INSTITUTE OF ECONOMIC DEVELOPMENT

INSPIRING PEOPLE - IMPROVING PLACES

DELIVERING GOOD GROWTH

NOVEMBER 2026



AUTHOR: NIGEL WILCOCK, EXECUTIVE DIRECTOR, iED



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

Jacinda Ardern

Then Prime Minister of New Zealand, *2019*

CONTENTS

1 / Foreword 4

2 / Executive Summary 5

3 / Introduction 11

4 / What is Good Growth? 13

5 / Delivering Growth in a Local Economy 18

6 / Delivery in an Urban Setting 23

7 / Industrial Towns in Transition 26

8 / Rural Economies 28

9 / Supporting Those Most Difficult to Reach 33

10 / Driven by Communities 40

11 / Skills and Employment 46

12 / Good Growth Across the Four Nations 52

Case Studies

What is Good Growth?: Enterprise Facilitation in Blaenau Gwent 58

Industrial Towns in Transition: Barnsley's Inclusive Economic Growth Strategy 60

Driven by Communities: Leeds City Council – SheCanShine 62

Supporting Those Most Difficult to Reach: Leeds City Council – Community Shop 64

Delivering Growth in a Local Economy: Greater Manchester – Building Futures Together 66

Delivery in an Urban Setting: Oxford City Council – Community Employment Plans 68

Skills and Employment: Trafford Council – Tech4All digital inclusion 70

Rural Economies and Major Infrastructure: Hinkley Point C and Somerset Council 72

1 / FOREWORD

For years, the focus of local economic development strategies was the quantity of growth a place could generate. Over time the conversation among economic development practitioners and economists has expanded to also consider the quality of that growth and exactly who benefits. But the debate has rarely reached the point of changing the projects that were actually planned and funded. With **"good growth in every postcode"** now a stated commitment of the UK Government, it may be reaching that point, and the themes in this report could take on even greater relevance to the work of economic development practitioners around the country.

The most important of those themes is measurement. What you count, counts. Headline output figures can tell a story of success in places where residents' living standards have barely improved, or where gains have been captured largely by those who commute in. Readers may or may not agree with the specific metrics proposed here, but understanding the underlying challenge is important. If 'Good Growth' is to mean more than a slogan, the profession will need to demonstrate, with evidence, that a wider range of residents are better off. Those who cannot do that will find it harder to make the case for the next round of investment

This report is also candid about the tough conditions that today's economic development practitioners are working in. With previous grant regimes now closed, the planning system is carrying more of the weight of local funding, and a shortage of commercial skills in the public sector. It recognises that cities, post-industrial towns, rural areas and the communities hardest to reach face very different constraints, and that the four nations of the UK are taking increasingly different routes. The document sets out some important delivery lessons for each of these circumstances.

Some of the questions raised here will matter even more over the next decade than they do today. Artificial intelligence is already changing entry-level professional recruitment and may devalue the human capital of many mid-career workers. At the same time, the 'foundational' economy – care, retail, hospitality, construction and logistics – employs the most people in most places yet rarely features in discussions of place-based growth. Economic development professionals who engage with these issues now will be better placed than those who wait for national policy to catch up.

Finally, it is worth recognising how this document came about. It began as a discussion paper and has been shaped over the course of 2026 by lively roundtables with members working in very different settings and by case studies that lay out clearly both the goal and level of success of each project. It does not claim to be the last word. Its value lies in giving practitioners a shared set of questions, and a common vocabulary, for a conversation that everyone who cares about place-based economic development ought to be having.

Stephanie Flanders
Patron, Institute of Economic Development

2 / 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.

The report has been refined following seven member roundtables held during 2026, covering urban settings, industrial towns, rural economies, the communities hardest to reach, community-led development, and skills and employment.
It also responds to a change in the national context: **"good growth in every postcode"** is now an economic commitment of the UK Government. The concept has moved from the margins of the debate to the centre of it, and the task for the Institute has changed accordingly – from arguing for Good Growth to defining it in terms that can be planned, funded, delivered and measured.

The document closes with eight case studies contributed by members, covering the full range of settings the chapters describe: enterprise facilitation in Blaenau Gwent; town and township investment in Barnsley; female enterprise and food insecurity in two Leeds neighbourhoods; integrated business support across Greater Manchester; community employment plans attached to a life sciences development in Oxford; hyper-local digital inclusion and mid-career reskilling in Trafford; and the capture of supply chain value and legacy skills from the construction of Hinkley Point C in Somerset. Each sets out the delivery mechanism used, the evidence of what it produced, and the lessons its authors would pass to other practitioners.

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.



Measuring Good Growth

A definition without a measure will not survive contact with delivery. The evidence from members is that growth has frequently occurred without moving resident living standards. City regions that have grown faster than their European peers still contain some of the most deprived local authorities in the country, and in several cases the gains appear to have been captured by those who commute in rather than those who live there. We propose that Good Growth is measured through the living standards of residents – real disposable income, the security and quality of work, and access to services – disaggregated between residents and in-commuters, and tracked over meaningful periods. **Figure 1 (on page 17)** sets this out as a single-page execution scorecard of 10 metrics, each built from data that is already collected.

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.

Funding, institutions and geography

With European funding and the Shared Prosperity Fund gone, the planning system has become a primary funding source for economic development. Developer obligations, the neighbourhood element of the Community Infrastructure Levy and the wider question of land value capture now deserve the attention the profession has historically given to grant regimes. Institutional capital matters just as much.

Devolution is not the same thing as decentralisation, administrative geographies rarely match economic ones, and each round of structural reorganisation consumes years of capacity and dissolves partnerships that took years to build. When developing this report, members were clear that the public sector's commercial capacity is a binding constraint: negotiating obligations, capturing land value, and assembling contaminated sites requires skills authorities often lack, and the consequences are visible in schemes that cannot be built or stand empty.

The planning system is not the only route. The clearest working prototype of a locally assembled fund is Greater Manchester's Good Growth Fund, built from the city region's integrated settlement, its pension fund, borrowing against retained business rates and a share of land value uplift.

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.

Members identified transport infrastructure as the single aspect in which UK cities differ most sharply from their European comparators. Radial networks connect residents to city centres but connect them poorly to peripheral industrial and logistics employment, where accessible entry-level jobs are frequently located.



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, 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 existing capital used effectively. The renaissance of these locations is a national challenge, but allowing failure whilst reinvesting in greenfield sites elsewhere is unacceptable.

Delivery in these towns also requires an honest acknowledgement that the public sector often lacks the commercial expertise to assess viability and negotiate on equal terms, and that employment land assessed only quantitatively can impact on life experience of the urban core.

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.

Two issues require urgent attention. Rural areas increasingly host the energy and digital infrastructure on which the whole economy depends - renewables, grid capacity and hyperscale data centres - while capturing very little of the value it generates. These are the extractive industries of the modern economy, and councils need national guidance and a shared evidence base to negotiate with developers of that scale. At the same time, redistributing local government funding towards concentrated deprivation is sharply reducing rural capacity, and viability tests calibrated on urban assumptions systematically undervalue rural intervention.

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.

Two qualifications matter. Area-based deprivation indices measure who lives somewhere at a point in time, not individuals' progress, and persistent area deprivation may reflect the housing market as much as failed intervention. And intervention that begins when this presents itself as a skills problem begins too late. The evidence points to cradle-to-career, whole-family approaches on a 20-year horizon.

Encouragingly, some of the best-evidenced interventions are also among the cheapest.



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 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.

The larger prize, however, lies in the schemes that are not community programmes at all. Innovation districts, city deals, and major development schemes account for the bulk of local growth investment, and international evidence identifies four recurring reasons their benefits fail to reach adjacent communities. Inclusion designed from the outset is different and stronger than inclusion retrofitted afterwards.

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.

Current skills policy does not address the defining labour market question of the coming decade. Artificial intelligence is contracting entry-level professional recruitment now, and threatens to devalue the expertise of a generation of mid-career workers.

The parallel with the industrial dislocation of the 1980s is uncomfortable, and the country's record on mid-career transition then was poor. Alongside this sits the foundational economy – care, retail, hospitality, construction, logistics – which employs most people in most places, carries the most acute labour shortages, and is largely absent from the way economic development professionals talk about growth.

Conclusion | Good Growth across the four nations

Economic development is devolved, and the four nations are diverging. England pursues good growth largely through discretionary mayoral strategies, competitive bidding and planning obligations. Scotland, Wales and Northern Ireland increasingly use primary legislation and statutory duties: Scotland through community wealth building and land reform legislation; Wales through the Well-being of Future Generations Act and statutory socially responsible procurement duties; and Northern Ireland through mandatory social value weightings in public procurement and a distinctive community development infrastructure. The final chapter sets out those differences and what each nation can learn from the others.

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.



3 / INTRODUCTION

> 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:

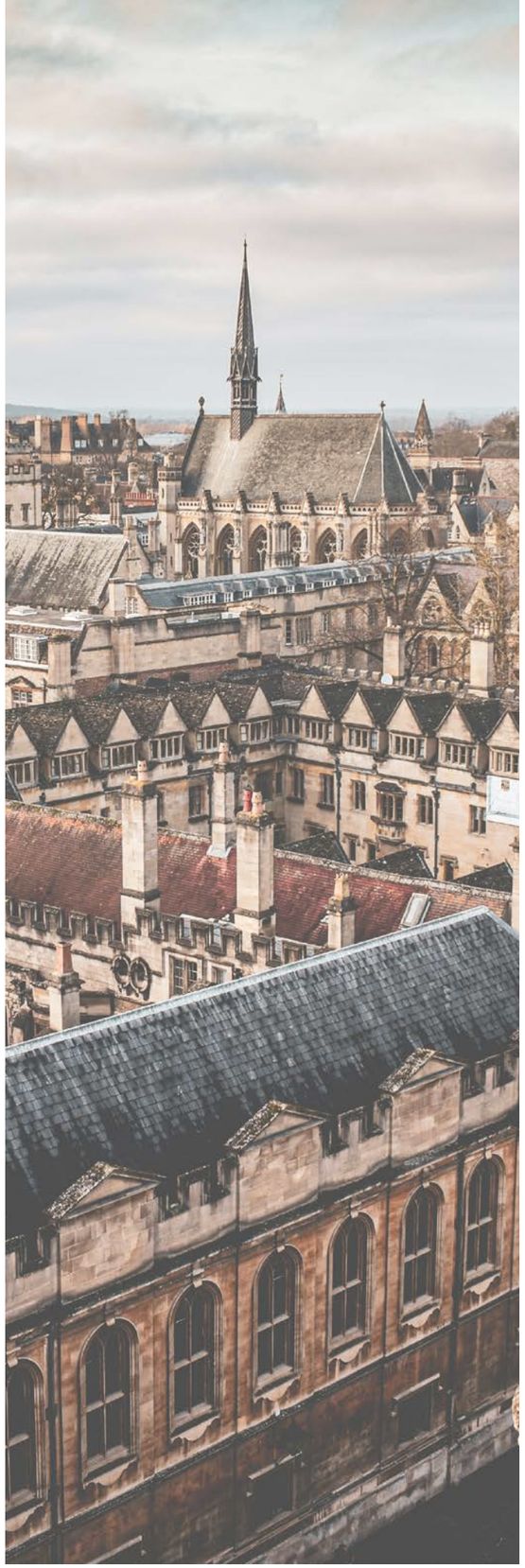
- Devolution
- Funding stability and the funding pipeline
- Net zero
- Business development and inward investment
- Labour market and skills activation
- CPD in the economic development workforce

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'. The phrase 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 the theme of 'Good Growth', and Nigel Wilcock, Executive Director, has set out a view of what it means for the UK and different aspects of policy.

This document is intended as a discussion paper for members and, during 2026, we have refined its approach and incorporated additional case studies through work across the membership.



Good Growth in every postcode

Since this draft was first prepared, the political context has changed fundamentally. **"Good growth in every postcode"** is now the central economic commitment of the UK Government, extended explicitly to every part of the United Kingdom. A phrase that the iED and others have used to describe a professional ambition has become the organising slogan of national economic policy.[1]

This is both an opportunity and a risk. The opportunity is that the concept has moved from the margins of the debate to the centre of it. The risk, as members observed repeatedly during our roundtables, is that a phrase of this kind can remain a slogan – politically useful, operationally empty – leaving those charged with delivering it to infer what it means. The purpose of this document is therefore no longer only to advocate for good growth. It is to define it in terms that can be planned, funded, delivered and measured by the people who will have to do the work.

