jobs safeguarded)	30
Tender requirement – % of businesses expecting at least 10% turnover increase within the next year	50%
Actuals achieved (and 3 companies have already files increases up to 30%)	95%

Additional YTKO outputs achieved

Number of jobs safeguarded	9
Number of additional new jobs expected to be created within the next 6 months	40
Number of new contracts won/orders secured (excluding retail sales, too numerous)	106
Number of SMEs adopting new or improved products/processes	19
Number of SMEs investing to improve productivity	19
Number of new partnerships of business collaborations	14
Number of SMEs supported to be invested ready/raise finance (included 1 oversubscribed round completed and debt secured)	4
Number of businesses planning new products/services	14
Number of businesses planning to enter new markets	14

End of project data captured from 23 clients (1 in hospital, 1 had to withdraw)

Demographics, Diversity and Inclusivity

The HGBP reached growth clients from across the borough, from a broad range of sectors, with an average turnover of £2,025,497.

Out of the 25 clients, there were nine women-owned businesses and three where the leadership team was jointly male and female. The best estimates of female entrepreneurship in the UK are ~20%, and women are significantly under-represented in high-growth businesses, so this was a significant achievement and preserved YTKO's long track record of equality.

One third of the clients were of non-White British ethnicity. Around one third were aged between 30-39, one third 40-49, and one third in the 50-69 range. Four businesses self-declared as neurodiverse or having some kind of disability. Several business founders testified that the HGBP was not just transformational for their business, but for their mental well-being – "like business therapy." The stresses and pressures of business growth can be huge and often go unrecognised. The HGBP was truly inclusive.

Business Impact

Most participants retook the Strategy Growth Maturity Index at the end of the project. **Every single business increased their score, by an average of 65%**. In addition, **three businesses moved up into the next level of maturity**, and **three moved up by two levels**, from operational to strategic. This demonstrates that the learning has been truly embedded in these companies, and that the programme really turned the dial on their strategic business ability.

Sheffield City Council: Increasing the Productivity of Sheffield's Business Base with Productivity and Digitisation Grants

Author: Business Sheffield, City Futures

Evidencing: Aligning business support with good growth**The Challenge**

The Sheffield City Council Growth Plan 2025-2035 sets out a ten-year strategy to strengthen Sheffield's economy, improve productivity, and ensure growth benefits all communities. The plan is structured around four overarching missions, two of which are particularly relevant to the city's current economic challenge: **"Our Economy: Global, Green and Growing"** and **"A More Productive Business Base"**.

The **Global, Green and Growing** mission focuses on positioning Sheffield as a leader in clean growth and net-zero innovation, attracting international investment, and creating high-quality jobs while ensuring the city meets its environmental ambitions. Meanwhile, **A More Productive Business Base** recognises that Sheffield's productivity levels currently lag behind national benchmarks and that many local businesses face challenges in scaling, adopting digital technologies, and improving operational efficiency.

Together, these missions highlight a core challenge for the city: unlocking the full potential of Sheffield's business base to deliver sustainable growth and improved productivity, ensuring the city can compete nationally and globally while transitioning to a low-carbon economy.

The Solution

The **Business Productivity and Digitisation Grant Scheme**, delivered by Business Sheffield and funded through the UK Shared Prosperity Fund, provides targeted support to SMEs across **all sectors**, from manufacturing and retail to creative, professional services, and hospitality.

Unlike many productivity programmes that focus primarily on manufacturing, this initiative ensures that a broad spectrum of Sheffield businesses can benefit from structured improvements in efficiency and digital capability.

The programme offers match-funded grants alongside advisory support to help businesses **identify productivity challenges, introduce performance metrics, and implement process or digital innovations**. For many participating SMEs, this is the first time they have systematically measured productivity or considered KPIs, making it a vital stepping stone toward longer-term innovation and growth.

The Outcome

From 2023-2025, the programme awarded **213 grants to SMEs**, delivering support that has so far resulted in **127 new jobs created and 63 jobs safeguarded**, enabled the introduction of 161 new technologies or processes, and provided productivity improvements to all 213 SMEs involved.

In the **current financial year**, it is set to support an additional **144 SMEs**, creating **67 jobs** and **safeguarding 34 jobs**, helping businesses invest in productivity-enhancing technologies, improve operational efficiency, and embed data-driven decision-making into their business models. The scheme has leveraged approximately **£3.5 million of private sector investment** alongside public grant funding, demonstrating the additional impact and commitment from business.

