

**MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY
COMMITTEE HELD ON FRIDAY 15 NOVEMBER 2019 AT COMMITTEE
ROOM A, WELLINGTON HOUSE, LEEDS**

Present:

Cllr Peter Harrand (Chair)	Leeds City Council
Cllr James Baker (Deputy Chair)	Calderdale Council
Cllr Stephen Baines	Calderdale Council
Cllr Stephen Fenton	City of York Council
Cllr Yusra Hussain	Kirklees Council
Cllr David Jones	Wakefield Council
Cllr Peter Kilbane	City of York Council
Cllr Christine Knight	Leeds City Council
Cllr Edward Pearson	City of York Council
Cllr Betty Rhodes	Wakefield Council
Cllr Steve Sweeney (Substitute)	Calderdale Council
Cllr Rosie Watson	Bradford Council
Cllr Geoff Winnard	Bradford Council

In attendance:

Cllr Susan Hinchcliffe	Chair, Combined Authority and Leader, Bradford Council
Rashik Parmar	LEP Board Member and Chair, Employment & Skills Panel
Khaled Berroum	West Yorkshire Combined Authority
Michelle Burton	West Yorkshire Combined Authority
Alan Reiss	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority

22. Chair's comments

Members were saddened to learn of the passing of long-serving committee member Paul Kane. The Committee expressed its deepest sympathies and condolences to his family and held a minute's silence to mark his passing.

The Chair informed members that due to the general election, the regulations imposed by the pre-election period ('purdah') were in effect.

23. Apologies for absence

The Chair welcomed new members Councillors David Jones and Yusra Hussain to their first meeting and apologies were received from Councillors

Dot Foster, Jacob Goddard, Graham Isherwood, Sarfraz Nazir, Richard Smith and Rob Walker.

24. Declarations of Disclosable Pecuniary Interests

There were no declarations of disclosable pecuniary interests.

25. Possible exclusion of the press and public

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

26. Minutes of the meeting held on 13 September 2019

Resolved: That the minutes of the meeting held on 13 September 2019 be approved.

27. Employment & Skills, apprenticeships and the Skills Commission

The Committee considered a report of the interim Director of Economic Services providing an overview of the Future-Ready Skills Commission – its progress to date and emerging themes and recommendations – and an update on skills programmes delivered by the Combined Authority, with a particular focus on schools engagement and apprenticeships.

The following were in attendance for this item:

- Councillor Susan Hinchcliffe
 - Chair of the Combined Authority & Leader of Bradford Council
 - Skills lead on behalf of West Yorkshire Council Leaders
 - Chair of the Future-Ready Skills Commission
- Rashik Parmar
 - LEP Board member
 - Chair of the Employment and Skills Panel
 - IBM Fellow and Vice President for Technology (Europe)
- Michelle Burton
 - Head of Employment and Skills, Combined Authority

The Committee revisited some of the conclusions reported in the 18 January 2019 session on skills in the previous municipal year. Questions and discussion included the following:

Local control, accountability and devolution:

- The Committee noted that it appeared the national skills system is fragmented and responsibilities lie with different organisations such as universities, colleges, health services and private sector employers and accountability is largely outside of the direct control of local authorities (and LEPs) – which must rely on good relationships and soft power

influence.

- This lack of direct control over the local system is more noticeable in West Yorkshire than in areas that have mayoral devolution deals, including Greater Manchester, where mayoral devolution has resulted in greater responsibility for some skills funding (such as Adult Education Budget) – though, even in these areas there are challenges over the level of funding and still limited remit over the local skills system.
- The West Yorkshire Combined Authority currently relies on capital funding from external sources – central government departments and the EU – which come with restrictions on how the money is spent and impose numerical targets to be achieved.
- Whereas, mayoral combined authorities have access to unique funding such as ‘gainshare’, akin to revenue funding, which is awarded on a per capita basis and can be spent at the Mayor and/or mayoral combined authority’s discretion, including on skills programmes, in line with its independent strategic priorities.
- The ‘Future-Ready Skills Commission’, chaired by Cllr Hinchcliffe, has sought to address this imbalance by identifying the main challenges and arguing for greater devolution and local control over skills. The Commission released an interim report in November 2019 with the final report expected by June 2020.
- Some of the Commission’s recommendations are expected to be to the central government, some to Combined Authorities, LEPs and other partners.
- Some members suggested that the Committee consider exploring how West Yorkshire compares to other comparative combined authority areas in future.

Data on apprenticeship levy, apprenticeship starts/completions and skills demand/supply:

- Data on which non-public companies and organisations are subject to apprenticeship levy (or have unspent funds) is private financial information that government agencies cannot share. The LEP is therefore making approaches to employers directly.
- The LEP has recently launched an Apprenticeship Levy service which seeks to keep unspent levy funds in the region. This approach has found some success with some local companies such as Portakabin. It is the first company to commit funds and will support 12 engineering apprentices who would otherwise have been unable to continue with their courses.
- The LEP publishes an annual Labour Market report from publicly available data which includes information on apprenticeships, including starts and completions. It is important to effectively utilise data to predict future skills demand early in order to supply the necessary skills before they materialise, instead of being reactive and also to design a system to ensure a ‘pipeline’ from education through to employment in growing sectors.
- The LEP is not resourced, or has the remit, to monitor the quality and success of individual apprenticeships in the region, even those in the public sector. Monitoring the quality of apprenticeships is the

responsibility of Ofsted rather than LEPs.

- Some scrutiny members suggested that local trade unions may have some access to some labour data that might be useful for the LEP.