The clearest working prototype is the Greater Manchester Good Growth Fund, assembled from the city region's integrated settlement, its pension fund, borrowing against retained business rates and National Wealth Fund investment, and conditional on a Good Growth Social Value Contract. Whatever view is taken of that particular model, it demonstrates the essential point that good growth becomes real when it is attached to money, to conditions and to measurement. Rhetoric alone changes nothing.[2]

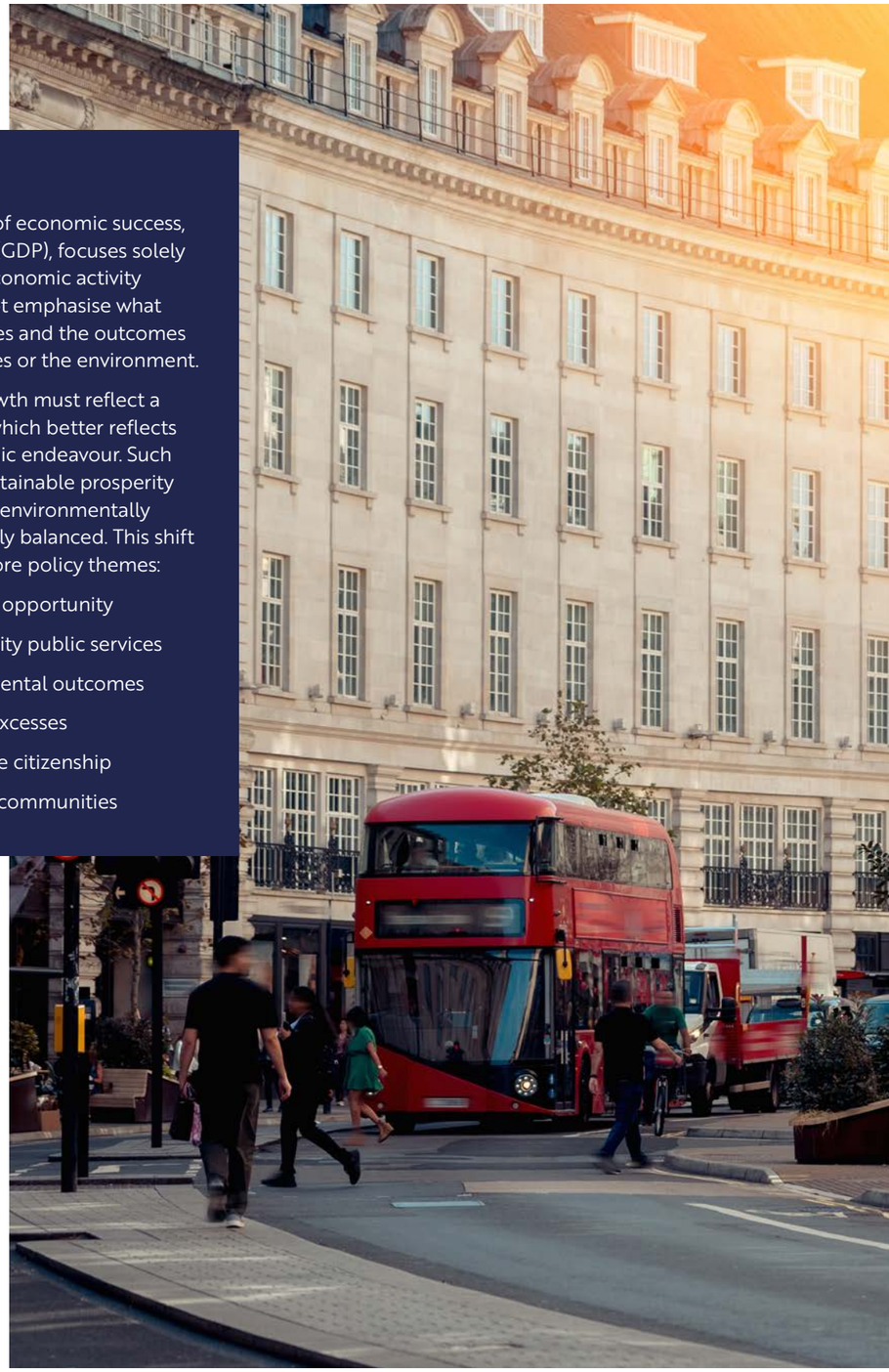
This version of the document has been revised following seven roundtable discussions with members during 2026, covering the urban setting, industrial towns, rural economies, communities that are hardest to reach, community-led development, and skills and employment. The additions that follow are drawn directly from those discussions.[3]

[1] Prime Ministerial speech, Manchester, July 2026, and subsequent Government statements extending the commitment to every part of the United Kingdom.

[2] Greater Manchester Combined Authority, Greater Manchester Good Growth Fund. See also Centre for Cities, "What does Andy Burnham think Good Growth is?", 2026.

[3] iED Good Growth roundtables, 2026: urban setting (23 March), industrial towns (27 April), rural economies (26 May), communities hardest to reach (29 June), community-led development (13 July), and skills and employment (7 September). Contributions are cited throughout without attribution to individuals.

4 / WHAT IS GOOD GROWTH?



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.

Much of this sits well beyond the reach of anyone working in local economic development, and across seven roundtables no member raised market regulation or corporate citizenship unprompted. That in itself is a finding about the framework. The levers that practitioners actually hold are narrower and more useful: social value in procurement, developer obligations, local labour agreements, and voluntary employer standards. This includes initiatives such as the Greater Manchester Good Employment Charter, now nine-years-old and being re-tested against what good employment should mean. These topics are discussed in **Chapters 4 and 9**. National regulation of corporate conduct matters, and it is not what this document is for.

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.

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 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.

Overall | Measuring Good Growth

A definition is of limited value without a measure. The critique of GDP is well rehearsed, but the alternative has rarely been specified with any precision, and the consequence is that authorities continue to report the metrics they hold rather than the outcomes they intend.

The evidence from iED members is uncomfortable and consistent. Greater Manchester has grown faster than almost any comparable UK or European city region over two decades, yet the City of Manchester remains among the most deprived local authorities in England. Edinburgh has recorded substantial increases in GVA while living standards for many residents have not recovered to pre-recession levels. In Leeds, the pattern of inner-area deprivation is traceable to before the 1930s and has proved resistant to three decades of intervention. In Barking and Dagenham, ten years of development-led inclusive growth has left many of the same challenges in place.[4]

The common feature is not that growth failed to occur. It is that the growth was captured by people other than the residents it was intended to benefit – in several cases demonstrably by those who commute in, rather than those who live there. Good Growth therefore requires an answer to a prior question: growth for whom?

We propose that Good Growth is measured primarily through the living standards of residents – real disposable income, the security and quality of work, and access to services – disaggregated between residents and in-commuters, and tracked over periods long enough to be meaningful. Where authorities can already demonstrate this, they should say so. Barnsley's recognition for among the strongest growth in disposable income of any local authority over the last decade is precisely the kind of claim the sector should be competing to make, and precisely the kind of claim that GVA statistics obscure.[5]
The framework set out at the end of this chapter translates that proposition into 10 metrics that an authority can adopt and publish.

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.

[4] iED Good Growth roundtable, delivery in an urban setting, 23 March 2026. See also Ministry of Housing, Communities and Local Government, English Indices of Deprivation 2025.

[5] Centre for Cities analysis of disposable income growth by local authority, 2013-2023, cited at the iED Good Growth roundtable on industrial towns, 27 April 2026.

FIGURE 1

THE GOOD GROWTH EXECUTION SCORECARD

The argument above is of little use to a delivery team unless it can be translated into something an authority can adopt, publish and be held to. **The scorecard below does that:** 10 metrics, all built from data that is already collected, all answering whether growth has reached the people who live in the place. It is a floor rather than a ceiling, and its purpose is to make the central claim of this report testable – that growth which does not raise resident living standards has not been delivered.

Metric	What it establishes	Source and reporting basis
A. Living standards of residents – the primary test		
Net Resident Real Income	Median household disposable income per resident, adjusted for inflation against a fixed base year. The headline test of whether growth has reached residents.	ONS gross disposable household income per head, deflated by CPIH. **Reported as change over five and 10 years.**
Workplace vs Resident Wage Delta	The gap between the median earnings of jobs in the area and of the people living in it. A persistent workplace premium shows value being created locally and taken out by those who commute in.	ASHE workplace-based and residence-based medians, full-time gross weekly. **Annual.**
Low Pay Incidence	The share of resident employees paid below the real Living Wage, reported alongside the median so that the distribution is visible.	ASHE, resident basis. **Annual.**
B. The security and quality of work		
Secure Hours Rate	The share of resident employees whose contract guarantees the hours they depend on – the counter to employment growth built on involuntary temporary and zero-hours work.	Annual Population Survey, supplemented by a local employer survey where the sample is thin.
Sustained Employment at 12 Months	Residents furthest from the labour market who enter work and are still in work a year later, rather than starts alone.	Programme and DWP administrative data, tracked by cohort.
C. Where the money circulates		
Local Supply Chain Spend %	The proportion of anchor institution third-party spend placed with suppliers based in the area, on a definition of "local" agreed once and held constant.	Anchor procurement ledgers, consolidated annually across the partnership.
Community and Employee Ownership	The number and value of assets, land and enterprises held in community or employee ownership – the durable form of local capture.	Local asset register and community ownership records. **Annual.**
D. The foundations of the place		
Access to Opportunity	The share of residents within an agreed public transport travel time of employment sites, further education and primary care – the binding constraint in rural and peripheral areas.	DfT journey time statistics with local modelling. **Biennial.**
Healthy Life Expectancy Gap	The difference between the best and worst neighbourhoods within the area, rather than the area average.	ONS and OHID small-area estimates. **Rolling three-year.**
Emissions per Resident	Whether the growth being delivered is consistent with the environmental commitments made alongside it.	DESNZ local authority territorial greenhouse gas emissions. **Annual, published in arrears.**

RULES OF USE

- Report on a resident basis, not a workplace basis, except where the comparison between the two is itself the measure.
- Report the distribution and median. An average that improves while the bottom decile does not, is not good growth.
- Fix the baseline and track over 10 years. Annual movement in most of these measures is noise.
- Publish all 10 in the same form each year, whether or not they flatter. A scorecard used selectively is not a scorecard.

5 / 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 had used up its theoretical annual resource allowance by mid-May.[6] 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.

[6] Earth 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. 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, offering 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.



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. What will be the most successful businesses in a local area, is difficult to predict. Still, they may be assisted 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, such as 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, we should consider how public sector policies are communicated to local businesses to highlight future opportunities and ensure local preparedness.

Conclusion

Institutions, devolution and geography

Institutional capital is the least discussed of the six capitals and, on the evidence of our roundtables, among the most consequential. Two issues recur.[7]

The first is that devolution is not the same thing as decentralisation. Powers transferred from Westminster to a combined authority, or to a devolved administration, may be exercised as centrally within their new territory as they were before. Members in Scotland made this point about the central belt; members in England made it about the relationship between combined authorities and their constituent districts and towns. Wherever the boundary is drawn, the area at the periphery experiences the new arrangement much as it experienced the old one. This is not an argument against devolution, which members supported. It is an argument for being explicit about where decisions will sit within a devolved geography, and for resisting the assumption that a transfer of power downwards automatically empowers communities.

The second is that administrative geographies and economic geographies rarely coincide. Travel-to-work areas cross combined authority boundaries; benefits spill over into neighbouring authorities that were not party to the deal; and city regions have in some cases been reorganised into administrative units that suit political arithmetic rather than labour markets. Economic development is more effective where practitioners work to the fuzzy boundaries that reflect how the economy actually functions, whatever the formal structures require.

[7] The six capitals framework is taken from HM Government, Levelling Up the United Kingdom, CP 604, February 2022.



To this must be added the cost of structural change itself. Local government reorganisation, the establishment of new combined authorities and the redistribution of functions, all consume years of practitioner capacity and dissolve relationships that took years to build. Collaborative arrangements that work well – county-wide skills partnerships, shared employment programmes – are frequently the casualties, because they depend on trust between individuals rather than on statute. Where reorganisation is unavoidable, the deliberate preservation of functioning partnerships should be treated as an objective in its own right rather than left to chance. As devolved models diverge, the systematic sharing of what works between combined authorities also becomes a task that somebody has to own.

Funding Good Growth: developer obligations and land value capture

With the closure of European funding and the Shared Prosperity Fund, and with local authority revenue budgets under severe pressure, the practical question for most members is not what Good Growth requires but how any of it is to be paid for. Across our roundtables one answer emerged repeatedly, and from every type of authority: the planning system.

Section 106 - Section 75 in Scotland - has moved from a technical planning matter to a primary funding source for economic development. Members described programmes, teams and their own posts now funded this way. Practice is highly uneven, and several lessons are worth recording.[8]

[8] iED Good Growth roundtables, delivery in an urban setting (23 March 2026) and rural economies (26 May 2026).

First, obligations work best when drafted against measurable targets with a financial consequence attached to each one, together with a fee sufficient to pay for the monitoring. Second, and less obviously, obligations are more effective when attached to the landowner rather than the developer, since the latter can otherwise pass responsibility down a supply chain of subcontractors with no capacity to run apprenticeship or employment programmes. Third, the scope of what is monitored matters as much as what is agreed: where authorities test only employment and skills outcomes, commitments on local supply chain access and community engagement go unenforced by default.

There is a counterweight, and it should be stated plainly. One member described replacing a lengthy and legally elaborate agreement requiring local labour with a short, arguably unenforceable agreement negotiated directly with the end occupier, and achieving over eighty per cent local employment against the twenty-five per cent available through the formal route. Another described a social value regime so complex and costly that it deterred the investment it was designed to shape. The lesson is not that obligations should be weak, but that enforceability and relationship are different things, and the more elaborate instrument does not reliably produce the better outcome. Culture matters more than headcount, and members were clear that very small teams achieve a great deal where the prevailing attitude is enabling.

Two further points deserve attention. The legal basis for employment and skills contributions is applied inconsistently, with some authorities securing them routinely while others have been advised they are unlawful; this warrants clarification at national level. And the neighbourhood element of the Community Infrastructure Levy can be directed to a far wider range of purposes than is generally realised.

Where new unitary authorities are being formed, local government reorganisation offers a rare opportunity to realign it.

Beyond developer obligations lies the larger question of land value capture. The uplift created by the stroke of a planning officer's pen accrues almost entirely to the landowner, and is then embedded in the land cost that every subsequent scheme must carry. Models used elsewhere in Europe – notably the Dutch approach of public land assembly, servicing and disposal at cost – capture that uplift for public purposes. Scotland's Vacant and Derelict Land Investment Programme offers a domestic variant, requiring a public sector lead applicant to demonstrate genuine collaboration with community and third sector partners. This is discussed remarkably little in the UK, but should be.[9]

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 several more nuanced mechanisms that the public sector can support to unlock a supportive environment for growth.

[9] Scottish Land Commission, work on public interest led development and land value capture; Vacant and Derelict Land Investment Programme, Scottish Government.



6 / 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 alternatives to cars. The large, concentrated user base also makes heavy-capacity, low-carbon public transport systems, such as underground systems or trams, economically feasible.

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, and offer 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, existing resentment can build further, 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.

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 bespoke 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.

Conclusion | The transport constraint

If there is a single respect in which UK cities differ from their European comparators, members identified it without hesitation as transport infrastructure. This is underplayed in the account above. The agglomeration benefits described are not automatic properties of density; they are produced by the ability of people to reach opportunity, and they are distributed by the networks that happen to exist.[10]

Two consequences follow. The first is that radial networks connect residents to city centres, where high-value employment is concentrated, but connect them poorly to the logistics, industrial and distribution employment on the periphery, which is frequently where accessible entry-level jobs are located. A resident may be well connected to jobs for which they are not qualified and poorly connected to jobs for which they are. The second is that the absence of devolved powers and funding to build such networks is itself a constraint on Good Growth. Where a city identifies the need for a tram or light rail system, the process by which that is authorised and financed is slower and more centralised than in almost any comparable country.