Case studies highlight the programme's practical impact: a Sheffield manufacturer expanded brewing capacity by 16% and created a full-time role, while another SME acquired a 3D printer, reducing prototyping time and speeding up product development and client service. There has been significant success for businesses with less typical productivity projects: a capacity-constrained arboricultural consultancy introduced cutting-edge sonic technology to revolutionise their surveying processes, delivering a 40% efficiency improvement, expanding their client base, and creating two specialist job roles. A non-profit food redistribution operation optimised its warehouse infrastructure and streamlined logistics, enabling it to handle 27% more stock per month, support an additional 1,200 customers, double operating profit for reinvestment, and safeguard two jobs.

By combining diagnostic analysis from Business Sheffield advisors with matched funding and measurable outcomes, the scheme equips firms to adopt new technologies, improve systems, and scale operations, directly contributing to the Growth Plan's missions of **"Global, Green and Growing"** and **"A More Productive Business Base"**.

Looking ahead, the programme establishes a virtuous cycle: higher-productivity firms invest more, employ more locally, and become more resilient, strengthening Sheffield's economy, supporting clean growth, and keeping the city competitive across sectors.

Case Study Appendix

Triple Point Brewery

- ▶ Triple Point launched in 2019 and had grown from a bar into a trade supplier but faced growth constraints.
- ▶ With support from the Productivity Grant, they expanded their brewery hall into the adjacent warehouse, installed an extra fermentation vessel (increasing capacity by around 16%), and created an additional full-time job.
- ▶ The business now plans further investment (additional vessels and a new chiller unit), enabling further scaling and boosting local productivity.

Jam Designers

- ▶ Jam Designers secured a Productivity Grant to purchase a state-of-the-art 3D printer, enabling in-house prototyping rather than outsourcing globally.
- ▶ As a result, they reduced lead times, improved client service, and sped up decision-making in product development. "We can easily see the time saved...we are able to move concepts forward faster," said one of their team.
- ▶ The case demonstrates how targeted investment in digital/production capability can raise productivity, reduce costs, and increase competitiveness in Sheffield's SME base.

Bullion

- ▶ Bean-to-bar chocolate maker Bullion benefited from the UKSPF Digital & Productivity Grant administered via Business Sheffield.
- ▶ With the grant support, they were able to double their output, helping the business manage rising demand and scale operations.
- ▶ This shows how the scheme is not just about modest improvements but can enable step-changes in capacity for Sheffield firms.

WATCH: UKSPF Digital and Productivity Grant – Bullion Case Study



Pottering Around

- ▶ Pottering Around, a high-street pottery café, secured a Productivity Grant to purchase a new kiln and slip-casting machine and update the booking system on their website.
- ▶ With grant support, they increased the number of customers, reduced customer wait times, and in turn increased revenue and profitability.
- ▶ This shows how the scheme can also benefit smaller high-street and retail businesses facing productivity challenges.

WATCH: How Business Sheffield Helped Pottering Around Boost Productivity and Go Digital



Building Europe's Data Capital: Edinburgh's Data-Driven Innovation Success Story

Author: John Scott, Head of Service Delivery, Data-Driven Innovation

Evidencing: How good growth can be enabled at a city level through the use of data solutions



The Challenge: Growing a Strong Data Sector

For a city to claim it will be the Data Capital of Europe by 2040 is a bold ambition. There is lots of competition and stellar achievements across the continent, but for Edinburgh – with its long and distinguished journey in computer science and its status as the home of AI in Europe – Scotland's capital city perhaps stands a better chance of achieving that goal than most.

The 2016 **Science and Innovation Audit**, funded by the Department for Business, Energy & Industrial Strategy (BEIS), identified that the Edinburgh and South-East Scotland City Region was home to a large number of "already-digital and data-ready businesses," with over 21,000 digital jobs across the sector. A strong talent pool was in place, with 15,000 STEM students studying in the region and the four regional universities conducting research and innovating in this field.

Edinburgh is the United Kingdom's second largest financial hub after London and has a large tourism market, yet job density and skill levels vary widely across the wider region. At the time of the Audit, in order to create and support more data-ready businesses and ensure that local people had the required skill sets to work for them, a multi-pronged solution was needed.

The Solution: A Unique and Ambitious Partnership

Following the publication of the Audit, both the UK and Scottish governments accepted the University of Edinburgh's recommendations that there was an opportunity to build on existing capabilities within the region, while also addressing regional skills and economic disparities.

