

## Notes of **Inquorate** Economy Scrutiny Committee Meeting held on 22 September 2021

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### Item 1 – Welcome and apologies

Attendees (10/11): Bob Felstead, Zafar Iqbal, Stephen Baines (DC), Audrey Smith, Richard Smith (C), Harpreet Uppal, Kayleigh Brooks, Jonathan Bentley, Dawn Collins, Samantha Harvey

Apologies (5): Olivia Rowley, Graham Isherwood, Andrew Hollyer, Aneela Ahmed, Manisha Kaushik.

Officers: Brian Archer, Ian Smyth, Khaled Berroum

***Skipped items 2 and 3 as the meeting was inquorate.***

### Item 4 – Scrutiny and governance arrangements

Members received an outline of scrutiny standing orders and other governance arrangements established at the Combined Authority Annual Meeting.

In questions and discussions, members sought clarification on a number of things including:

How the Mayors Question Time session in March 2022 would be approached:

- There are many approaches taken by other mayoral authorities to date, ranging between two approaches –
- One where it is too open and members ask what they want to one where it is too structured with the questions being given to the mayor ahead of time.
- The aim is to be in the middle, not too open and not too structured, providing general headlines and areas of interest but allowing free flowing questions within those topics in session.

How cross-cutting ‘overall’ issues would be handled by the three co-equal scrutiny committees:

- The Chairs and deputies form a steering group to maintain a general overview of the entire scrutiny activity
- The committees may commission joint working groups drawing membership from two or more committees to look at certain issues.

The relationship between the LEP and Combined Authority:

- In theory the LEP and Combined Authority are separate strategic entities, where the largely private sector led LEP Board helps develop broad economic policies and services, with the democratic led Combined Authority acting as accountable body ratifying decisions and authorising spending
- In practice membership overlaps and they share a corporate structure and officer body who are all considered employees of both.
- The LEP brand is used to engage with businesses and the private sector and WYCA’s Metro brand is used to engage with transport users and sector.

### Item 5 – Chairs comments and announcements

The Chair introduced himself and explained that:

- He would like to get to know members as individuals and would like the committee to work as a team.

- Scrutiny is non-political and non-partisan and its objective is to provide constructive challenge not to trip up the mayor.
- He has held a number of meetings over the summer with the other two scrutiny chairs as well as with key officers such as the lead director and scrutiny officer to be briefed on the Combined Authority's activities and priorities.

## Item 6 – Economy functions and priorities overview

Members received a high-level overview of the Economic Services delivered by the Combined Authority as well as an outline of economic policy development and current priorities and strategies.

Questions and discussion centred around:

- The use of evidence and data on uncertain facts in developing economic policy e.g. consequences of furlough and business intentions.
- The much-publicised labour shortages in key areas such as heavy goods vehicle (HGV) drivers and security staff – as well as more broadly in retail, service, hospitality and agriculture, in particular food production
- The promotion and support of entrepreneurship.
- Inward investment strategy.
- How the constituent authorities work together in partnership and to avoid duplication.

## Item 7 – Economy Scrutiny Work Programme discussion

The Chair and members discussed a number of principles and approaches to work programming, topic selection and future meetings – including:

- Bear in mind level resource capacity and time available to scrutiny – one scrutiny officer and three further committee meetings, with limited support from wider officer as and when needed.
- Members have a responsibility to read reports which are requested and take up officers' time, otherwise officers scarce time is taken up inappropriately.
- When members meet to discuss an agenda, there is an element of preparation required, so we are all familiar with the report and the subject matter prior to the meeting.
- Chair suggested mirroring CA and Mayor's priorities which are COVID economic recovery and Mayors Pledges on the economy.
- Avoid straying into making policy and independent policy development
- Focus on delivery of ambitions/pledges and achievement of outputs/outcomes
- Investigate level of added value / additionality of investments made
- Remember to focus on structural issues and wider strategic and long-term effects – not just narrow, immediate and short-term issues
- Mayors Question Time: spend time at the January meeting to discuss proposed approach to questioning the Mayor at 9 March session.
- Pre-meetings are unnecessary, timings are difficult and transparency

Members' discussion, questions and suggestions included the following:

### **COVID-19 recovery: economic growth, job creation, skills, and other opportunities:**

1. **Use of data / intelligence:** what economic/social data does the CA analyse and how does it influence policy, interventions and activity? E.g. logic behind the number for jobs created in the Mayors Pledge: is that based on data/need, delivery capacity or funding limits?