The contrast within the UK is instructive. Members compared the transformation of the walkable extent of Manchester through Metrolink with medium-sized cities where no comparable investment has been made, where there is no light rail, and where a single incident on a key route can bring the network to a halt.

In theory, therefore, cities are the settings where Good Growth can be achieved most effectively. But 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. There is also a risk inherent in success itself. Where regeneration raises rents and retail costs faster than resident incomes, long-standing residents are displaced outwards to cheaper and less well-connected areas, and a visibly prosperous new district emerges without the outcomes of the original community improving – the urban expression of the measurement problem set out earlier in this document. 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.

[10] iED Good Growth roundtable, delivery in an urban setting, 23 March 2026.

7 / INDUSTRIAL TOWNS IN TRANSITION

> 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 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 | Deliverability and the commercial gap

An honest account of why regeneration in these towns is difficult must include a point the public sector is often reluctant to make about itself. Authorities frequently lack the commercial expertise to assess viability, structure deals and negotiate with investors and developers on equal terms. The consequences are visible. Schemes that are design-led rather than market-led and cannot be built, or are built and stand empty, damage both the town and the credibility of the authority that promised its transformation.

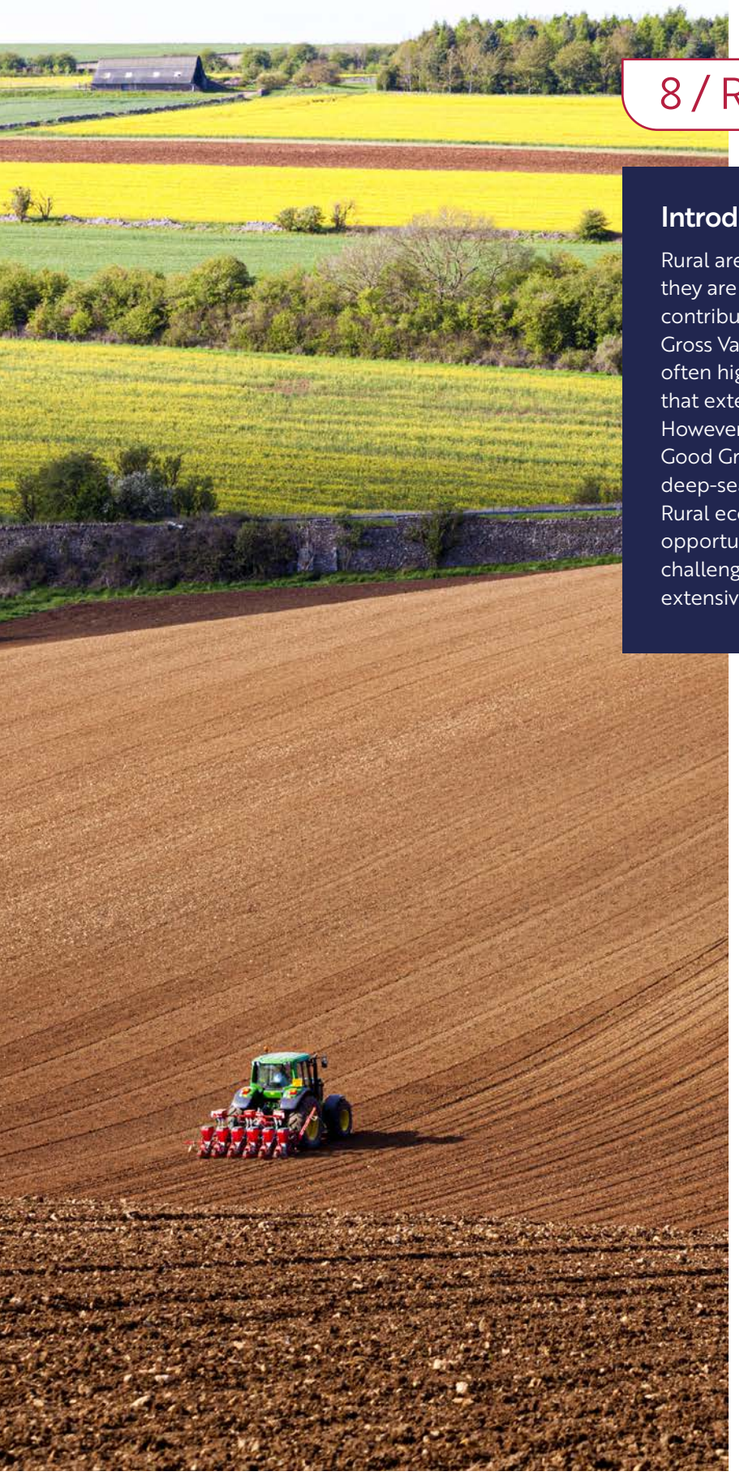
Members described two responses. The first is the appointment of long-term regeneration partners who bring commercial judgement, market intelligence and access to capital, on terms that keep the public interest in view. A master plan produced by the public sector has repeatedly proved to be the instrument that attracts such a partner, rather than a substitute for one. The second is a change in culture rather than capacity. A positive and informed relationship with an investor frequently unlocks more than an elaborate policy framework.

There is also a related and largely unexamined issue in employment land. Many authorities hold a full planning period's supply of employment land and defend it in quantitative terms, while much of that supply – canal-side, rail-side and inner-urban sites laid out for an industrial era that has passed – is unsuited to modern industrial and logistics requirements. Assessed qualitatively and spatially rather than only quantitatively, some of these sites represent the most sustainable housing opportunities the town possesses, and their retention as notional employment land forecloses the regeneration of the urban core. The reverse case also holds. Contaminated former industrial land brought forward for modern industrial and logistics use, with the authority leading assembly and compulsory purchase, remains one of the more reliable interventions available.

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.



8 / 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 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 landowners. 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 – such as through tree planting and peatland restoration – alongside 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 such as eco-tourism, food trails and 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 wellbeing 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

Energy, data and the new extractive industries

Rural areas host a growing share of the national energy and digital infrastructure on which the whole economy depends: onshore and offshore renewables, battery storage, grid reinforcement and, increasingly, hyperscale data centres. The economic development question this raises is not whether they should be built, but whether the communities that host them receive a proportionate share of the value they generate.[11]

The evidence from members suggests that at present they frequently do not. A large data centre may occupy twenty hectares and permanently employ fewer than a hundred people. In one district a single such development absorbed around three quarters of the authority's entire industrial land allocation, in return for a community fund worth a small fraction of the gross value added that conventional employment uses on the same land would have produced. Requests to connect waste heat to a masterplan a few hundred metres away were declined. Land negotiations were conducted in confidence at executive level, with economic development and planning colleagues brought in only once the terms were effectively settled. Renewable generation raises a parallel issue: the power is exported, the value is realised elsewhere, and the host area is left with the land-use impact and a modest community benefit fund. The same logic applies to the large distribution sheds that have grown up along the logistics corridors.

In an earlier era these would have been recognised as extractive industries – activities that take a place's physical resources and export the returns. The modern versions extract land, power and grid capacity instead of coal or stone, and the policy response has not caught up.

It need not be this way. One authority described negotiating a jointly designed social value framework with a data centre developer, with substantial reinvestment committed locally, power drawn from the region's own offshore renewables, and a deliberate strategy of linking the facility into an existing supply chain rather than treating it as a standalone asset. International precedent points the same way, with data centre investment used elsewhere to anchor university specialisation, research activity and a subsequent generation of start-ups.

Three things follow. Councils need national guidance and a shared evidence base for negotiating with developers of this scale and sophistication, because individual district authorities are not equipped to do so unaided and are frequently approached in circumstances designed to prevent it. The loss of strategic employment land should be treated as a material consideration in its own right, assessed against the employment that alternative uses of the same land would have supported. And where a development consumes local power, land and grid capacity, the case for a substantial and long-term local return – in energy cost, heat offtake, skills, supply chain access or equity – is a matter of straightforward economic logic rather than special pleading.

[11] iED Good Growth roundtable, rural economies, 26 May 2026. Examples in this section are drawn from that discussion and are reported without identifying individual authorities or developers.

A related question arises where major construction projects dominate a rural economy for a decade or more. Employment during construction can run to five figures and then collapse to a few hundred in operation. Planning for that transition – retaining the businesses and capability built during construction, and moving the workforce into adjacent sectors – should begin at the outset rather than at the end, and is rarely funded.

Funding and the rural cost of delivery

Rural delivery costs more. Dispersed populations raise the unit cost of every service, from skills provision to transport to business support, and standard viability and value-for-money tests, calibrated on urban assumptions, systematically conclude that rural interventions do not represent good value.

This is being compounded by the redistribution of local government funding towards measures of concentrated deprivation. The effect is defensible in its own terms and severe in its consequences. Some predominantly rural authorities face reductions in grants of over 30 per cent by the end of the decade, with obvious implications for any discretionary economic development activity. Rural areas within mayoral combined authorities face a related risk of peripherality, since combined authority geographies have generally been built around cities and city regions.[12]

There are practical remedies. One combined authority has introduced an explicit rural uplift to the unit costs used in commissioning adult skills provision, recognising that delivery in dispersed communities cannot be costed on urban assumptions, and has added a further uplift where provision reaches groups facing particular disadvantage such as carers and people with health conditions. This is a simple and transferable mechanism for building good growth objectives directly into funding formulae rather than relying on exhortation, and it deserves wider adoption. Transport must be treated the same way. A rural bus network will not pay for itself in the period required for people to build their lives around it, and must be funded as a loss leader long enough for behaviour to change.

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 there 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.

[12] Fair funding settlement projections cited at the iED Good Growth roundtable on rural economies, 26 May 2026.

9 / 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 restricted 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.

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 a system that is focused on certain types of qualifications and learning styles, limited educational attainment from an early age 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 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.



Areas, people, and what the indices actually measure

The persistence of the same neighbourhoods at the bottom of the deprivation indices over 25 years is presented, as it usually is, as evidence that intervention has failed. That inference deserves more scrutiny than it generally receives.

An area-based index measures the characteristics of the people living in an area at a point in time. It does not follow individuals. Where a neighbourhood contains the cheapest and poorest-quality housing in its wider market, it will tend to house those with the fewest options, and residents whose circumstances improve will frequently exercise the option to leave, to be replaced by others in difficulty. On this reading a persistently deprived area may be evidence of a housing market functioning as it does everywhere, rather than of an intervention that failed. Members put the point more bluntly: on current arrangements, every city needs somewhere for its poorest residents to live.[13]

This matters practically. If the aim is to improve area statistics, one set of interventions follows. If it is to improve the life outcomes of individuals, it is quite another, and success may show up as no change in the index at all. Members also cautioned that the indices contain artefacts – small areas appearing among the most deprived on the strength of an economically inactive but comfortably retired population – and that local knowledge should always be tested against the data.

There is a research question here that the sector should pursue. Some of the areas that received the highest levels of European structural funding appear to show improvement in the most recent indices at a scale not seen elsewhere. Whether that reflects a genuine long tail from sustained investment, or population change, is not currently known, and the answer would be of considerable value in the debate about how long funding settlements need to be.

[13] iED Good Growth roundtables, delivery in an urban setting (23 March 2026) and communities hardest to reach (29 June 2026).



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 in **Chapter 10**, 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.
- Hyper-local remote work infrastructure also allows 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.
- Establishing high-speed, free-access digital and co-working centres within the community (e.g., in libraries, community centres) means 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 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 include 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 other initiatives 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.

Starting sooner: early years and the whole family

The interventions described above are, almost without exception, remedial. Members working on these issues were close to unanimous on a point this document has so far understated: by the time the problem presents itself as a skills problem, it is frequently too late, and the returns to intervention are far lower than they would have been if acknowledged earlier.

The implication is a cradle-to-career approach with a planning horizon of two decades rather than two years, working with the whole family rather than the individual. Evidence from members applying health equity frameworks locally is instructive and counter intuitive. In at least one county, children from deprived households attending school in affluent areas achieve worse outcomes than children living in deprived areas, suggesting that stigma and hidden disadvantage operate differently from the concentrated deprivation on which policy is usually modelled.[14]

The whole-family dimension is equally important and equally neglected. Earlier grassroots programmes found that moving one household member into employment could materially worsen the family's overall financial position through the withdrawal of benefits, producing entirely rational resistance that is easily mistaken for a lack of aspiration. They also found that where no adult in a household has recent experience of employment, the practical routines of work – timekeeping, transport, workplace norms – are learned nowhere else. Research in social housing estates in the north of England found residents had almost no prospect of encountering anyone in a professional role beyond a teacher, a GP or a dentist. These are not marginal considerations. They determine whether employment support works at all.

[14] Institute of Health Equity, Marmot Places programme; findings reported at the iED Good Growth roundtable on skills and employment, 7 September 2026.



What works, and what it costs

The interventions with the strongest evidence base are not always the most expensive, and this chapter should not leave the impression that reaching these communities is affordable only in periods of plenty.

Two examples from members illustrate the point. One authority delivered digital skills training hyper-locally, in libraries and community centres rather than a central college, combining short courses with a refurbished laptop and internet access provided through partnership with organisations recycling equipment from housing associations and the health service. Some 300 residents were supported, and the reported effects extended well beyond digital capability to confidence, reduced isolation and subsequent engagement with employment support. A second, evaluated nationally across six areas, provided residents of the most deprived neighbourhoods with a bicycle, equipment and training at a cost of around £1,000 per person, and recorded improvements in wellbeing, access to employment and health sufficient to generate measurable savings to the NHS.[15]

Two design features recur in the schemes that work. They are delivered in the community by people the community recognises, rather than by providers who arrive and depart. And they build local capacity deliberately, so that something survives the end of the funding – in one case by training local volunteers to run the scheme themselves. Entrepreneurship, delivered this way, has also proved an effective route to good work for people who would never describe themselves as entrepreneurs. Both features are inexpensive. Neither survives a twelve-month funding cycle, which members identified consistently as the single greatest obstacle to doing this work properly.