In July 2017, the terms of the Edinburgh and South East Scotland City Region Deal were agreed. The University of Edinburgh and Heriot-Watt University developed a partnership to co-lead the 15-year Data-Driven Innovation (DDI) programme. The governments contributed £270 million to the DDI programme, with the two universities matching £391 million worth of investment, equating to £661 million overall. This funding remains one of the largest single government investments in academia.

The DDI programme focuses on five areas: Talent, Research, Adoption, Data, and Entrepreneurship – TRADE for short. In Talent, we develop data skills through new university courses and professional development programmes. Research means expanding existing activities to meet future industry and societal data needs. Our Adoption targets will engage industry, charities, and the public sector to facilitate data innovation. Data provides the underlying infrastructure to support all programme activities. Finally, we support entrepreneurs to launch and grow data-related businesses.

All activity is delivered by six hubs split across the two universities, supported by supercomputing resources at the Edinburgh International Data Facility. Each hub is responsible for delivering against its assigned sectors:

- ▶ The Bayes Centre focuses on DigiTech, Space & Satellites, Robotics & Autonomous Systems.
- ▶ Easter Bush is responsible for Agritech.
- ▶ Edinburgh Futures Institute covers Public Sector, Creative Industries, Fintech & Financial Services, Tourism & Festivals.
- ▶ National Robotarium is focused on Robotics & Autonomous Systems.
- ▶ Usher Institute is responsible for Health & Social Care

To ensure that the benefits of its data-driven innovation capabilities extend beyond the universities, an upskilling programme was developed in partnership with local schools and colleges. This initiative was designed to expand opportunities for local people to build essential data literacy skills. By working collaboratively with partner educational institutions, the University of Edinburgh aimed to create accessible pathways into data-related careers, particularly for individuals who may not have previously considered or had access to such opportunities. The programme reflects a commitment to inclusive growth, helping to bridge the data skills gap and enabling local residents to participate in, and contribute to, the region's evolving knowledge economy.





MEMBER CASE STUDY

Barnsley's Inclusive Economic Growth Strategy 2025-30: Building a Borough of Possibilities

Author: Dominic Jones, Economic Policy Development Officer, Barnsley Metropolitan Borough Council



Evidencing: How post-industrial towns can continue to invest and develop

The Outcome: Benefits Delivered

Recent years have seen us surpass many of our targets, delivering 140,000 credit-bearing course passes and 80,000 CPD and MOOC completions. We supported £470 million worth of research activity and secured £100 million in income from industry engagement. 670 fledgling companies received support within our Entrepreneurship strand, half of which are located within the region.

The creation of the DDI programme led to new entrepreneurship support programmes, such as the AI Accelerator, in addition to enhancing the resources available to existing provision. As a result, the 670 companies supported by the programme have received over £400 million in investment within two years of engaging with Edinburgh and Heriot-Watt. £168 million of this has been raised by companies based within the region.

In addition to running entrepreneurship programmes, the hubs offer co-location spaces available for businesses of different sizes and stages of growth. This income feeds into the industry engagement figure above. The hubs allow industry to gain access to state-of-the-art facilities and the opportunity to collaborate with university researchers. In 2024/25, 100 companies accessed DDI spaces, including several companies that previously attended DDI entrepreneurship programmes.

The DDI programme has supported the creation of initiatives such as DataLoch: a partnership between the University of Edinburgh and NHS Lothian supporting health research and service-management projects, with technical infrastructure provided by the Edinburgh International Data Facility. One project focused on identifying data markers that signalled when hospital patients may be at risk of homelessness. These patients are then referred to Cyrenians, a homelessness charity with employees embedded within NHS Lothian nursing teams, who provide patients with assistance in accessing housing and ongoing support once discharged. DataLoch's role has been to ensure that the latest information about emergency accommodation locations informs the prioritisation of Cyrenians' interventions. This has resulted in a 68% reduction in re-admission for supported patients, out of a sample of 66.

DDI remains on track to meet all targets set at the outset of the City Region Deal by 2032 in areas including job creation and retention, uplifts to graduate salaries, and returns on investment and social innovation.

Our aim of becoming recognised as the Data Capital of Europe will be further enhanced by the recent UK Government announcement to invest £750 million to build the next UK national supercomputer and host it at the University of Edinburgh. This will be the most advanced supercomputer in the UK, supporting innovation across the whole country and enhancing our research capabilities significantly – so the Edinburgh City Region is definitely one to watch!

Barnsley's economic development story is one of resilience, reinvention, and renewal. Once defined by our coal-mining heritage, we faced a seismic economic shock with the sudden loss of 20,000 jobs caused by the closure of the coal mines that were formerly the lifeblood of our communities. But we didn't let that defeat us.

