

**MINUTES OF THE MEETING OF THE  
ECONOMY SCRUTINY COMMITTEE  
HELD ON WEDNESDAY, 15 MARCH 2023 AT CONFERENCE ROOM  
1/2, WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS, LS1  
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**Present:**

Councillor Richard Smith (Chair)	Kirklees Council
Councillor Aneela Ahmed	Bradford Council
Councillor Bob Felstead	Bradford Council
Councillor Helen Brundell	Calderdale Council
Councillor Audrey Smith	Calderdale Council
Councillor Gwen Lowe	Kirklees Council
Councillor Gohar Almass	Leeds City Council
Councillor Colin Campbell	Leeds City Council
Councillor Ian Sanders	Wakefield Council
Councillor Tony Wallis	Wakefield Council
Councillor Paul Davies	Kirklees Council

**In attendance:**

Mayor Tracy Brabin	West Yorkshire Combined Authority
Khaled Berroum	West Yorkshire Combined Authority
Thomas Purvis	West Yorkshire Combined Authority
Hannah Scales	West Yorkshire Combined Authority
Philip Witcherley	West Yorkshire Combined Authority
Anika Gilbert	West Yorkshire Combined Authority

**14. Apologies for absence**

Apologies for absence were received from Councillors Tyler Hawkins, Zafar Iqbal, Andrew Hollyer, Isabel Owen, and Chris Pillai.

The meeting was confirmed as quorate, with 11 members present out of 11 needed for quorum.

**15. Declarations of Disclosable Pecuniary Interests**

There were no declarations of disclosable pecuniary interests.

**16. Possible exclusion of the press and public**

There were no items requiring the exclusion of the press and public.

## **17. Minutes of the meeting held on 16 November 2022**

Resolved: That the minutes of the meeting held on 16 November 2022 be approved.

## **18. Notes of the inquorate meeting held on 18 January 2023**

Resolved: That the notes of the meeting held on 18 January 2023 be noted.

## **19. Chair's comments and update**

The Committee received a verbal update from the Chair where the Chair welcomed the Mayor and reminded members of the pre-agreed topics and set out the structure of the meeting.

Resolved: That the Chair's verbal update be noted.

## **20. Mayor's Question Time - Tracy Brabin**

The Chair thanked Mayor Tracy Brabin and officers for attending Economy Scrutiny to answer the Committee's questions. Officers present to support the Mayor included Philip Witcherley, Interim Director of Inclusive Economy, Skills and Culture, Tom Purvis, Economic Analysis Manager, and Anika Gilbert, Policy Officer Employment and Skills.

The session was split into topic areas and members would be able to ask any questions under those topic areas, and any follow ups. The topic areas were: business support, engagement and investment, jobs, skills and training and funding, strategy, and projections.

### **Business Support, Engagement, and Investment**

Small Businesses:

- There were 90,000 businesses in West Yorkshire, over 90% were SMEs and therefore it was an area the CA wanted to support because that was where growth could be maximised.
- Over the last year there had been numerous challenges namely Covid-19, cost of living crisis and energy crisis that had been dealt with, with some determination and at speed.
- Government had announced, prior to publishing the spring budget, that the household energy price guarantee will be extended until the end of June, however, no extensions or additional support was announced to support businesses with their energy bills.
- The manufacturing task force had made some recommendations which had made their way into our response to the cost-of-living crisis and energy crisis.
- The LEP was really reflective of SMEs and the most diverse LEP in the country. The Mayor was mindful that there were businesses not reaching out for help, the CA aimed to access these people and introduce these businesses to grants, loans and training.
- Particularly, women led start-ups were not accessing support in the way

that they should, £6million was allocated for entrepreneurs and because of devolution the Mayor was able to allocate 50% of funds to female entrepreneurs, 20% to entrepreneurs of colour and 3% of entrepreneurs with a disability.

#### City Centres:

- Leeds City Centre was one of the biggest to be hit by an economic impact by Covid-19 and the change in working patterns outside of London. Members were reminded of the Mayor's Fares which aimed to get more people travelling on buses (not helped by the reduction in routes). Rail had seen recovery of over 100% of pre-covid footfall on weekends which reiterated the need to invest in Leeds City Station and the city centre to make the city centre a family friendly activity hub.
- Innovation was a key element, for example supporting pubs to expand their offer by turning into music venues.
- There was a substitution effect where people were spending more time and money locally rather than travelling into the city centre.
- The Leeds City Centre office based footfall during the week took a substantial hit but we had seen some new office offers such as the Lloyds HQ which was re-locating within Leeds City Centre.