A final observation, made in several sessions and worth recording candidly, was that economic development teams acting alone are rarely the right vehicle for this work. The relationships and the trust already exist, in the voluntary and community sector, in social housing providers and in health services. The most effective role for economic development is frequently to resource and convene those organisations as equal or lead partners rather than as delivery subcontractors.

[15] iED Good Growth roundtable, communities hardest to reach, 29 June 2026. The second scheme refers to the national evaluation of free bike schemes across six areas of England.

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 wellbeing. 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 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 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.

10 / 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 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, action has been taken to build local wealth, own assets, and democratise 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 10 years.



What do we mean by community?

The term is used loosely in economic development and this document should be precise about it. We are concerned principally with communities of place: geographic communities, self-defining where possible, of a scale at which residents recognise a shared interest and can plausibly exercise collective decision-making. Scotland's legislative framework, which allows a community to define its own boundary for the purposes of asset transfer, the right to buy, and community ballots, offers a workable model that has no direct equivalent elsewhere in the UK.

Two qualifications are essential. Communities of interest matter alongside communities of place, and frequently operate at a larger scale and with resources a single neighbourhood cannot muster. And there is never a single community voice. Communities of place can contain profound internal division, and the value of investing in social infrastructure is not that it removes that division but that it makes it possible to manage – to bring people to a table and prevent escalation. That is a lower and more honest ambition than consensus, and a more achievable one.

The four nations differ materially, and this document should not be read as an English account. Community ownership of land and assets is considerably more advanced in Scotland; the institutional infrastructure of community development in Northern Ireland reflects a distinct settlement and history; and the devolved administrations have taken different legislative approaches to community wealth building and empowerment. Where this document uses English terminology and English programmes as its examples, that is a limitation of the drafting rather than a judgement about where the interesting practice is.

Social Value

One universal measure to secure corporate economic development activity as a force for good at the local level is social value. This, in procurement, means public bodies must consider the broader economic, social, and environmental benefits beyond just price and quality when buying services, driven mainly by the Public Services (Social Value) Act 2012. This legislation requires commissioners to think about how contracts can improve wellbeing, boost local economies, create jobs, or protect the environment. The 2012 Act itself has not been amended; the significant change came through the Procurement Act 2023 and the National Procurement Policy Statement, which together raised the weight given to social value and tightened the requirements on contracting authorities.

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 several 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 £200million to 150 neighbourhoods. The idea was that each area would receive at least £1million 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.

The programme has now been evaluated in detail and the findings deserve wider circulation. Around 90 per cent of the funding reached the neighbourhoods directly rather than being absorbed in administration. Success depended on three conditions: the legitimacy of the resident partnership in the eyes of its own community, the right balance of external support, and a genuine opportunity to learn. Measurable effects included reduced anxiety and reduced burglary, with a cost-benefit assessment suggesting a net economic impact substantially in excess of the sums invested – though a considerable part of that was expressed as social wellbeing rather than employment or productivity.[16]

Two findings are less comfortable and more useful. Benefits within participating neighbourhoods were unequally distributed, accruing disproportionately to men and to better-educated participants; inclusion within community-led programmes cannot be assumed simply because the programme is community-led. Additionally, progress in the early years was slow, with little visible activity while the conditions for resident control were established. Any programme of this kind judged on early outputs will be judged to have failed.

[16] Local Trust and the National Institute for Health and Care Research, evaluations of the Big Local programme; summarised at the iED Good Growth roundtable on community-led development, 13 July 2026.

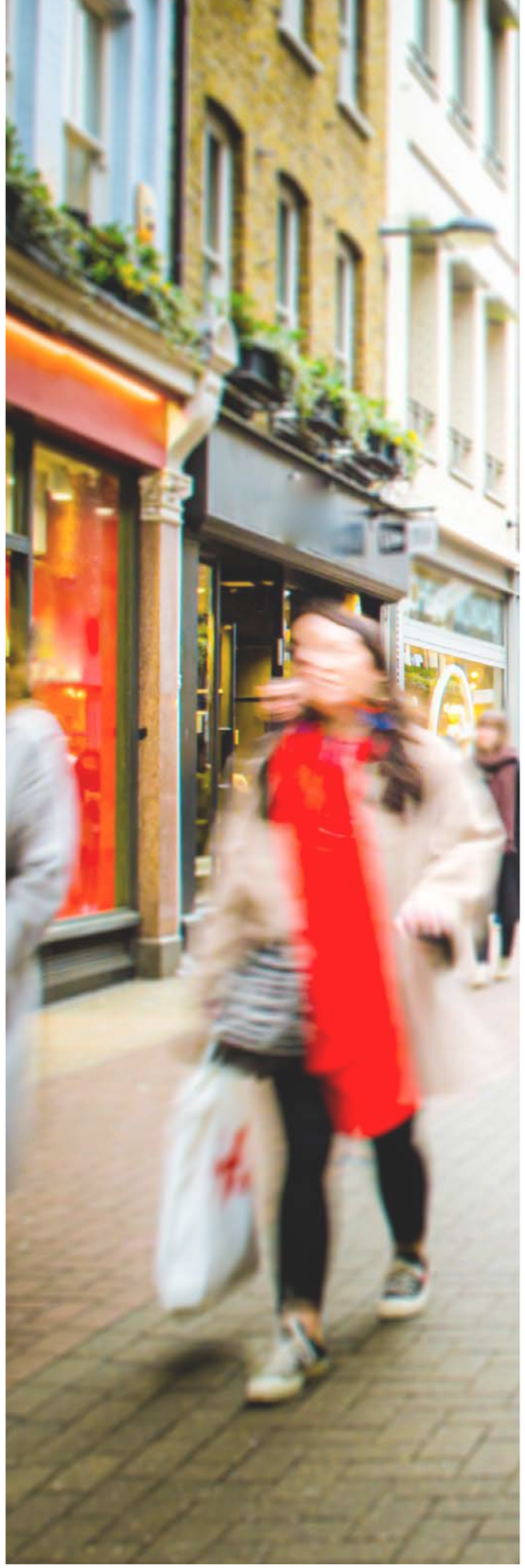
In some ways, The Big Local may be seen as an early expression of what can be achieved at a local level, and some of this thinking has been picked up in the UK-wide central government initiatives, Plan for Neighbourhoods and Pride in Place Fund. These schemes have recognised that communities can be empowered 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 schemes focused on generating clean energy and reducing its cost for public and community assets, as well as residents.

The key success is that the 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 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 where the Community Wealth Building (Scotland) Bill was passed by the Scottish Parliament on 10 February 2026, placing duties on Ministers, councils and public bodies to publish and implement CWB action plans. The general principles of the Bill were agreed at Stage 1 in November 2025; the legislation itself was passed the following February. It is the first national community wealth building legislation anywhere in the UK.

Conclusion | Inclusion by design: lessons from major investment

The largest investments made in the name of local growth are not community programmes. They are innovation districts, city deals and major development schemes, and the record of these in delivering community benefit is instructive.

Comparative work across innovation districts in the UK and internationally identifies four recurring failure modes.

The first is retrofit. A district may be well governed, publicly owned and genuinely well intentioned, and still see the socio-economic gap with its adjacent communities widen rather than narrow, simply because financial and property performance measures were set and sequenced ahead of inclusion outcomes. Inclusion designed in afterwards is a different and much weaker thing than inclusion designed in from the outset.

The second is the adjacent enclave. Generous and sincere investment directed at neighbouring communities rather than agency for those communities within the governance of the district itself. Essentially, support for the neighbours instead of a seat at the table.

The third is institutional drift. Community development organisations that become large, professional and well-resourced can end up speaking for communities rather than acting as a live channel for them, carrying institutional interests of their own.

The fourth is the pull of orthodoxy. Even where a social mission is genuinely embedded from the start, international recognition attracts institutions and investment more comfortable with conventional, globally benchmarked models, and the original mission must be actively defended against the place's own success.[17]

Four practical conclusions follow: build inclusion in from the beginning and measure it alongside the financial metrics; locate agency inside the scheme rather than only alongside it; guard against building a parallel structure that substitutes for community voice; and remain alert to the gravitational pull of the conventional playbook.

To this, members added a fifth, which applies well beyond innovation districts: define the outcome before chasing the money.

[17] Improving Inclusive Innovation Outcomes (I3O) programme, comparing Newcastle, Belfast, Pittsburgh and Medellín; presented to the iED Good Growth roundtable on community-led development, 13 July 2026.

Conclusion | Consultation, funding cycles and the erosion of trust

Community-led approaches depend on a willingness to participate that is not inexhaustible. Members reported the same communities being consulted successively for a local plan, a regeneration framework, a towns fund bid, a town investment plan, a long-term plan for towns and a Pride in Place programme, each under a new banner and each asking substantially the same questions. The predictable result is disengagement, the same familiar faces at every event, and a systematic bias towards the loudest voice rather than the unheard majority.

Two responses were suggested. First, authorities should have the confidence to tell government that a community has already been consulted, that its priorities have not changed, and that the appropriate response to a new funding stream is delivery rather than re-consultation. Second, existing community governance structures should be used rather than replaced. Where a board already exists and commands local confidence, establishing a parallel body to satisfy the requirements of a new fund dissipates exactly the commitment that made the first one work.

A related caution concerns what communities are being asked to do. Increasingly, community organisations are not undertaking economic development at all; they are maintaining the public conveniences, transport, libraries and swimming pools that the state has withdrawn from. That may be necessary, and it is not the same thing as community-led growth. The two should not be conflated in the way that rhetoric about empowerment sometimes permits.

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 view on economic development.

The legislative position differs materially across the four nations, and **Chapter 11** sets out those differences in full.

11 / SKILLS AND EMPLOYMENT

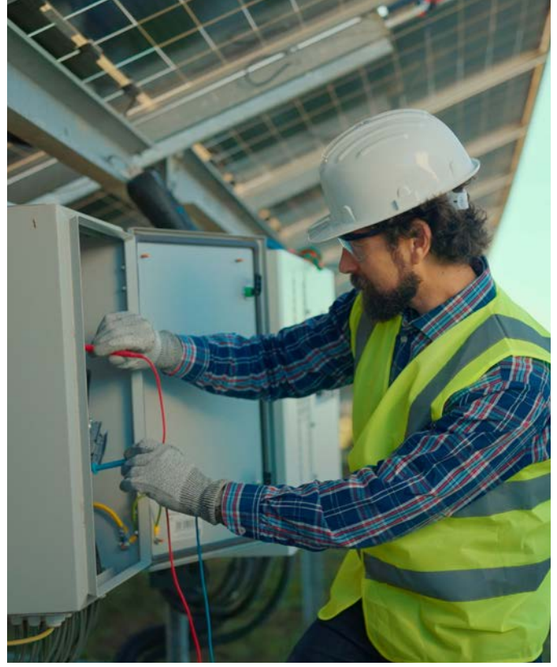
> The ultimate resource in economic development is people. It is people, not capital or raw materials, that develop an economy.
>
> Peter Druker | Management Consultant, Educator and Author



Introduction

Skills and employment are central to achieving Good Growth. Together, they 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, Skills England is being established to act as the single, authoritative voice on the country's current and future skills needs. Similar reforms operate in the devolved administrations.

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.

New levies

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.

Employer-led frameworks

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 18–21-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 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.

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 pathways 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.

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-level 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.

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.

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.

Good Growth and addressing inequality of opportunity

Artificial intelligence and mid-career dislocation

The initiatives described above are largely concerned with entry to the labour market and with the supply of technical skills. They do not address what is likely to be the defining labour market question of the next decade – artificial intelligence.

The effects are already measurable at the point of entry to professional careers. Graduate recruitment by the largest accountancy firms has fallen by close to half in a single cycle, with one major firm reducing its intake from around 1,400 to around 900. These are precisely the structured, process-based professional roles that have historically provided a route into a secure career for able young people without other advantages, and they are being automated first.[18]

Two consequences follow, and they pull in different directions. The first is that entry-level professional employment is contracting at the same time as policy directs more young people towards it. Young people themselves are acutely aware of this, in a way the system has not yet acknowledged in careers guidance or curriculum. The second, and more serious, concerns those in mid-career. A generation of workers in routine professional and administrative occupations faces the prospect of their expertise being substantially devalued in their 40s and 50s. The parallel with the industrial dislocation of the 1980s is uncomfortable but instructive: the country's record in supporting mid-career transition on that occasion was poor, and the consequences are still visible in the towns discussed in **Chapter 6**.

There is a more optimistic reading, which members also advanced. Because everyone is learning these technologies simultaneously, formal qualification confers less advantage than usual, and there may be an unusual opening for people without conventional credentials to move into higher-value roles. Whether that opportunity is realised depends on whether provision is designed for it.

Neither reading supports the current position, in which artificial intelligence appears in skills policy principally as a sector to be supported rather than as a labour market shock to be managed. The iED's view is that mid-career transition should be an explicit and funded objective of the skills system, that careers guidance in schools requires urgent revision, and that this should be approached with the seriousness the country failed to bring to a comparable dislocation 40 years ago.

[18] Graduate recruitment figures for the largest professional services firms, cited at the iED Good Growth roundtable on skills and employment, 7 September 2026.

The foundational economy and the narrative of growth

There is a tension in this document, and in the sector, which is better acknowledged than left implicit. **Chapter 4** argues, correctly, that business support directed at local service micro-businesses produces high displacement and weak economic return. It does not follow that the foundational economy is unimportant, and members were concerned that the way the sector talks about growth suggests otherwise.

The foundational and everyday economy – care, retail, hospitality, construction, logistics and public services – employs the majority of people in most local economies, and it is where the acute labour shortages currently are. Members in some of the most successful knowledge economies in the country reported no difficulty attracting science and technology investment and considerable difficulty staffing nurseries, care homes and hospitality businesses, to the point of premises closing for want of staff.[19]

There is also a question of narrative. Where economic development speaks exclusively of innovation, high growth and frontier sectors, the great majority of residents – who work in ordinary jobs, often well and with pride – are told implicitly that their contribution is not part of the growth story. That is corrosive of exactly the shared purpose that Good Growth depends on, and it is inaccurate. A more inclusive account of the local economy, which values the foundational sectors and presents genuine careers within them, costs nothing and is more likely to be believed.