Transformation and Growth in Barnsley

Over the past two decades, our borough has undergone a remarkable transformation. Through bold leadership, strategic investment, and a commitment to inclusive growth, we have rebuilt our economy from the ground up and strengthened Barnsley's reputation as a great place to live, work, visit, and invest.

- ▶ We've transformed our town centre – anchored by over £300m of investment to deliver major regeneration projects and create a vibrant hub for commerce, culture, and community.
- ▶ We've attracted major businesses – utilising our strategic location and employment sites at Junctions 36 and 37 of the M1, and the ES10 site at Goldthorpe – to attract the likes of EVRI, Dunelm, ESCO Lifesciences, and SHI International, a leading US tech company.
- ▶ We've invested in the sustainability of our Principal Towns – delivering 60 projects across our six towns (totalling £2.6m), a £2.1m shop front improvement scheme (leveraging £1m of private investment), and 12 projects in our Local Centres (worth £1m), with a further £10m programme approved – revitalising high streets, supporting local businesses, and fostering pride.

This has delivered results for local people. Between 2015 and 2023, we added **10,700 new jobs**, achieving a **14% growth rate** (double the national and South Yorkshire average), and the number of tradable jobs **increased by 2,875** between 2015 and 2022.

Our proactive approach to enabling development and inward investment saw an increase in total commercial floorspace in Barnsley of over 10% between 2013 and 2023, above the South Yorkshire average of 6%. **Between 2014 and 2024, Barnsley's business base growth (30%) outstripped the national average (21% in England).**

However, we know we cannot stand still. We must maintain our momentum for growth.

Developing an Economic Strategy for the Future of Barnsley

Our Barnsley Inclusive Economic Growth Strategy (2025-30) is our opportunity to set out the economic vision for the borough, moving beyond short-term, funding-led national priorities.

Developed with the Barnsley Inclusive Economy Board, it is a place-based strategy which builds on our strengths and successes to prepare Barnsley for the economic challenges and opportunities of the future.

At its heart is our ambition to grow a larger, more diverse, and higher-value economy. We want to attract more investment, supporting all our residents to access good work, start and grow their own businesses, and be proud to be part of our borough.

It also outlines our concept of Barnsley's role in regional and national economies. We are proud that our ambitious strategy remains relevant – even more so – following the publication of the Government's Modern Industrial Strategy and the regional South Yorkshire Growth Plan.

It is structured around foundational themes and transformative growth missions; together, they provide a framework for growth that benefits everyone.

Foundational Themes and Strategic Objectives

Our three foundational themes and supporting strategic objectives describe what we need to continue doing to protect and enhance Barnsley's everyday economy, while also exploring higher-value growth opportunities. They are:

1. More good jobs and businesses

- ▶ Foster innovation across all sectors.
- ▶ Drive start-ups and entrepreneurialism.
- ▶ Enable investment, growth, and sector development.

2. More people in good work and good health

- ▶ Support more residents into work.
- ▶ Promote workforce development and in-work progression.
- ▶ Encourage inclusive employment and sustainable business practices.

3. More vibrant and resilient places

- ▶ Attract new businesses and inward investment to diversify, grow, and green the economy.
- ▶ Increase the vitality and resilience of Barnsley and our Principal Towns.
- ▶ Invest in infrastructure to unlock opportunities for businesses, people, and places.

Transformative Growth 'Barnsley Missions'

Our three transformative growth missions provide a positive, ambitious, future-facing focus for our strategic activity. They are:

Mission 1: Establish Barnsley as the UK's leading digital town

- ▶ By 2030, Barnsley will be a digital powerhouse, driving inclusive growth by catalysing local innovation, fostering digital skills, and attracting top-tier talent and high-value businesses.

Mission 2: Future-proof Barnsley's logistics and manufacturing base

- ▶ By 2030, Barnsley's manufacturing and logistics sectors will be exemplars of a pro-innovation, pro-technology economy – fuelling job creation and diversification by leveraging our prime location, advanced digital capabilities, and commitment to sustainable resource use and net zero.