#### Covid-19:

- By working closely with local authorities and delivering a coordinated response through the Growth Managers the CA was able to support the business community through the Covid-19 pandemic.
- A West Yorkshire cake business pivoted from producing something in house to having an online business that resulted in being more successful during the Covid-19 period through the support the CA was able to provide.
- 100,000 payments, totalling £296m, were made via the Local Authority Grants (since November 2020).
- 13,500 payments, totalling £30m, were made via the Additional Restrictions Grant (since November 2020).
- 1,114 payments were made, totalling 2.8m, via the Covid-19 Recovery Grant.
- 400 Digital Resilience Vouchers (totalling £1.06m) were provided (via Leeds City Council).
- 1,350 businesses benefited from the Small Business Membership Scheme – allowing access to legal, HR, financial and wellbeing support (£300,000, via W&NY Chamber Mid-Yorkshire Chamber, FSB).
- 60 businesses benefitted from the Peer Learning Project (£90,000 via University of Leeds Business School)
- 160 businesses benefitted from the Cyber Security Support Scheme (£100,000, via North-East Business Resilience Centre)
- 180 businesses benefitted from the Business Resilience Webinars (£15,000, via Biskit).

#### Cost of Living and Energy Crises:

- Residents and communities have been supported directly through the Mayor's Fares, the Mayor's Cost of Living Emergency fund, which is providing £3m over 18 months to support vulnerable residents via the charitable sector, and doubling investment in retrofit projects to improve

energy efficiency for an additional 1,700 households (on top of 1,300 existing households).

- A number of webinars were delivered to 106 businesses in total which aimed to help small and medium businesses reduce their bills by being more energy efficient and sustainable.
- £1million was allocated to the Energy Price Emergency Grant scheme which provided short-term, high-impact interventions to help businesses with their energy costs. The grant scheme was aimed at businesses who had not traditionally been able to access our standard support structure, for example Business to Customer sectors such as retail, hospitality, and leisure.
- The grant scheme was in the early stages, however the number of applications getting approval was steadily increasing, and the first grant payments to businesses would be made in the next few days.
- The Excellent Relax Bed manufacturers in Kirklees was a good news story in that they had oversight from the CA on how they could 'green' their manufacturing processes and in doing so they received a fund to help them with their bills.
- 562 expressions of interest regarding the Energy Price Emergency Grant had been received to date. 337 applicants have moved to Stage 2 of the process, 106 applications sent to business and awaiting submission, 93 applications submitted and going through for approval, 31 Grants approved, and 4 businesses had submitted Grant Claims for payment, with a cumulative grant amount of £10,605.

#### Inward Investment Strategy and Activity:

- Creating 1,000 green, well-paid jobs is a key Mayoral pledge, but it is equally important that businesses, especially the energy-intensive manufacturing sector are able to pivot towards a net-zero economy as well. This was a priority for the Mayor and the Trade and Investment Team.
- The Trade & Investment Team take a proactive and strategic approach to winning investments in the priority sectors. This involves targeted trade missions and attendance at trade shows.
- The CA was often in competition with other places for inward investment, so it was important that our region was the most attractive.
- The trade mission to India in late 2022 resulted in Indian financial services corporate, Mphasis, announcing the creation of 1,000 green jobs over three years in the region. Mphasis had created between 250 and 300 new roles so far and were currently recruiting.
- Recent attendance at Arab Health in January 2023, led to several positive investment leads with organisations in Asia, Europe, and North America. It also provided several West Yorkshire health and life sciences businesses with a platform to attract new customers and explore overseas relationships.
- The Key Account Management Team are with PEXA, a globally recognised leader in FinTech, who were looking to open an office in Leeds from Spring 2023. The digital transformation of an intrinsic part of the UK economy and financial sector would be spearheaded from West Yorkshire.
- Allied Glass are creating 25 new graduate jobs (60 in total), with £40m+ investment into the Leeds site, for a new building (making the site more

environmentally friendly), new lines and a new furnace being installed to increase capacity also resulting in a 20% reduction in energy. The investment would see the recruitment of 25 graduates in a range of disciplines, including engineers, and would upskill the current workforce.