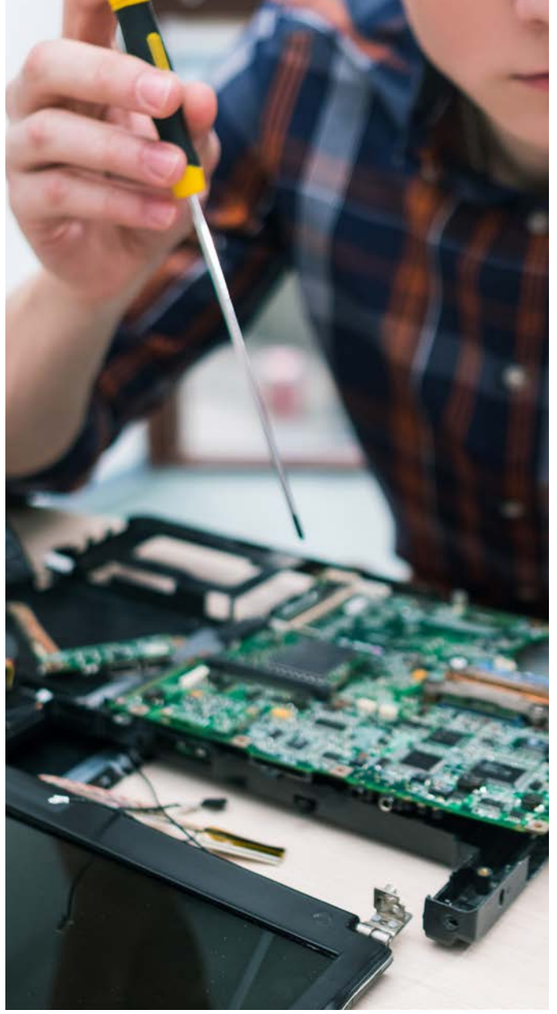
Two practical points follow. Affluence at area level does not imply an absence of need, and may make it harder to address. Where house prices reflect a high-wage knowledge economy, entry-level and apprenticeship wages do not support independent living, and the foundational economy cannot recruit. And employer capacity is a real constraint. Programmes increasingly ask employers to offer placements and to adjust recruitment to candidates with complex needs, and the employers willing to do so are disproportionately the largest and the locally owned. Understanding what employers can genuinely absorb, rather than what policy would like them to, is a precondition of designing anything that works. Mechanisms that transfer unused apprenticeship levy funds from large employers to smaller ones, as operated in some counties, are a practical response that remains poorly known among the businesses it is intended to help.

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.

[19] iED Good Growth roundtable, skills and employment, 7 September 2026.



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 free to access. 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 reskilling for existing staff, countering the trend where training often disproportionately goes to the already highly qualified. The format helps overcome barriers like time constraints for parents and older workers.

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

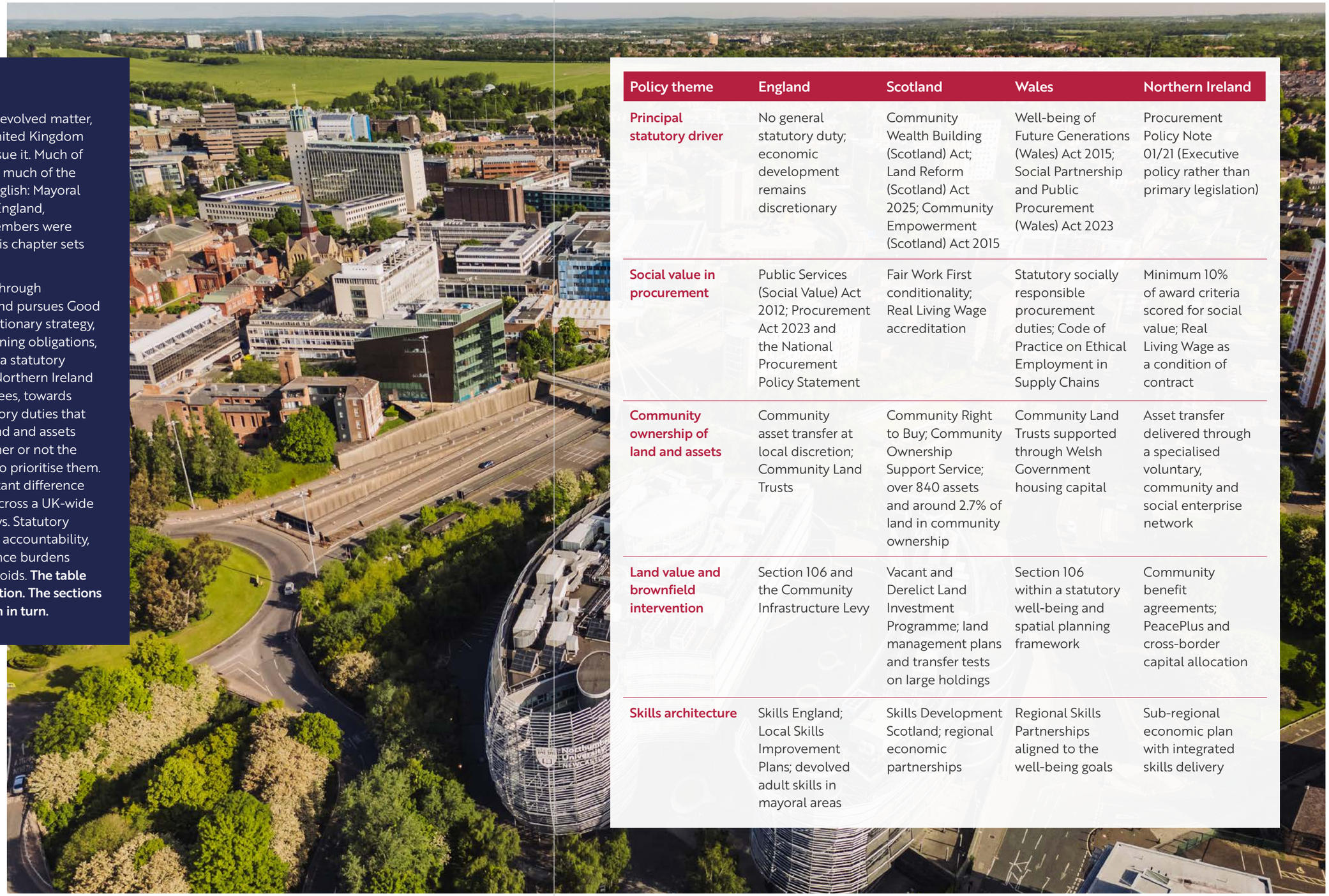
In summary, the UK is moving towards a coherent, decentralised, and employer-driven skills system. The initiatives from the national guidance of Skills England and comparable schemes from the devolved administrations are fundamentally designed to create an environment where targeted skills investment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

12 / GOOD GROWTH ACROSS THE FOUR NATIONS

Introduction

Economic development is a devolved matter, and the four nations of the United Kingdom are diverging in how they pursue it. Much of the preceding discussion, and much of the vocabulary of the sector, is English: Mayoral Combined Authorities, Skills England, Section 106, Pride in Place. Members were right to challenge that, and this chapter sets out the differences.

One structural contrast runs through everything that follows. England pursues Good Growth largely through discretionary strategy, competitive bidding and planning obligations, with very little of it placed on a statutory footing. Scotland, Wales and Northern Ireland have moved, to differing degrees, towards primary legislation and statutory duties that lock social value, fair work, land and assets into local communities whether or not the individual authority chooses to prioritise them. That is the single most important difference for any practitioner working across a UK-wide footprint, and it cuts both ways. Statutory duties create consistency and accountability, and they also create compliance burdens that a discretionary system avoids. **The table opposite summarises the position. The sections that follow set out each nation in turn.**



Policy theme	England	Scotland	Wales	Northern Ireland
Principal statutory driver	No general statutory duty; economic development remains discretionary	Community Wealth Building (Scotland) Act; Land Reform (Scotland) Act 2025; Community Empowerment (Scotland) Act 2015	Well-being of Future Generations (Wales) Act 2015; Social Partnership and Public Procurement (Wales) Act 2023	Procurement Policy Note 01/21 (Executive policy rather than primary legislation)
Social value in procurement	Public Services (Social Value) Act 2012; Procurement Act 2023 and the National Procurement Policy Statement	Fair Work First conditionality; Real Living Wage accreditation	Statutory socially responsible procurement duties; Code of Practice on Ethical Employment in Supply Chains	Minimum 10% of award criteria scored for social value; Real Living Wage as a condition of contract
Community ownership of land and assets	Community asset transfer at local discretion; Community Land Trusts	Community Right to Buy; Community Ownership Support Service; over 840 assets and around 2.7% of land in community ownership	Community Land Trusts supported through Welsh Government housing capital	Asset transfer delivered through a specialised voluntary, community and social enterprise network
Land value and brownfield intervention	Section 106 and the Community Infrastructure Levy	Vacant and Derelict Land Investment Programme; land management plans and transfer tests on large holdings	Section 106 within a statutory well-being and spatial planning framework	Community benefit agreements; PeacePlus and cross-border capital allocation
Skills architecture	Skills England; Local Skills Improvement Plans; devolved adult skills in mayoral areas	Skills Development Scotland; regional economic partnerships	Regional Skills Partnerships aligned to the well-being goals	Sub-regional economic plan with integrated skills delivery



Scotland

Scotland has built the most legislatively embedded framework for community-led Good Growth anywhere in the UK, and arguably anywhere else.

The Community Wealth Building (Scotland) Bill was passed by the Scottish Parliament on 10 February 2026. It places duties on Scottish Ministers to publish a CWB statement and statutory guidance, and requires each local authority, working with named public bodies in its area, to publish and implement a CWB action plan. The plans work across five pillars: spending and procurement, workforce and fair work, land and property, inclusive ownership, and finance. It is the first national CWB legislation in the world.[20]

The caveats raised during the Bill's passage are as instructive as the legislation itself, and they apply to any jurisdiction contemplating something similar. Public bodies are being asked to deliver new approaches without clearly identified resourcing. National guidance carries a centralisation risk that sits awkwardly with community wealth building's own premise. And a 'due regard' standard provides weak accountability without metrics attached to it. Legislation creates the enabling infrastructure; it does not guarantee the transformation.[21]

On land, the Community Empowerment (Scotland) Act 2015 and the statutory Community Right to Buy, supported by the Community Ownership Support Service, allow a community to define its own geographic boundary for the purposes of asset transfer and to ballot on it. Over 840 assets and around 2.7 per cent of Scotland's land are now in community ownership. The Land Reform (Scotland) Act 2025, which received Royal Assent in December 2025, goes considerably further: land management plans and community engagement obligations for large holdings, a transfer test and lotting powers allowing Ministers to require that large estates be broken up on sale, alongside a new Land and Communities Commissioner. Most of the Act depends on secondary legislation that has not yet been made, so its practical effect remains to be seen.[22]

The Vacant and Derelict Land Investment Programme ties capital directly to collaboration, requiring public sector applicants to demonstrate active partnership with community and voluntary sector bodies to unlock brownfield sites. And Fair Work First conditionality, together with Scottish Living Wage accreditation, links public funding and procurement systematically to employment standards.

One qualification from members deserves recording. Devolution to Holyrood has not automatically meant decentralisation within Scotland. Practitioners in the Borders, Dumfries and Galloway, and the Highlands described the same centre-periphery dynamic in relation to the central belt that English colleagues described in relation to Westminster. A strong statutory framework does not by itself resolve where decisions actually sit.

[20] Community Wealth Building (Scotland) Bill, Scottish Parliament. The general principles were agreed at Stage 1 on 20 November 2025 and the Bill was passed on 10 February 2026.

[21] Economy and Fair Work Committee, Stage 1 report on the Community Wealth Building (Scotland) Bill; SPICe briefing SB 25-22, May 2025.

[22] Community Empowerment (Scotland) Act 2015; Land Reform (Scotland) Act 2016; Community Ownership Support Service. Community ownership figures from Scottish Government statistics. Land Reform (Scotland) Act 2025 (asp 15), passed 5 November 2025 and given Royal Assent on 16 December 2025; see also Scottish Land Commission guidance on the Act.



Wales

Wales anchors economic development to long-term intergenerational duties and to ethical public spending, and it has done so for longer than anywhere else in the UK.

The Wellbeing of Future Generations (Wales) Act 2015 requires public bodies to align their objectives with seven statutory wellbeing goals – including a more equal, more resilient and globally responsible Wales – and to apply five statutory ways of working, among them long-term thinking, prevention and integration. It is overseen by a Future Generations Commissioner. It is the closest thing in the UK to a statutory good growth duty, and it predates the current debate by a decade.[23]

Less widely noticed outside Wales, and arguably more consequential for day-to-day practice, is the Social Partnership and Public Procurement (Wales) Act 2023. Part 2 placed a social partnership duty on public bodies from April 2024, requiring them to seek consensus with recognised trade unions when setting well-eing objectives, and replaced the reference to 'decent work' in the Prosperous Wales goal with fair work'. Part 3 creates statutory socially responsible procurement duties. Its remaining provisions commenced during 2026, moving the regime from framework duties to operational requirements. These include setting socially responsible procurement objectives for major construction and outsourced services contracts, applying social public works clauses through subcontracts, publishing procurement strategies and contract registers, and publishing annual socially responsible procurement reports. Welsh Ministers have powers to investigate procurement activity.[24]

Alongside this, the mandatory Code of Practice on Ethical Employment in Supply Chains addresses modern slavery, blacklisting and zero-hour contracts within public contracts, and Community Land Trusts are supported through Welsh Government housing capital allocations to separate land ownership from property value and hold affordability in perpetuity.