Mission 3: Empower all of Barnsley's communities to thrive

- ▶ By 2030, we will have unleashed the untapped potential within our communities by reducing economic inactivity, championing diverse and inclusive employment, and promoting a vibrant culture of entrepreneurialism

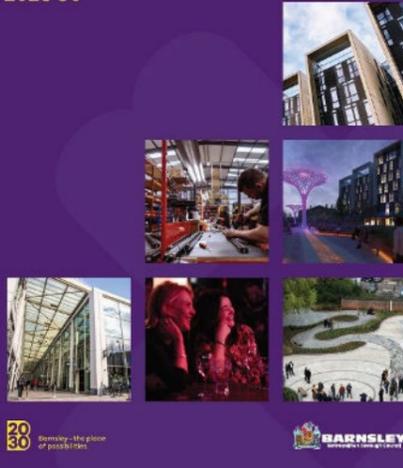
What This Means in Practice for People, Communities, and Places

This strategy provides a five-year framework for inclusive growth, setting the direction for future projects, programmes, and funding applications. Already, we have begun delivering against several of the strategy's ambitions:

- ▶ **Purchase of Alhambra Shopping Centre** to expand our successful Health on the High Street initiative, with the NHS Outpatients element opening in October 2025.
- ▶ **£1.6m investment to launch the Great Childhoods Ambition** and deliver accessible interventions to ensure young people are best placed to participate in the labour market and access new economic opportunities.
- ▶ **Continued regeneration of Principal Towns**, with £15m already allocated to ensure more than 60 projects are either completed or underway.
- ▶ £10m secured from national government for a **South Yorkshire-wide Pathways to Work trailblazer** to address economic inactivity.
- ▶ **SEAM Phase One** works underway to be unveiled in March 2026, providing high-quality public realm including a new urban park in front of the Digital Media Centre 1 (DMC1) with landscaped areas, seating, feature lighting, and a striking new landmark: the three Yorkshire Digital Roses public art installation.

Barnsley Inclusive Economic Growth Strategy

2025-30



By delivering the ambitions in this strategy, we will see:

- ▶ Our businesses at the forefront of sector developments, operating within a dynamic entrepreneurial ecosystem that champions innovation, inclusivity, and sustainability, making Barnsley a premier destination for talent and investment.
- ▶ Our residents happier and healthier, employed in good work that enables them to take charge of their careers or launch successful ventures.
- ▶ Those who have previously been outside the labour market thriving in good jobs, supported by employers who practice inclusive employment to unlock individual prosperity and drive firm-level productivity.

By successfully working with partners on our Barnsley Inclusive Economy Board to develop an ambitious yet achievable Inclusive Economic Growth Strategy – and importantly, delivering its strategic objectives – we can create an inclusive economy in Barnsley, where everyone can contribute, succeed, and feel proud to belong.



Leeds City Council: Empowering Female Entrepreneurs and Building Businesses Through SheCanShine

Authors: Dawn O’Keefe, Co-Founder & Managing Director, Shine and SheCanShine and, Ashley Lucas, Economic Development, Leeds City Council

Evidencing: How community led initiatives can break down barriers and deliver social and economic benefit



The Challenge

When it comes to entrepreneurship, it is not a level playing field. Female entrepreneurs made up only 32.3% of the UK’s smaller business leaders in 2020 (**British Business Bank**). Alongside this, women-led companies received only 5.8% of all investments (**Prowess**).

It is estimated that if females started and scaled new businesses at the same rate as UK men, £250 billion of new value would be added to the UK economy.

While mainstream business support programmes are available, the hurdles faced by female entrepreneurs are strikingly different to those faced by male entrepreneurs. These include societal bias, access to funding, balancing work-life commitments, and building effective networks.

The Solution

Funded through Leeds City Council’s UKSPF allocation, SheCanShine is a programme conceived, part-funded, and delivered by the award-winning social enterprise Shine. Based in one of the most economically and socially disadvantaged areas of Leeds, SheCanShine promotes entrepreneurship by women as a pathway to financial independence, aligning with key local, regional, and national priorities.

A range of approaches were employed to engage stakeholders and participants on the SheCanShine programme. Facebook advertising, LinkedIn, SheCanShine alumni, and word-of-mouth promotion through Shine’s existing entrepreneurial and local community networks were used to find programme candidates.

SheCanShine is a female-led nurturing environment that helps build a strong sense of community within each cohort. Participants are supported and encouraged by their peers and the Shine team throughout the programme. A recently started WhatsApp group with 80 members demonstrated the power of the SheCanShine community and inspired the launch of the SheCanShine digital platform, which combines networking, learning, and support to supplement the in-person workshops and meetings. This holistic, supportive approach and digital community are instrumental to the project’s overall effectiveness, creating a space where women can thrive.

The SheCanShine programme delivered a range of targeted activities to support aspiring female entrepreneurs over a six-month period from 2024-25. Workshops focused on business development and entrepreneurship skills, equipping participants with knowledge and practical tools. One-to-one tutoring provided tailored guidance to help individuals navigate their unique business challenges. Book clubs were introduced to support both personal and professional growth, while free office space, post boxes, and parking were made available.