School engagement, promoting apprenticeships and arranging student/employer encounters:

- The LEP/Combined authority is engaged with 184 (over 90% of) secondary schools and colleges in the City Region and a new 'Raising Aspirations' pilot (funded by the Business Rates Pool) has been developed to enable schools to pilot innovative approaches to raising the aspirations of their most disadvantaged young people.
- The Committee noted that some challenges in school engagement have been reported in the past but acknowledged that the Combined Authority cannot dictate to schools what they can and cannot do – and must rely on 'soft power' persuasion, relationship building and partnership working.
- Previously, it had been suggested that engagement with school governors should be prioritised. It was noted that many schools are now part of larger academy trusts. It is important to engage with the chief executives of academy trusts who set the strategic direction and culture of the schools in their purview. To support this, members suggested that it would be useful to know which schools are academies and which trusts they belong to.

AGE grant performance and quality of apprenticeships:

- It was clarified that the Apprenticeship Grant for Employers (AGE) provided to local businesses by the Combined Authority is a top-up to the national AGE grant scheme offered by the government.
- The reduction in applications for the LEP's AGE grant top-up is likely to have been in part due to national funding changes that have had a 'downstream' effect on the uptake in the scheme at a national level.
- In order to counterbalance this, the LEP Board agreed to change the application criteria to encourage more applicants and ensure as many apprenticeships as possible could be incentivised.
- Despite the LEP's desire to do so, it is not resourced – and does not have the remit - to monitor the apprenticeships that are supported through the AGE scheme or empowered to influence the quality of them. This remains the responsibility of the employers, providers and OFSTED.

Holistic approach and role of WYCA and partner authorities:

- Members offered a view that whilst there is a lot of focus on connecting young people with new opportunities in the right sectors, there are still many barriers that stop many people, particularly those not in education, employment or training ('NEETs'), from taking advantage of opportunities and programmes being created – issues include young people with behavioural problems, people with mental health issues, those suffering from addiction and people involved with social services.

- Previously, it has been suggested by scrutiny that the Combined Authority could play a regional coordination role between partner authorities to influence a more holistic and uniform approach to issues of mutual concern amongst all councils in the region.
- It was clarified that much of the preventive work described throughout the discussion, particularly in social services, took place already within local authorities. The relevant partner authorities – and other bodies, such as the police – already work together on these issues through other forums. The Combined Authority is not the only regional forum where partnership work can take place.
- The Committee was asked to note that the West Yorkshire Combined Authority did not have the statutory remit to get involved in certain services and responsibilities that are legally the preserve of local authorities.
- Ultimately, the Combined Authority is a partner authority that is equal to the other local councils in the region and not above its constituent member councils in a hierarchy. It can only perform the functions afforded to it either by legislation or if not covered in legislation, by the consent of its member councils.
- The future remit, functions and relationship of the Combined Authority with partner councils would be subject to a final mayoral devolution settlement.

Local employers and Employment and Skills Panel:

- It was noted that some of the largest employers in West Yorkshire are public sector bodies such as local partner authorities, joint services and health trusts.
- Previously it has been suggested that developing relationships and sharing information with fellow public sector organisations in skills policy and delivery should be a priority.
- It was noted that many of these bodies are already represented as members of the Employment and Skills Panel. These include – the local authorities, Department of Work and Pensions, Yorkshire & Humber NHS and local colleges and universities.
- It was also noted though that the Panel's remit is only to advise the LEP Board on Employment and Skills strategy, policy and programmes in delivery.
- Employment and Skills Panel is a legally constituted advisory committee, identical to any local authority committee, and is required to publish all its papers (including minutes, forward plan and reports) and meet in public.

Resolved:

- i) That the report be noted and the Committee's feedback and conclusions be considered further.
- ii) That the Committee be provided with further information on:
 - Recently published LEP's Labour Market Report 2019 and the Skills Commission Interim Report.

- Employment and Skills Panel's forward plan, membership list and link to public papers.
- A breakdown of school engagement activity by district including the number of employer encounters.
- A list of schools awarded grants through the Raising Aspirations Pilot

28. Strategic updates and performance monitor

The Committee received a report of the Managing Director updating them on developments in devolution, LEP review & merger, Local Industrial Strategy, Brexit preparations, corporate plan priorities, risk management and budgeting for 2020/21.

The Committee was informed that the general election had put most strategic issues, including devolution and the LEP merger, on hold and purdah prevented the revelation or discussion of any new information in public at this time. Further updates would be given following the general election on 12 December 2019 and at the next committee meeting if there is anything to update.

Resolved: That the updates be noted.

29. Scrutiny Work Programme

The Committee considered a report of the Scrutiny Officer outlining the 2019/20 Work Programme and received verbal updates from working group leads on their first sessions held the previous week.

The Climate Change Working Group reported that they have almost finalised their terms of reference and intend to focus on speaking to climate change leads in each authority to discuss with them how each authority is tackling the issue and what their biggest challenges are.

The Business Grants Working Group reported that they had almost finalised their terms of reference and intend to speak to the consultants currently conducting the evaluations about their findings at their next session at the end of the month. Working group members also plan to conduct site visits and speak directly to businesses who have received support and grants as part of the review process.

Resolved:

- i) That the working group updates be noted and that the notes of the first sessions of the working groups and terms of reference be circulated when agreed and finalised.
- ii) That the draft 2020/21 budget be added to the agenda of the next meeting and the focus of the strategic transport item be confirmed as the sale of bus companies, Transforming Cities Fund bid and the HS2 and rail

reviews.

30. Date of the next meeting - 17 January 2020