The Welsh experience also supplies this document with its clearest warning. A member with direct experience of delivering in Wales described a social value policy and monitoring regime so complex and so costly to comply with that it deterred the investment it was designed to shape. The point is not that the framework was wrong in principle but that the compliance burden was miscalibrated. Any nation moving from discretionary practice to statutory duty has to design for proportionality as deliberately as it designs for ambition.

[23] Well-being of Future Generations (Wales) Act 2015 (anaw 2).

[24] Social Partnership and Public Procurement (Wales) Act 2023 (asc 1); Commencement No. 4 Order 2025; Welsh Government statutory guidance on annual socially responsible procurement reports.



Northern Ireland

Northern Ireland's approach is shaped by cross-community economic alignment, peace-building infrastructure and sub-regional rebalancing, and it relies on Executive policy rather than primary legislation.

Procurement Policy Note 01/21, Social Value in Procurement, revised in December 2024 and effective from February 2025, requires public sector tenders to allocate a minimum of ten per cent of the total award criteria to social value on works contracts above the UK procurement threshold and services contracts above £500,000. Payment of the Real Living Wage is a condition of contract. Social value is scored against an outcomes-based framework covering employment pathways for those furthest from the labour market, skills and educational attainment, in-work progression, and local supply chain resilience, and it is supported by a dedicated Social Value Unit within the Strategic Investment Board. This is a more directive instrument than anything operating in England, and it has been in force for longer.[25]

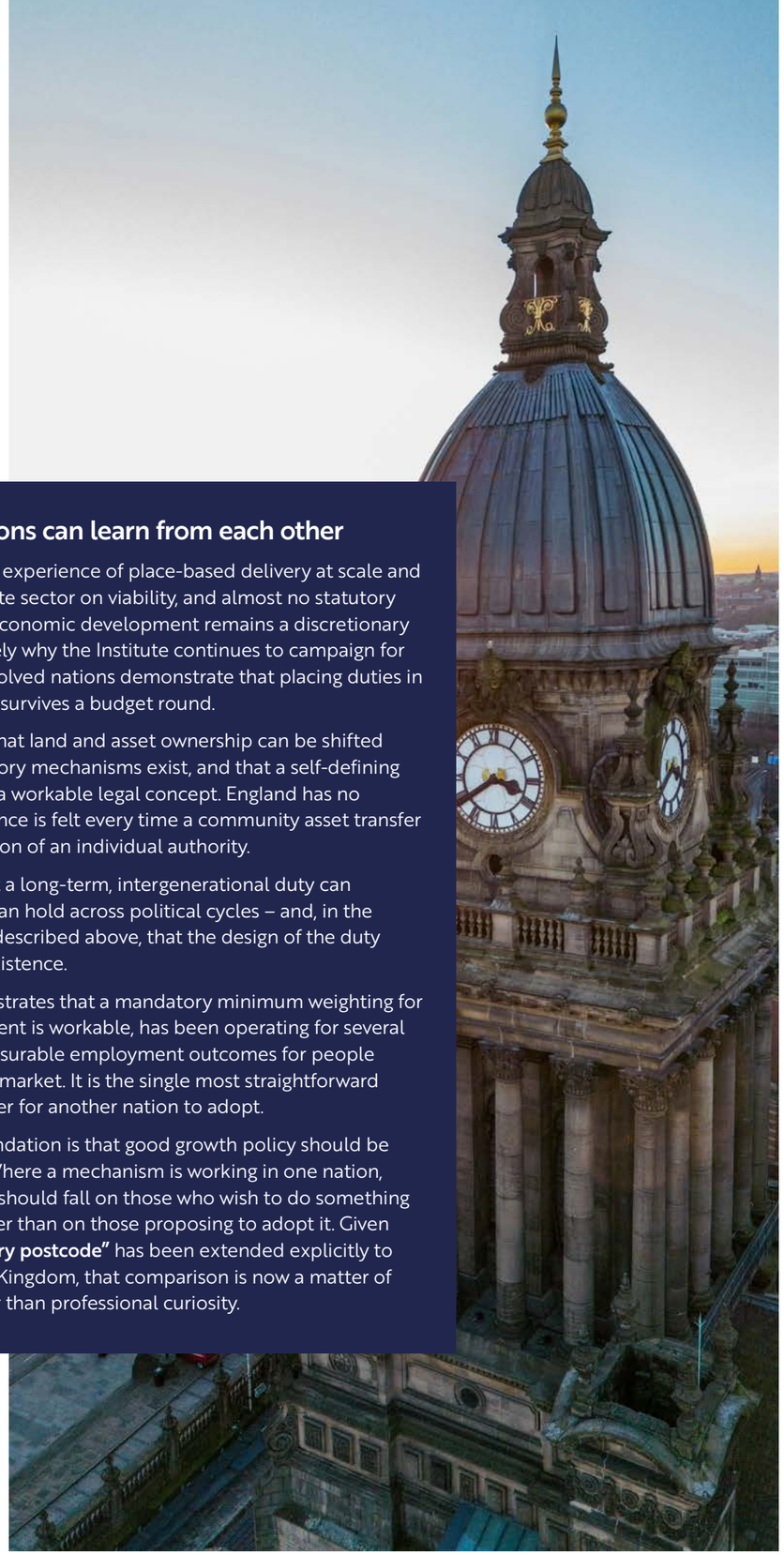
Community development and asset transfer rely on a highly specialised voluntary, community and social enterprise network, professionalised and sustained by investment that followed the Good Friday Agreement. That infrastructure holds a genuine seat at the table in major programmes, including the Belfast Region City Deal. It also illustrates a risk identified in **Chapter 9**. Community development organisations that become large and well-resourced can drift into speaking for communities rather than acting as a live channel for them.[26]

The most transferable lesson from Northern Ireland is about what social infrastructure is for. A member reflecting on community disturbance in Belfast observed that the value of the institutional network built over the last three decades was not that it removed division but that it allowed people to get around a table quickly and stop the situation escalating. Communities of place can contain profound internal division. The realistic ambition is management, not consensus – a lower bar than the language of community empowerment usually implies, and a more honest one.

PeacePlus and its predecessor programmes continue to prioritise cross-border economic initiatives, hyper-local skills access and infrastructure designed to address entrenched sub-regional disparity, on funding horizons considerably longer than those available to most English authorities.

[25] Department of Finance (Northern Ireland), PPN 01/21 Social Value in Procurement, revised 5 December 2024, effective 24 February 2025; Strategic Investment Board Social Value Unit.

[26] Belfast Region City Deal; discussion at the iED Good Growth roundtable on community-led development, 13 July 2026.



What the four nations can learn from each other

England has the deepest experience of place-based delivery at scale and of working with the private sector on viability, and almost no statutory protection for any of it. Economic development remains a discretionary function, which is precisely why the Institute continues to campaign for statutory status. The devolved nations demonstrate that placing duties in legislation changes what survives a budget round.

Scotland demonstrates that land and asset ownership can be shifted at scale where the statutory mechanisms exist, and that a self-defining community boundary is a workable legal concept. England has no equivalent, and the absence is felt every time a community asset transfer depends on the disposition of an individual authority.

Wales demonstrates that a long-term, intergenerational duty can be made statutory and can hold across political cycles – and, in the compliance experience described above, that the design of the duty matters as much as its existence.

Northern Ireland demonstrates that a mandatory minimum weighting for social value in procurement is workable, has been operating for several years, and produces measurable employment outcomes for people furthest from the labour market. It is the single most straightforward mechanism in this chapter for another nation to adopt.

The Institute's recommendation is that good growth policy should be explicitly comparative. Where a mechanism is working in one nation, the burden of argument should fall on those who wish to do something different elsewhere, rather than on those proposing to adopt it. Given that **"good growth in every postcode"** has been extended explicitly to every part of the United Kingdom, that comparison is now a matter of practical necessity rather than professional curiosity.

Enterprise Facilitation in Blaenau Gwent: Aligning Economic Development with Bottom-Up Community Growth

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

Evidencing: Changing the economic development function to align with Good Growth (post-industrial and community-led delivery)

Context and challenge

Blaenau Gwent is a post-industrial South Wales Valleys community with a proud industrial heritage, deep-rooted resilience and a long history of economic restructuring following the decline of heavy industry. Public sector economic development in the area has relied heavily on top-down, supply side intervention, focused on capital infrastructure, industrial site assembly, inward investment incentives and standardised policy frameworks. These levers remain necessary, but they frequently failed to reach hyper-local communities or to connect with residents who were quietly innovating outside formal business ecosystems.

The structural barrier identified was a mismatch of assumptions. Traditional business support models assume enterprise-ready candidates who are actively seeking formal advisory services. In practice, significant entrepreneurial energy remained dormant among residents who lacked access to conventional networks, had low confidence in public agencies, or could not translate personal passion and lived experience into a viable enterprise without patient, bottom-up guidance.

The delivery mechanism

The Council restructured its business and innovation function around Dr Ernesto Sirolli's Enterprise Facilitation model and its operating philosophy of 'shut up and listen'. This marked a deliberate move from prescriptive, expert-led intervention to client-led facilitation.

- **Responsive, listening-first engagement:** meeting local residents on their own terms and listening to their ideas without imposing rigid, predefined agendas or business plans.
- **Complementary team building:** coaching candidates around their core passion while helping them assemble a balanced support team to handle areas outside their expertise, such as finance, marketing or operations.
- **Safe, tailored ecosystems:** establishing supportive local environments where non-traditional entrepreneurs feel safe to share ideas and receive bespoke, long-term support tailored to their own pace and needs.

Execution and evidence

By re-engineering its delivery model, Blaenau Gwent reports that it has unlocked latent community potential and established a pipeline of non-traditional entrepreneurs. The outcomes reported are summarised below.

Good Growth dimension	Evidence from delivery
Resident incomes	Self-employment and micro-enterprise creation among low-income valley residents, establishing direct household income streams.
Job creation	Hyper-local micro-jobs and social enterprise positions in non-traditional sectors, reaching individuals previously disengaged from the formal labour market.
Business base growth	An expanded local enterprise base, formalising informal community concepts into viable business entities.
Spatial and community equity	Enterprise activity in peripheral valley settlements, with support reaching neighbourhoods outside the main commercial centres.
Hardest-to-reach inclusion	Engagement with non-traditional entrepreneurs who had never previously accessed mainstream business support.
Productivity and innovation	Improved micro-business viability through assembling balanced skill sets around passionate founders.
Local supply chain retention	Value retained locally through peer-to-peer trade and community enterprise networks within the county borough.
Foundational economy	Everyday community services, micro-retail and local creative industries strengthened through tailored, non-prescriptive coaching.
Health and wellbeing	Personal dignity, empowerment and community resilience supported by validating resident aspirations and lived experience.
Public-private leverage	Volunteer business mentors and local professional expertise mobilised without expanding public payrolls.

Key learnings for practitioners

- **Shift officer mindsets from fixers to facilitators:** move away from attempting to prescribe fixed solutions to local issues; instead, nurture and support the organic solutions generated by community members themselves.
- **Measure relationships alongside metrics:** prioritise trust, engagement and sustainable community capacity rather than relying solely on short-term output counts.
- **Build teams around passion:** allow passionate founders to lead on their vision while building a capable, multi-skilled network around them to handle essential business functions.
- **Respect community autonomy:** respect local community pace and choices, offering support only when it is requested. If people do not want to be helped, leave them alone.

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 (post-industrial town regeneration)

Context and challenge

Barnsley's modern economic trajectory is one of post-industrial reinvention following the loss of 20,000 coal-mining jobs, which had been the foundation of the local economy, its employment base and its civic identity. Two decades of investment have transformed the town centre and the key industrial corridors, but structural barriers remain.

- **Legacy economic inactivity:** entrenched long-term health issues and labour market exclusion affecting post-industrial communities.
- **Low-wage lock-in:** a high concentration of employment in lower-value, baseline roles, requiring diversification into technology, advanced logistics and modern manufacturing.
- **Spatial inequality across the Principal Towns:** the imperative to ensure economic gains extend beyond the core town centre into outlying townships such as Goldthorpe, Hoyland and Penistone.

The delivery mechanism

The Barnsley Inclusive Economic Growth Strategy (2025-30), developed with the place-based Barnsley Inclusive Economy Board, provides a five-year framework designed to move beyond short-term, funding-led national priorities. It combines three foundational pillars with three transformative Barnsley Missions.

- **Foundational pillar 1:** more good jobs and businesses: fostering innovation across all sectors, accelerating start-ups, enabling inward investment and supporting key sector growth.
- **Foundational pillar 2:** more people in good work and good health: assisting residents into sustainable work, encouraging in-work progression and promoting inclusive employment practices.
- **Foundational pillar 3:** vibrant and resilient places: attracting inward investment to diversify and green the economy, boosting township vitality and developing infrastructure.
- **Transformative missions:** 1. Establishing Barnsley as the UK's leading digital town through DMC1 and the SEAM urban digital park; 2. Future-proofing logistics and advanced manufacturing by leveraging the M1 Junction 36 and 37 and Goldthorpe ES10 sites; and 3. Empowering all communities to thrive.

Execution and evidence

Barnsley's place-based delivery has outperformed regional and national benchmarks across a range of measures. The outcomes reported are summarised below.

Good Growth dimension	Evidence from delivery
Resident incomes	Local employment shifted towards higher-value technology, advanced manufacturing and digital activity, against a backdrop of regional wage stagnation.
Job creation	10,700 net new jobs between 2015 and 2023, a 14 per cent growth rate and double the national and South Yorkshire averages. Tradable jobs increased by 2,875.
Business base growth	30 per cent business base growth between 2014 and 2024, against an English average of 21 per cent.
Spatial and community equity	£15m invested through Barnsley's Principal Towns and Local Centres Investment Programme to deliver more than 50 regeneration projects and over 500 shopfront and high street improvements across six Principal Towns and ten Local Village Centres, distributing the benefits of growth across the borough.
Hardest-to-reach inclusion	£18m secured for South Yorkshire's Pathways to Work Trailblazer, alongside additional NHS Health and Growth Accelerator investment, to tackle entrenched economic inactivity through integrated employment, health and skills support.
Productivity and innovation	Commercial floorspace increased by over 10 per cent between 2013 and 2023, against a regional average of 6 per cent, with DMC1 and the SEAM urban digital park anchoring technology activity.
Local supply chain retention	Strategic employment sites at M1 Junctions 36 and 37 and at Goldthorpe used to connect global corporate supply chains to local trade services.
Foundational economy	Retail infrastructure repurposed through the acquisition of the Alhambra Centre for NHS services, supporting high street footfall and access to foundational services.
Health and wellbeing	Health and employment support co-located through Health on the High Street, alongside £1.6m invested in the Great Childhoods Ambition.
Public-private leverage	Over £300m anchored in town centre regeneration, and £1m of private investment levered through a £2.1m shop front improvement scheme.