Since 2020, the programme has evolved from a monthly Zoom call to in-person workshops, bespoke mentoring, and extensive networking. Importantly, SheCanShine introduced wellness support in 2024, including support for neurodivergent participants. While community and wellbeing are critical aspects, the programme also delivers marketing and sales coaching, along with high-quality finance instruction – including forecasting and financial planning – to strengthen participants' chances of business success.

SheCanShine partners with other local programmes to enhance the support for female founders. Trust Leeds provides micro-financing for start-ups and community-led initiatives. Follow-on support was provided to nine women in the 2024-25 cohort by the **AD:VENTURE programme**, which is funded by programme partners and the West Yorkshire Combined Authority (WYCA). Three women went on to join the Lifted Ventures accelerator programme after participating in SheCanShine pitching panels. These partnerships demonstrate the value of support networks when combined with funding.



The Outcome

SheCanShine exceeded its output targets, assisting 36 potential entrepreneurs to become enterprise-ready and providing 41 enterprises with non-financial support. The project also exceeded its outcome targets, with 11 enterprises created and four jobs generated.

Several women on the programme have secured grants and commercial contracts supporting their business growth. From an inclusion perspective, alongside strong female engagement, two in five were from a minority ethnicity, one in four neurodiverse, and one in ten declaring a disability.

Insights from a recent focus group further highlight the project's impact. Participants credit the SheCanShine programme with providing motivation and encouragement, with some stating they may not have continued their entrepreneurial pursuits without it.

The SheCanShine programme's peer support network and dedicated physical space offer opportunities for skill refinement, business pitching practice, and hands-on workshops covering topics such as financial planning and money mindset training.

One participant shared: **"Before, we didn't believe we were businesswomen. There's often masculine energy in business, but this space has changed that narrative – and our mindsets."** Beneficiary of SheCanShine

The programme has been successful in gaining partnership funding for 2025-26 through Leeds City Council's Innovating, Enterprising and Thriving grants programme. SheCanShine will be building upon its success to create a global digital platform for women entrepreneurs. The founders aim to leverage their US/UK roots to establish SheCanShine communities in cities in the USA and Europe, with further expansion into the African continent.

They envision the digital platform as the foundation for locally founded and run SheCanShine chapters, providing face-to-face support for women entrepreneurs, holistic and nurtured support alongside hard business skills and knowledge. Shine is currently seeking to attract both public and private company sponsors to achieve its expansion goals.

Leeds City Council: Tackling the Root Causes of Food Insecurity and Reducing Inequality with Community Shop Social Enterprise

Author: Liz Jarmin, Head of Locality Partnerships, Leeds City Council, and Ashley Lucas, Economic Development, Leeds City Council

Evidencing: How community led projects deliver change



The Challenge

Food security is our ability to access food, pay for it, and prepare nutritious meals. Having food security allows us to contribute economically, environmentally, socially, and culturally to society. It is essential to the foundations of a healthy, inclusive, and sustainable economy.

The cost of living has been exceptionally high since the end of 2021 due to UK inflation levels. Although now broadly returned to target since April 2024, the cost of living is still elevated compared to pre-pandemic levels, significantly impacting households. Low-income households are particularly susceptible, due to spending a greater proportion of their household income on food and essential costs.

We know that in Leeds, poverty and inequality are stubborn and entrenched, despite significant work ongoing in the city to address these issues. Around one in five people in the city are living in relative poverty. According to data from Leeds Food Aid Network, last year (2024/25) 48,411 people accessed a food bank by referral and 81,350 food parcels were given out informally (without the need for referral).

Overall, Leeds ranks 51 out of 296 local authorities on the proportion of LSOAs in the most deprived 10% nationally, according to the 2025 Index of Multiple Deprivation (IMD). Leeds Community Shop (Established March 2025) is housed within the Swarcliffe Community Centre on Stanks Estate, which falls within the 30% most deprived areas in the country, and also borders Langbars, Braytons and Eastwoods, which fall in the 10% most deprived areas.

Prior to March 2025 Swarcliffe Community Centre was host to long-term tenants – Leeds Youth Service, Swarcliffe Good Neighbours Scheme and Local Member Offices – however beyond these services (and some small-scale community-based lettings), the large site was under-occupied and underutilised for many years. Due to the significant financial pressures faced by the Council, only essential repairs and works are permitted in most community centres. Like many other sites, Swarcliffe Community Centre had become dated and had been identified as at future risk as part of the Council's city-wide community asset review exercise, which is being undertaken to determine the viability of Council-owned buildings.