- UK Greetings in Kirklees are creating 66 new jobs with an £11m investment funding a significant reshoring project, moving vital parts of their Chinese manufacturing activities back into Kirklees (Dewsbury).
- PEXA (Australian FinTech company) in Leeds are creating 50 new, highly skilled jobs in FinTech and 300 jobs safeguarded. The Inward Investment Team have been working with PEXA to support their move into West Yorkshire and showcasing our region's strong economy, strengths in finance and FinTech, and world-class talent pool.

#### Creative New Deal and Creative Catalyst:

- The Creative New Deal sat across the Mayor's role as Police and Crime Commissioner so intervention with the Mayor's Community Safety Fund, where over £1million of the proceeds of crime would be given back by the Mayor towards community interventions. The money had been increased to £8k per project and a number of those projects had a creative element such as Safety in Music a Kirklees project.
- For the first time ever, an active committee had been set up with practitioners from across the region with a £15million allocation to the committee.
- The committee was supporting the ongoing festivals including approvals for funding for Leeds 2023 and Kirklees Year of Music. There were applications in for Wakefield, Calderdale, and Bradford City of Culture 2025. The Mayor emphasised the caveat of the need to see the rollover of someone that starts as an intern and progresses through their career and hones their talent and stays in the region.
- The Mayor talked about social prescribing, where as a musician you could also be paid to provide music for those with dementia or helping young people through depression. Enabling creatives in the sector to remain in the sector.
- The Creative Catalyst was in place supporting emerging artists and businesses to understand how they could pivot to export, increase productivity, and develop their learnings by sharing knowledge.
- This included sport as well as the creative sector.

#### **Jobs, Skills, and Training**

##### Hospitality Sector:

- Supporting the hospitality sector had been a combination of immediate financial support and training. There were interventions through the Growth Hub and training opportunities.
- The Mayor emphasised the importance of government devolving deeper powers in relation to skills and training. The CA understood what the region needed and could deliver specific skills training. The skills gap in West Yorkshire was substantial and the Mayor reiterated the potential benefit for the whole of the UK should the government give the CA further devolved powers over skills.
- The CA was working with the careers service, 80% of schools in West

Yorkshire were now working with the CA to achieve Gatsby standards for careers advice so the CA could understand what the gaps were in West Yorkshire market and inform careers advisors so they in turn could pivot young people.

- The West Yorkshire Employment Hub supported 922 people into employment to date, 9.5% were in the hospitality sector.
- After the election period the CA would be announcing the Fair Work Charter which would be going live and bringing in businesses committed to the real living wage to ensure there was more money in people's pockets.

#### Green Job Creation Pledge:

- The CA has already received 1007 total job pledges from 63 employers from across West Yorkshire. From those jobs pledged by businesses, 256 green jobs have already been created. [As of 27<sup>th</sup> February 2023]
- Mott MacDonald was one of the CA's big green jobs creators .
- West Yorkshire had one of the only colleges of construction in the UK and they had recently taken on a new Vice-Chancellor (first woman Vice-Chancellor in the college of construction).

#### Apprenticeships:

- Businesses had provided feedback that employing an apprentice was too complicated, including aspects of working with the training organisation and releasing apprentices to go to college.
- The Mayor welcomed the CA's free apprenticeship levy share scheme. The CA was able to broker the upskilling of 10 early years workers to the next level for free, through Asda's transfer of underspend apprenticeship levy.
- The Mayor visited Pragmatic Digital during apprenticeship week, who also hired two apprentices using the levy share scheme.
- All local authorities saw growth in apprenticeship starts during 2021/22, ranging from a 3% increase in Bradford to 18% growth in Wakefield and 16% in Calderdale. The rates of growth in Kirklees (9%) and Leeds (8%) were similar to the West Yorkshire average.
- All local authorities had lower levels of apprenticeship starts in 2021/22 than pre-pandemic (2018/19). The number of higher apprenticeship starts was 28% higher than pre-pandemic for West Yorkshire.
- There had been areas of deficit in take up of apprenticeships in Business, Administration and Law (-23%), Engineering and Manufacturing Technologies (-26%), Retail and Commercial Enterprise (-32%) and Health, Public Services and Care (-12%).
- However, there had been an increase in Construction (+20%) and Information Technology (+14%) which both had higher levels of starts than pre-pandemic.
- Diversity of apprentices was an enormous challenge, Produmax in Bradford had an extremely diverse cohort of apprentices which is what the Mayor wished to see across the whole of West Yorkshire.
- The CA had 25 live apprenticeships at the current time. The Apprentice salary was grade D (starting salary of £19,867 - £22,688). There was a trial underway where junior staff were shadowing the Mayor, Deputy Mayor, Directors and Senior Leaders as well as facilitating student

placements.