Key learnings for practitioners

- **Combine top-down inward investment with distributed town investment:** pair major strategic developments with granular investment across the surrounding outlying towns to ensure prosperity is distributed.
- **Co-locate health and economic development:** embed health services directly into retail and town centre assets, as with Health on the High Street, to tackle economic inactivity and drive footfall at the same time.
- **Maintain long-term strategic momentum beyond grant cycles:** formulate five-to-ten-year place strategies backed by local partnerships, to avoid reliance on sporadic, short-term central government grant rounds.
- **Drive digital transformation in post-industrial settings:** invest proactively in digital incubation space and public realm, such as DMC1 and SEAM, to pivot a traditional economy towards digital skills and technology entrepreneurship.

Leeds City Council: Empowering Female Entrepreneurs through SheCanShine

Author: Dawn O'Keefe, Co-Founder and Managing Director, Shine Space, and Ashley Lucas, Economic Development, Leeds City Council

Evidencing: Community-led initiatives breaking down barriers to enterprise (urban and community-led delivery)

Context and challenge

Female entrepreneurship in the UK does not operate on a level playing field. Women accounted for 32.3 per cent of the UK's smaller business leaders in 2020, and women-led companies received 5.8 per cent of all investment. It has been estimated that if women started and scaled businesses at the same rate as men, £250billion of new value would be added to the economy. In Leeds these national disparities are compounded by spatial deprivation: female founders in disadvantaged inner-city wards face bias in commercial funding, disproportionate childcare, health inequalities and work-life burdens, isolated professional networks and a lack of tailored, culturally competent business support.

The delivery mechanism

Funded through Leeds City Council's UK Shared Prosperity Fund allocation and delivered by the social enterprise Harehills CIC, SheCanShine is a six-month enterprise programme operating in one of the city's most economically disadvantaged wards. It combines peer support with rigorous commercial instruction.

- **Targeted community outreach:** using local networks, social media, alumni word of mouth and trusted community channels to engage a diverse group of candidates.
- **Holistic and flexible business instruction:** practical workshops on sales, marketing and robust financial forecasting, alongside dedicated support for neurodivergence, mental health and work-life balance.
- **Incubation and resource ecosystem:** free workspace, professional mailing addresses, peer mentoring and an active digital community platform of more than 90 members.
- **Capital and progression pathways:** partnering with Trust Leeds for micro-finance, AD:VENTURE for ongoing growth coaching, and Lifted Ventures to connect founders directly to investor pitching panels.

Execution and evidence

Operating through 2024-25, SheCanShine exceeded its contracted output and outcome targets. The outcomes reported are summarised below.

Good Growth dimension	Evidence from delivery
Resident incomes	Independent income streams generated for female founders, building household financial resilience in low-income wards.
Job creation	11 new enterprises created and four jobs generated during the six-month delivery period, with several founders securing commercial contracts.
Business base growth	36 potential entrepreneurs assisted to become enterprise-ready and 41 enterprises provided with non-financial support.
Spatial and community equity	Delivery anchored in an economically disadvantaged Leeds ward, ensuring advice and capital reached an under-represented urban neighbourhood.
Hardest-to-reach inclusion	Two in five participants from a minority ethnicity, one in four neurodivergent and one in ten declaring a disability.
Productivity and innovation	Founders equipped with financial forecasting, cash-flow modelling and digital platform capability.
Local supply chain retention	Intra-cohort trading and peer procurement encouraged through an active local business network of more than 80 members.
Foundational economy	Everyday micro-businesses strengthened in local services, the creative sector and social enterprise.
Health and wellbeing	Mental health, neurodiversity coaching and work-life balance modules embedded in the core business training.
Public-private leverage	Follow-on funding secured for 2025-26 through Leeds City Council's Innovating, Enterprising and Thriving grants, alongside private micro-finance partners.

Key learnings for practitioners

- **Co-design with trusted social enterprises:** partner with hyper-local, embedded social enterprises rather than relying solely on generic business advisory bodies to reach under-represented communities.
- **Combine commercial skills with holistic support:** integrate wellness, confidence-building and neurodiversity assistance directly alongside financial planning and sales coaching.
- **Establish formal financial progression pipelines:** connect local micro-enterprise programmes directly to micro-finance providers and accelerator panels to secure follow-on growth capital.
- **Scale hyper-local models through digital communities:** use peer network tools and bespoke platforms to sustain cohort collaboration beyond the formal workshop series.

Leeds City Council: Tackling Food Insecurity and Inequality with Community Shop

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

Evidencing: Community-led projects delivering structural change (urban deprived neighbourhood)

Context and challenge

Cost of living pressures since late 2021 have fallen hardest on low-income households, which spend a greater proportion of their income on food and essentials. Around one in five Leeds residents live in relative poverty, and in the last recorded year 67,596 people accessed a food bank by referral while a further 81,959 food parcels were distributed informally. Leeds ranks 51st of 296 local authorities on the proportion of neighbourhoods in the most deprived 10 per cent nationally.

Swarcliffe Community Centre, on the Stanks Estate, sits within the 30 per cent most deprived areas nationally and borders neighbourhoods in the most deprived 10 per cent. Beyond a small number of long-term tenants, the building had been under-occupied for years, and financial pressure on the Council meant only essential repairs were permitted. The centre had been identified as at future risk through the city-wide community asset review.

The delivery mechanism

In March 2025 Leeds City Council established a partnership with Community Shop, the not-for-profit arm of Company Shop Group, part of the Biffa Group. Backed by around £260,000 of private capital investment, the partnership converted the under-used community centre into a self-sustaining hub without drawing on ongoing council operational subsidy. The model comprises three connected spaces.

- **Community Store:** sells high-quality donated retail food surplus to residents on means-tested benefits at steep discounts, such as 20p for fruit and vegetables, generating average household savings of £212 a month.
- **Community Kitchen and Café:** offers low-cost wholesome meals, free children's dining and community cooking classes to improve nutritional literacy.
- **Community Hub:** provides targeted personal development, debt advice, budget coaching and employability training, funded by store retail income.
- **Multi-agency service integration:** houses direct referral pathways for Housing Leeds, the Department for Work and Pensions, Employment and Skills, and Children's Services under one roof.

Execution and evidence

The model has shifted local support from emergency crisis intervention towards longer-term financial recovery. The outcomes reported are summarised below.

Good Growth dimension	Evidence from delivery
Resident incomes	Household savings averaging £212 per month, or £2,544 a year, per member, totalling around £127,300 a year across 600 regular shoppers.
Job creation	11 permanent full-time equivalent roles created at the Swarcliffe hub, employing local residents. This is coupled with working with Progress Education focusing on NEET pathways (currently being implemented).
Business base growth	A commercially viable, revenue-generating social enterprise operating without long-term local authority subsidy.
Spatial and community equity	An under-used public asset brought back into use in an estate within the 10 per cent most deprived areas.
Hardest-to-reach inclusion	Membership targeted at low-income households on means-tested benefits; 58 per cent of members reach financial stability and move off the offer within 12 months.
Productivity and innovation	Industrial food surplus converted into household financial capacity and community development.
Local supply chain retention	Commercial value recaptured from national food surplus and redirected into the neighbourhood economy.
Foundational economy	Nutrition, food security and access to essential goods secured for vulnerable families during acute cost of living pressure.
Health and wellbeing	Over 82 per cent of store members access co-located wellbeing, debt and employment support.
Public-private leverage	Around £260,000 of private capital invested in refurbishing a council-owned asset and establishing the multi-agency hub.

Key learnings for practitioners

- **Move from crisis food relief to sustainable enterprise:** shift away from emergency food banks towards social retail models that preserve dignity, generate earned income and foster long-term independence.
- **Leverage corporate surplus for local value capture:** partner with commercial supply chains and brand owners to redirect retail surplus into high-value community development.
- **Repurpose under-used municipal assets through social leases:** transfer deteriorating or under-used public buildings to experienced social enterprise partners to attract private refurbishment capital.
- **Embed wraparound services at the point of retail:** use low-cost social supermarket retail as an engaging gateway to co-locate debt advice, housing support and skills training.

Greater Manchester: Building Futures Together through Integrated Business Support

Author: The Growth Company, Manchester

Evidencing: Holistic, region-wide delivery of Good Growth (city region and sub-regional strategy)

Context and challenge

Economic development delivery across major urban regions frequently suffers from fragmentation. Programmes operate in silos that separate business advice, export promotion, technology adoption, workforce skills and health and inclusion activity. The result is friction for growth-oriented SMEs, disjointed employer engagement, and a reduced ability for combined authorities to mobilise the private sector behind strategic priorities such as T Level placements, inclusive recruitment and net zero adaptation.

The delivery mechanism

The Growth Company, working with the Greater Manchester Combined Authority and wider partners, operates an integrated business support and workforce development model. Specialist advisors in productivity, innovation, workforce development and international markets, working across the city-region's growth sectors, sit under a single operational roof, creating a continuous journey for businesses while embedding social value in corporate growth strategies.

- **Holistic SME productivity and automation:** for example, connecting lean manufacturing interventions, digital technology adoption through GM Business Growth Hub and Made Smarter, and workforce upskilling to drive efficiency, as at KANE International and Firstplay Dietary Foods.
- **Strategic employer mobilisation for T Levels:** leveraging the deep business relationships established during productivity support to secure high-quality vocational placements for young people.
- **Inclusive leadership and mentoring:** matching commercial business leaders with external specialists to embed accessible employment practices, awareness specialists, as with Learn with ESS and Carrs Pasties.
- **Integrated multi-agency pathways:** aligning combined authority policy goals, the wider business support ecosystem, trade bodies and apprenticeship providers through unified client management.

Execution and evidence

The model demonstrates that driving commercial productivity can be the route to sub-regional social value rather than a competing objective. The outcomes reported are summarised below.

Good Growth dimension	Evidence from delivery
Resident incomes	Workforces in supported SMEs upskilled, moving staff from manual assembly into higher-value technical roles.
Job creation	Production capacity scaled, including a tenfold increase at Firstplay, protecting manufacturing jobs and creating specialist finance and export roles.
Business base growth	Internationalisation, tariff navigation and export market expansion delivered for regional food and precision manufacturing firms.
Spatial and community equity	Advanced business support distributed across sub-regional centres including Bolton, Stockport and Wigan rather than concentrated in the Manchester core.
Hardest-to-reach inclusion	SME networks mobilised to provide T Level placements for young people, and disability inclusion embedded in retail and manufacturing workforces.
Productivity and innovation	A 50 per cent reduction in shopfloor space requirements and a 60 per cent reduction in labour for key processes at KANE International, without loss of quality.
Local supply chain retention	Regional supply chains strengthened in specialist medical nutrition, gas analysis and food manufacturing through lean re-engineering.
Foundational economy	Operational capability and inclusive hiring practice upgraded in foundational sectors including commercial baking and food retail.
Health and wellbeing	Disability awareness workshops co-designed using sensory simulation equipment to improve workplace accessibility and employee wellbeing.
Public-private leverage	Major employer commitments mobilised for regional vocational education, alongside Made Smarter and national trade funding.

Key learnings for practitioners

- **Break down silos between business support and skills delivery:** unify commercial advisory, productivity technology and skills teams under a single delivery structure to maximise employer engagement.
- **Use business growth to drive workforce inclusion:** use the trusted advisory relationships built during productivity or lean operations support to introduce social value initiatives such as T Level placements or inclusive recruitment.
- **Automate processes to upskill, not replace, workers:** deploy automation and digital solutions to eliminate manual bottlenecks while retraining existing staff for higher-value roles.
- **Create frictionless public sector referral journeys:** design seamless handovers between combined authorities, growth hubs and external training partners to minimise the administrative burden on business owners.

Oxford City Council: Life Sciences, High-Growth Real Estate and Section 106 Community Employment and Procurement Plans

Author: Developed by the iED after a roundtable discussion

Evidencing: Capturing value from high-growth real estate to prevent community displacement (urban, high-growth economy)

Context and challenge

Oxford is one of the UK's highest-growth knowledge economies and one of six Fast Growth Cities nationally, anchored by world-leading university research, a global life sciences cluster and a steady flow of technology spin-outs. That growth has also produced significant inequalities.
High-value development drives real estate appreciation and housing costs, and draws in large volumes of highly specialised commuting talent. Adjacent low-income neighbourhoods – Blackbird Leys, Rose Hill and Barton among them – continue to show persistent relative deprivation, low wage retention and structural exclusion from the knowledge economy on their doorstep.

The structural challenge was spatial and economic displacement. Major commercial floorspace and high-value life sciences schemes were coming forward without systematic mechanisms to ensure that local residents, non-academic workers and neighbourhood businesses secured employment, skills progression or supply chain opportunities from them.

The delivery mechanism

To capture value from rapid commercial growth and to enforce spatial equity, Oxford City Council, supported by Enterprise Oxfordshire (formerly OxLEP Skills), embedded mandatory Community Employment and Procurement Plans (CEPP) in planning policy through Section 106 agreements and Supplementary Planning Documents. The plans are a planning obligation required of major commercial, life sciences and infrastructure development above threshold site sizes, alongside significant residential housing development.

- **Mandatory Section 106 triggers:** developers and institutional investors must co-design and commit to a binding plan as a condition of planning permission, setting targets for construction-phase local hiring, operational apprenticeships with the end user, and local procurement.
- **Inclusive workforce pipelines:** developers and incoming commercial tenants work with Enterprise Oxfordshire, local colleges and Jobcentre Plus on sector-based work academy programmes and placements targeted at residents of the city's most deprived wards.
- **Local supply chain and SME obligations:** main contractors and tenant organisations are required to break contract packages down so that local SMEs, social enterprises and foundational service providers can retain commercial spend during both construction and operation.