The Solution

Community Shop is the not-for-profit arm of Company Shop Group, part of the Biffa Group. **Company Shop** operates 13 'surplus supermarkets' across England and Scotland, selling discounted surplus from over 800 brands, retailers and manufacturers to members (such as NHS workers, FMCG manufacturing and logistics staff, and those on means-tested benefits).

Community Shop operates as a sustainable social enterprise, with a network of 14 social supermarkets selling surplus products donated by food industry partners. Community Shop membership is free and open to residents living locally to a Community Shop store and in receipt of means-tested benefits.

The Community Shop model is not crisis support but instead provides a hyperlocal and sustainable support offer, aiding both crisis prevention and recovery for low-income households. The unique model is made up of three distinct but connected spaces: Community Store, Community Hub and Community Kitchen.

The Community Store provides access to heavily discounted food and essentials, with profits reinvested into the Community Hub and Kitchen. The Community Hub delivers holistic support and development opportunities in a welcoming, supportive, safe environment, and Community Kitchen is a welcoming café space that provides low-cost meals (children eat free every day) as well as cookery classes. The holistic offer ensures that the community centre space is utilised and provides full wraparound support for members of the local community.

53% of Shop Members leave after a year as they become more financially stable, and over 80% access the wider hub wellbeing and employment programmes/provisions, demonstrating the impact of the wider offer.





Building Futures Together: How Holistic Business Support Drives Inclusive Growth in Greater Manchester

Authors: The Growth Company, Manchester

Evidencing: Holistic delivery of good growth

Greater Manchester's ambition is clear: economic development must benefit all communities. The Combined Authority wants to build a thriving city region where everyone can live a good life.

Achieving this requires more than isolated interventions. The Growth Company's model demonstrates how integrated support can unlock business growth, drive social value, and thereby foster inclusive growth.

The Challenge

Economic development is often approached in a way that creates distinct programmes of activity, business, employment, and skills support. This means it can operate in silos, with fragmented services that struggle to address the complex, interconnected needs of businesses and people. Even within business support, programmes can be disconnected.

The Solution

The Growth Company's approach, instead, brings together a wide range of both sectoral specialists and thematic-based specialists – for example, workforce development. By connecting businesses to the right expertise, funding, and ecosystems, we help them overcome barriers to growth, seize new opportunities, and deliver social value. Crucially, our deep relationships with local businesses allow us to mobilise support for strategic regional initiatives, such as Greater Manchester's T Levels. These vocational qualifications were co-designed with employers to address skills gaps and future-proof the regional workforce. They include a workplace placement, meaning engagement and buy-in from employers who will offer placements is of paramount importance.

The Outcome

In September 2025, the Leeds Ambitions were launched, setting out the city's mission to reduce poverty and inequality. They are:

- ▶ Healthy
- ▶ Growing
- ▶ Thriving
- ▶ Resilient

The Swarcliffe Community Shop achieves these in the following ways:

- ▶ In March 2025 the Community Shop in Swarcliffe opened its doors. Approximately £260,000 of direct investment has been made by Community Shop, creating a unique and vibrant hub for the local area, including the new shop and refurbished café, kitchen and hub rooms. This has resulted in an under-utilised space now becoming a hub for the community, enabling a **thriving** environment. Through the opening of the shop, 11 FTE permanent roles have also been created, **growing** the economic contribution.
- ▶ The benefits of the Community Shop model for Members are well documented. With standard item prices of 20p for fruit and vegetables, Members save on average £212 per month (across 600 shoppers), or £127,300 per annum. This enables Members' money to go further and eat **healthy**.
- ▶ By reducing surplus food going to landfill and providing a mechanism for redistribution, Community Shop contributes to the **resilient** ambition. The supply of surplus products, specifically donated by stock partners through Company Shop, means the model reduces industry surplus and waste and recoups value for supporting businesses.

Through strong partnership working, there are now referral mechanisms for local key services in place, including Housing Leeds, Employment & Skills, DWP and Children's Services, increasing the support that other established local services can offer.

Case Study 1: KANE International – Lean Transformation, Export Growth & T Levels

Our Business Growth Hub does a great job in supporting companies like KANE, and when we are committed to each other, the ongoing backing is there from the Greater Manchester level. – Andy Burnham, Mayor of Greater Manchester

KANE International, based in Atherton, set out to achieve ambitious growth targets through smarter operations and global expansion. GM Business Growth Hub's Manufacturing Team delivered a customised support programme, starting with leadership and culture workshops, followed by lean manufacturing and standard operating procedures. Daily improvement meetings empowered staff to identify inefficiencies and propose solutions, fostering an agile, skilled, and engaged workforce who were aligned with the company's growth objectives.