#### Engagement with Education:

- The Mayor regularly spoke to the Heads of Further Education (FE) colleges as the CA had recently taken on the responsibility for the region's £65m annual adult education budget. The CA could work with providers to ensure they are delivering the right courses for the region.
- The Mayor stressed that it was not just about Russell Group Universities it was also about the FE colleges.
- The Mayor met with FE Vice-Chancellors to discuss the challenges they were facing with energy costs and attracting teaching talent. Recently the CA had agreed to increase the Adult Education Budget funding rate to address inflationary pressures on colleges and training providers and guarantee high quality learning.

#### Over-50's Re-entering Workforce:

- There were too many people in West Yorkshire that were economically inactive, that is partly due to ill-health, too many people were on the waiting list for operations which was having an impact on our workforce more widely.
- In West Yorkshire, there were 344,000 people of working age who were economically inactive, of which, 128,000 were aged 50-64.
- On a national level, data was available that suggested many of those older workers now inactive had retired and were unlikely to return to the workforce at all.
- The Employment Hub, our FutureGoals website and the Skills Bootcamps (short term way of upskilling with modern skills) were available for people of all ages.
- The Research and Intelligence Team created a 'State of the Region' report every year which gave focus to particular sectors and taking the data from the team had been really helpful.
- The Mayor hoped that the new Inclusivity Champion would help with the unfair economic divide between our regions which would potentially help people back into work.
- There had been an increase of between 30 and 40 thousand over-50's becoming economically inactive in the 12 months to September 2022 compared to the pre-pandemic levels. The CA was seeing an increase in the out of work claimant count which was likely linked to the cost-of-living crisis.
- The importance of knowing the reasons over-50s may have left the workforce was emphasised.
- Development of co-operatives in the region so that individuals felt they had control over their working lives without external pressure which may have played a role in some over-50s leaving the workforce. The Mayor was working with Co-op UK and Growth Hub Managers to talk to businesses that might be struggling, rather than a management buyout, receive help to become a co-operative.

#### FutureGoals:

- West Yorkshire's award nominated all-age careers platform featuring resources to support young people (as well as their educators and carers) and adults in their decision making around upskilling, retraining,

and finding available apprenticeship and employment opportunities had surpassed its targets and reached 3.2 million people in the 2021/22 financial year.

#### Childcare:

- The Mayor felt that the childcare model was not working. Women were stepping out of the workforce and couldn't return until their child was three and the Government funded 30 hours childcare was available, by which time you had slightly slipped in your skills.
- The Mayor questioned how much the rate would be, nurseries struggled because they couldn't make the economics work, the business needed to be supported as well as paying people properly to ensure high quality childcare.

### **Funding, Strategy, and Projections**

#### Impact of Inflation:

- The Mayor hoped that the challenges around inflation had not impacted the Mayoral Pledges. Some projects were being reviewed and viability tested such as road focussed projects that would have worked 10 years ago. Pipelined projects were not 'stopped', projects identified as underway that could be pipelined would be picked up again once the next funding streams came through from government. £270million of projects were identified to be pipelined. It was also hoped that pipelined projects would help ease the difficult funding deadlines set by government so that more could be delivered.

#### Housing:

- On the back of people staying local and spending locally, bringing housing into city centres was important but it was a priority that housing was affordable and of adequate standard.
- The Mayor could have substantial influence on the Brownfield Funding pot, the CA could find expensive, blighted land and invest in the clearing of the land for developers.
- The CA was also going into partnership with Homes England which would unlock more leverage.
- Within the 5000 homes Pledge there was a sustainable element, there needed to be a bus stop so that people could use public transport and benefit from cheaper fares to get to work, and do not need to own a car.

The Mayor invited Members to contact the Mayoral Office with any further queries or specific queries relating to their corresponding wards.

**Resolved:** That the Mayor be thanked for attending, and the Committee's feedback and conclusions be considered further.

## **21. Economy Scrutiny Work Programme**

The Committee discussed the summary Work programme for the 2022/23 municipal year.

**Resolved:** That the appended summary 2022/23 Work Programme be noted.