2. **Growth as a priority:** How is 'high growth' defined? What does success look like? How are competing priorities handled? E.g. between high growth vs carbon emission reduction or productivity efficiency vs job creation? E.g. 2 changed focus to create green jobs, not just jobs.
3. **Strengths & assets:** Unique regional assets/opportunities. Recovery plan focuses on productivity and inclusive growth etc as pre-pandemic but does the region have as a 'growth engine' any particular strengths that can be developed and utilised to drive growth? What are the region's future proof assets/opportunities?
4. **Weaknesses & gaps:** What gaps are there in the current recover/growth strategy? what mitigations could be employed to counter them?
5. **Impact of CA:** What levers does the CA have to make an impact on the economy?
6. **Outputs & additionality:** Does the CA achieve its targets and ROI? Does the CA's activity/interventions constitute additionality that businesses wouldn't have done without it?
7. **Skills strategy – short and long term:** How can WYCA help plug short term demands such as shortages in HGV drivers, agricultural workers, service, retail, hospitality and security staff? How does it calculate and factor demands of local high growth/demand sectors and employers etc into AEB / skills strategy?
8. **Other opportunities from pandemic:** Use of entrepreneurship – which has increased during pandemic – as an alternate 'job creation' effort. How are opportunities, such as entrepreneurship etc, promoted to young people as a career option?
9. **Partner councils:** Work with stakeholders, including partner councils to avoid duplication and fit in with local strategies, and with others such as colleges and businesses to identify right focuses and growing demand.

#### **Inward Investment:**

1. **Additionality & achievement:** Are targets being met? What is the ROI vs level of investment and resources dedicated to supporting incoming enquiries and proactive bids? What is the level of – and evidence of – additionality? That is – does investment make a genuine difference in persuading the business to relocate? Does the investment lead to additional economic outcomes?
2. **Impact of inward investment – positive and negative:**
  - a. **POSSIBLE CASE STUDY:** Creative industries e.g. Channel 4 investment touted as anchor and catalyst in local creative sector, in addition to immediate jobs. Did grant money deliver promised immediate outcomes (C4 jobs) and/or the hoped strategic outcomes (re creative industry)?
  - b. Are there unintended consequences and risks arising from inward investment? from particularly big employers? E.g. Amazon warehouse which led to a sudden reduction in health and social care staff who left to work for Amazon for a slightly increased hourly wage.
3. **Competition between areas:** Possible tensions between areas within WY? How do the partner authorities work together? ('everyone claims to have brought C4 to Leeds, success has many fathers') or between MCA areas?

#### **Rural issues:**

1. **Strategic gap:** Rural strategy? Not been a focus of the Combined Authority despite large rural areas in the region – it is not all cities and urban areas. Is there any focus on food, agriculture and farming (from skills shortages to wider supply resilience)?
2. **Business support:** Is any support being given to agricultural/food industry? What role can the CA play in supporting this industry as part of Mayors Pledges on supporting small businesses?

3. **Future and resilience:** Any understanding, analysis or consideration of changing trends in agriculture on the wider WY economy? E.g. many farms switching from livestock to more profitable production.
4. **Connectivity:** Internet/digital connectivity – many areas are still disconnected in an increasingly digital world, now fast forwarded by the pandemic. Other areas are disconnected from economic opportunity.

### Housing:

1. **Mayoral pledge to build 5,000 affordable houses:** logic behind number relative to size of region and its housing needs? Pledge recently changed to 5,000 *affordable* homes. Region has historically underperformed in affordable housing. What steps are being taken to ensure the 5,000 homes are affordable? What engagement and measures are being taken with developers (who are often the greatest challenge in terms of affordability)?
2. **Responsibility and regional coordination between authorities:** Housing still a local authority function, but how can WYCA support and enable within its current powers? How local plans fit together in the absence of the spatial strategy and other regional planning powers in the devo deal suspended from final Order amidst govt white paper on planning? How will CA's functions and plans change in the future?
3. **Funding:** Brownfield Housing Fund unlock developments – but estimated that it will fund 2,000 homes. Other sources?

Other areas mentioned but discounted in the meeting:

- Transport as a supporter of the economy – *more suited to Transport Scrutiny Committee but might be potential for some limited coordinated work.*
- Inclusion and disadvantaged groups – *identify which groups are disadvantaged, causes of disadvantage and then potential solutions. Might be equally suited to corporate committee's overview of Mayor's EDI pledge in general.*

**Next meeting date – 17 November 2021, venue to be confirmed**