The operational impact was dramatic: a 50% reduction in space requirements and a 60% reduction in workforce labour for key processes, without compromising quality. We strengthened KANE's export strategy through expert advice on navigating tariffs, building distributor relationships, and understanding local regulations.

Importantly, KANE International also participated in Greater Manchester's T Levels placement programme, taking on a T Levels student as part of their commitment to workforce development and inclusive growth. This was made possible by GM Business Growth Hub's strong relationship with the company, which gave rise to our ability to mobilise support across the Greater Manchester business base. By leveraging these connections, we helped Greater Manchester ensure young people from all backgrounds could access high-quality vocational opportunities in growth sectors. This was supported by marketing campaigns, advisor toolkits, external webinars, and other assets available to businesses. Crucially, implementing a seamless journey for businesses from GC services to GMCA to complete the T Levels sign-up process offered a positive model of collaboration.

The Growth Company has done groundbreaking work to drive up the number of placements from our major employers. Andy Burnham, Mayor of Greater Manchester

KANE's story illustrates how holistic, joined-up support, combining process improvement, workforce development, internationalisation, and strategic skills initiatives, delivers lasting benefits for both businesses and communities.

Case Study 2: Firstplay Dietary Foods – Technology Adoption, Workforce Development & Export Growth

Firstplay Dietary Foods, a specialist manufacturer in Stockport, faced the challenge of scaling up production to meet growing global demand for its low-protein products for people with metabolic conditions. Manual processes limited productivity and created bottlenecks. With support from GM Business Growth Hub and Made Smarter, Firstplay invested in automation, increasing capacity tenfold and reducing waste. Staff were upskilled and redeployed to higher-value roles, enhancing job quality and satisfaction.

Alongside technical transformation, Firstplay accessed tailored apprenticeship recruitment through GC Education & Skills, bringing new talent into the finance team and fostering a culture of continuous improvement. The company also benefited from leadership development, mentoring, and exporting support through GM Business Growth Hub, providing a vital link between the business and the Department for International Trade, enabling successful expansion into new markets.

Firstplay's journey further illustrates the value of the kind of support the Growth Company can offer – spanning skills, technology, and global ambition – in driving both business growth and social impact.

Case Study 3: Carrs Pasties – Inclusive Leadership & Business Growth through Mentoring

Carrs Pasties, a family-run bakery in Bolton, sought to strengthen its leadership and workplace culture while supporting business growth. Through the GM Business Growth Hub's iMentor programme, Carrs Pasties was matched with Learn with ESS, a disability awareness training provider. The partnership provided Carrs Pasties' senior team with tailored mentoring and practical guidance on embedding inclusion into business operations.

With support from the Growth Hub, Carrs Pasties introduced immersive disability awareness workshops for staff, using specialist equipment to simulate the experiences of people with disabilities. This hands-on approach improved staff understanding, enhanced customer service, and fostered a more inclusive workplace. The initiative also encouraged open conversations about diversity and inclusion, helping Carrs Pasties attract and retain talent from a wider pool.

The mentoring relationship benefited both parties: Carrs Pasties gained new perspectives on leadership and inclusion, while Learn with ESS expanded its reach and impact. The collaboration demonstrated how targeted business support, combining mentoring, leadership development, and practical training, can drive commercial success and social value. Carrs Pasties' commitment to inclusive growth is now recognised as a model for other Greater Manchester businesses.

The Outcome

Across Greater Manchester, we offer holistic, joined-up economic development and business support, able to build bridges between both internal Growth Company support and the external ecosystem of support, delivering tangible results. With a clear focus on inclusive 'good growth,' all areas of the Growth Company can drive both business and social value – enabling Greater Manchester's vision of a thriving city region where everyone can live a good life.

Lessons for Economic Development Practitioners

- ▶ Integrate economic development programmes, including business support: Holistic, joined-up support delivers maximum impact for both businesses and communities.
- ▶ Lead with social value: Frame initiatives around community impact and inclusive growth to build long-term commitment.
- ▶ Leverage employer relationships for strategic initiatives: Deep connections with local businesses enable rapid mobilisation for regional priorities, such as T Levels placements, ensuring all communities benefit from economic development.
- ▶ Integrate seamless journeys: Between the Combined Authority and external services to deliver strategic objectives and initiatives.