Execution and evidence

The CEPP framework has been used to direct the benefits of high-growth real estate development towards local economic inclusion. The outcomes reported are summarised below.

Good Growth dimension	Evidence from delivery
Resident incomes	Pathways opened into entry-level and technical roles within life sciences hubs and high-value commercial sites, raising local household incomes. Businesses accredited as Oxford Living Wage employers.
Job creation	Structured apprenticeships, traineeships and direct operational jobs secured for local residents on each major development.
Business base growth	Local contractors and micro-enterprises enabled to win sub-contracts on major life sciences schemes.
Spatial and community equity	Residents of the city's most deprived wards connected directly to employment generated in high-value innovation parks.
Hardest-to-reach inclusion	Supported work placements and entry-level positions targeted at long-term unemployed residents and groups furthest from the labour market.
Productivity and innovation	Green building techniques and advanced construction skills training embedded in local workforce development plans.
Local supply chain retention	Sub-contracting requirements for regional firms, retaining capital investment within the local economy.
Foundational economy	Ongoing facilities, catering, security and maintenance contracts secured for local foundational service providers.
Health and wellbeing	Displacement and commuting pressure reduced by securing sustainable access to local jobs.
Public-private leverage	Private developer capital and planning obligations used to fund local employment support and skills infrastructure without additional public expenditure.

Key learnings for practitioners

- **Use statutory planning policy:** integrating the requirement into the Local Plan and the Section 106 framework turns private development activity into a legally enforceable vehicle for social value, rather than a matter for negotiation scheme by scheme.
- **Extend commitments into the operational phase:** construction employment ends; obligations that reach end-user tenant hiring, permanent operational roles and facilities management contracts are what produce lasting local benefit.
- **Provide intermediary delivery support:** a dedicated unit such as Enterprise Oxfordshire is needed to bridge developers, main contractors and local employment networks. Without one, the obligation is agreed and then not delivered.

Trafford Council and Community Computers: Hyper-Local Digital Upskilling and Hardware Reuse

Author: Developed by the iED after a roundtable discussion

Evidencing: AI transition, SME productivity and hyper-local mid-career digital reskilling (post-industrial and digital inclusion)

Context and challenge

As manufacturing, logistics and service sectors integrate digital platforms, automation and artificial intelligence, the risk of worker displacement rises across post-industrial and suburban communities. In Trafford, digital exclusion and low digital literacy among adults, mid-career workers and low-income households threatened to entrench low-wage lock-in and displacement.

Standard digital inclusion initiatives often proved ineffective because they offered classroom training in the abstract, without accessible personal hardware or local delivery. Unemployed residents, carers returning to work and older workers lacked both an affordable device at home and confidence in navigating a modern digital workplace. At the same time, corporate e-waste and decommissioned business IT hardware were routinely scrapped rather than repurposed.

The delivery mechanism

Trafford Council established the Tech4All initiative with the not-for-profit refurbishment provider Community Computers and the adult education provider Xyrius Training. The model combines e-waste recycling, corporate social value donations and community-based adult retraining.

- **A circular economy in hardware:** corporate partners, housing associations and public bodies donate decommissioned IT equipment. Community Computers wipes, refurbishes and re-licenses the devices, diverting e-waste from landfill and creating a stock of low-cost laptops and desktops.
- **Neighbourhood distribution:** subsidised devices, at £60, and gifted devices are distributed through pop-up events, community hubs and schools in targeted areas including Partington, Old Trafford, Lostock, Sale and Altrincham.
- **Integrated adult digital skills training:** hardware is paired with accredited digital literacy, workplace software and cyber security courses, delivered in trusted neighbourhood venues during school hours so that carers and returning workers can attend.

Execution and evidence

The partnership demonstrates a scalable way of combining digital inclusion, circular economy practice and mid-career reskilling. The outcomes reported are summarised below.

Good Growth dimension	Evidence from delivery
Resident incomes	Residents enabled to complete accredited online qualifications and re-enter the labour market in better-paid digital roles.
Job creation	Mid-career adults, foster carers and long-term unemployed residents supported back into employment.
Business base growth	Local voluntary and community sector organisations and micro-enterprises equipped with more than 45 desktop computers to establish incubator and hot-desking space.
Spatial and community equity	Training and low-cost devices delivered directly into high-deprivation neighbourhoods including Partington and Old Trafford.
Hardest-to-reach inclusion	More than 300 devices gifted to vulnerable schoolchildren and families, with tailored support for neurodivergent participants, carers and non-native speakers.
Productivity and innovation	Over 700 end-of-life corporate devices repurposed, avoiding an estimated 292,683 kg of carbon dioxide equivalent emissions and 5,119 kg of e-waste to landfill.
Local supply chain retention	Value retained locally using social enterprise refurbishment providers and local training providers.
Foundational economy	Capacity strengthened across 14 voluntary and community sector organisations, expanding community mental health, advice and youth services.
Health and wellbeing	Social connection improved and isolation reduced by locating digital skills courses within trusted community anchors.
Public-private leverage	Corporate social responsibility hardware commitments from partners including Virgin Media O2 and L&Q levered alongside regional adult education funding.

Key learnings for practitioners

- **Pair hardware with skills:** device access alone is insufficient. Affordable hardware has to arrive with accessible, accredited training attached to it.
- **Deliver at the hyper-local level:** training located in venues people can walk to, at times that fit the school day, removes the transport and childcare barriers that defeat centralised provision.
- **Use corporate social value to build a circular supply chain:** social value obligations can secure a continuing flow of decommissioned equipment, making the device pipeline self-sustaining rather than grant-dependent.

Hinkley Point C and Somerset Council: Capturing Supply Chain Value and Legacy Skills from Major Infrastructure

Author: Developed by the iED after a roundtable discussion

Evidencing: Rural and infrastructure value capture and major capital legacy transition (infrastructure and major projects)

Context and challenge

Major infrastructure projects – nuclear power stations, high-speed rail, large-scale energy transition schemes – represent multi-billion-pound capital investment. Host regions frequently experience them as extractive. Tier-one engineering consortia import their supply chains and a transient workforce, and the host community is left with local inflation, housing pressure and little long-term industrial legacy once construction ends.

When construction began on the Hinkley Point C nuclear project in Somerset, local authority partners set out to avoid that outcome. The challenge was threefold: securing investment into place through infrastructure, i.e., roads, housing and unlocking commercial development to provide long-term uplift and regeneration, enabling local and regional SMEs to meet the quality compliance standards required in the nuclear supply chain, and building training infrastructure capable of upskilling thousands of local workers for long-term clean technology careers.

The delivery mechanism

Sedgemoor District Council led the public team comprising Somerset County Council, West Somerset District Council, police, fire, ambulance, health and education representatives, as well as working with local chambers of commerce and regional business support networks, to establish a long-term vision and objectives including procurement, supply chain and skills intervention.

- **A place-based, long-term vision of the area:** Bridgwater Vision.
- **Local plan:** creating an enabling environment - major infrastructure policies.
- **A Planning Performance Agreement:** setting out a shared project vision and development objectives.
- **A supply chain portal and SME capability upgrading:** the Hinkley Supply Chain Team provided advisory support, technical readiness assessment and accreditation guidance so that regional SMEs could compete for major contract packages.
- **Capital investment in training:** public and private investment established dedicated regional training facilities, including the National College for Nuclear, a construction skills centre and advanced welding provision, offering local residents accredited technical pathways.
- **Deliberate industrial and economic legacy planning:** the capability built through the project was written into long-term industrial and economic transition planning, with the intention of anchoring future economic development and clean technology and low-carbon investment, including hotel, retail and tourism sector investment, the Gravity smart campus, once construction concludes.
- **Place based investment programmes:** road, housing, environmental improvements.
- **Community benefits package.**

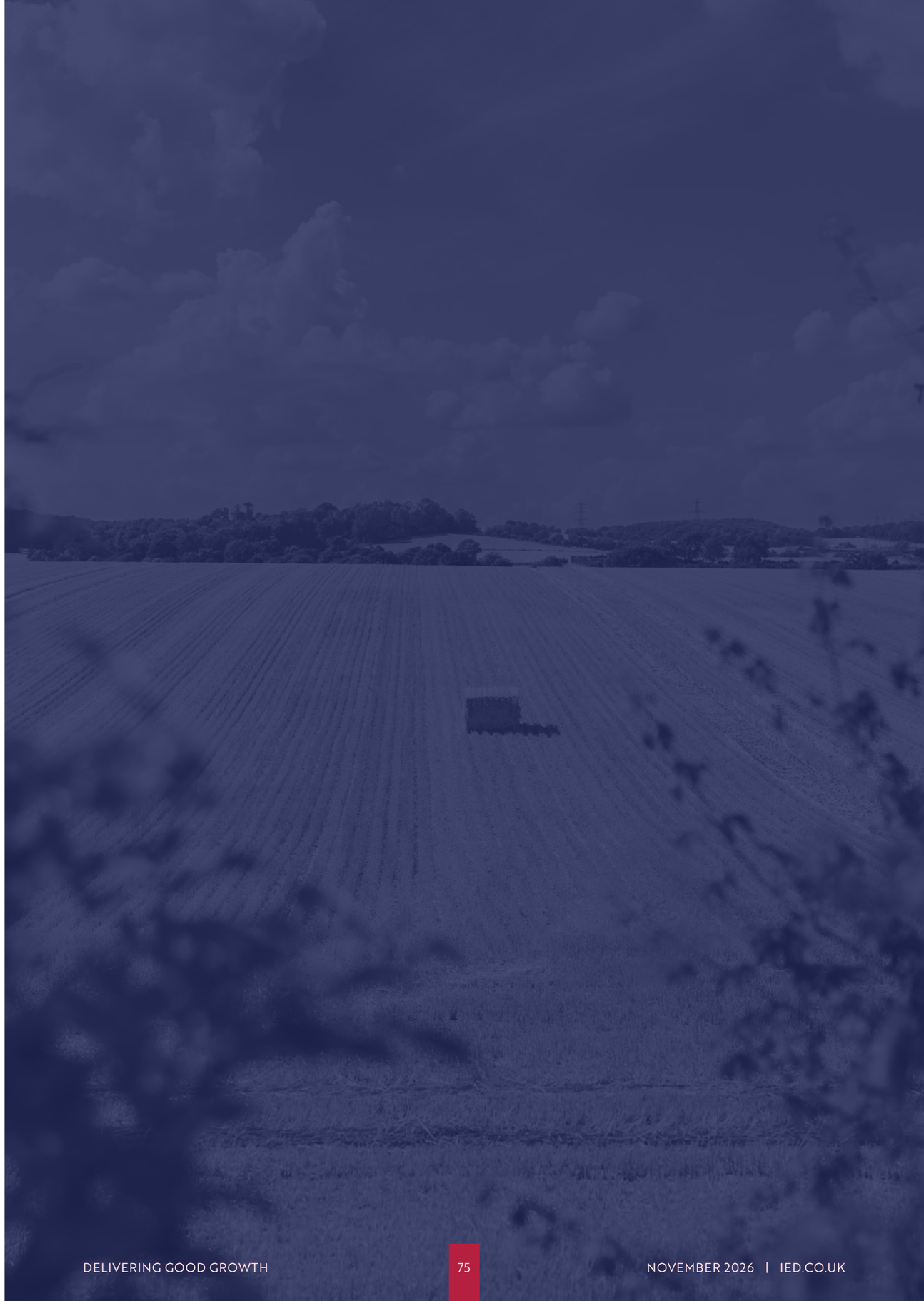
Execution and evidence

The interventions around Hinkley Point C show how a host region can capture value from a major infrastructure project and secure a regenerational uplift, rather than absorb its costs. The outcomes reported are summarised below.

Good Growth dimension	Evidence from delivery
Resident incomes	Local and regional workers upskilled into higher-wage engineering, technical welding and nuclear-grade construction roles.
Job creation	Thousands of local jobs and apprenticeships created across Somerset and the wider South West.
Business base growth	Over 3,000 regional businesses registered and engaged within the project supply chain.
Spatial and community equity	Rural and coastal communities across Somerset secured high-value industrial contracts and skills opportunities.
Hardest-to-reach inclusion	Supported entry-level construction and technical training pathways established for local young people and career changers.
Productivity and innovation	Technical capacity, certification and digital manufacturing capability upgraded across regional SMEs.
Local supply chain retention	Multi-billion-pound procurement spend retained within South West businesses, building longer-term supply chain resilience.
Foundational economy	Continuing site demand used to support commercial site and hotel development, local catering, transport, accommodation, facilities management enterprises and local tourism / accommodation sites.
Health and wellbeing	High occupational safety standards and mental health support embedded across the project workforce with bespoke project health service.
Public-private leverage	Co-investment mobilised from the site operator, main contractors and central government into regional training infrastructure.

Key learnings for practitioners

- **Leadership of place is central to success:** integrating nationally significant investment into a host community in ways that generate genuine social value.
- **Establishing a public / private sector vision and development objectives from the outset:** collaboration being key to optimise benefits and minimise impacts.
- **Create a positive, enabling culture and operating environment for investment:** through local plans and development management practice.
- **Connecting 'planning' and delivery:** ensuring local labour policies are embedded in legal agreements and monitoring regimes.
- **Establish supply chain intermediaries early:** main contractors will not buy locally by default. Matching and capability-building programmes need to be in place years ahead of the major procurement cycles, not alongside them.
- **Invest in permanent training infrastructure:** the momentum of a mega-project is the opportunity to build colleges and technical training hubs that remain operational long after construction concludes.
- **Plan for the post-project transition from the outset:** map how the capabilities built during the capital phase can be redirected towards future regional growth sectors before employment falls away, rather than after.





INSTITUTE OF ECONOMIC DEVELOPMENT

INSPIRING PEOPLE - IMPROVING PLACES

WWW.IED.CO.UK