

**MINUTES OF THE MEETING OF THE ECONOMY SCRUTINY
COMMITTEE HELD ON WEDNESDAY 17 NOVEMBER 2021 AT
COMMITTEE ROOM 6/7, LEEDS CIVIC HALL**

Present:

Councillor Richard Smith (Chair)	Kirklees Council
Councillor Stephen Baines (Deputy)	Calderdale Council
Councillor Aneela Ahmed	Bradford Council
Councillor Jonathan Bentley	Leeds City Council
Councillor Kayleigh Brooks	Leeds City Council
Councillor Dawn Collins	Leeds City Council
Councillor Bob Felstead	Bradford Council
Councillor Tony Hames	Wakefield Council
Councillor Andrew Hollyer	City of York Council
Councillor Audrey Smith	Calderdale Council
Councillor Harpreet Uppal	Kirklees Council
Councillor Tony Wallis	Wakefield Council

In attendance:

Brian Archer	West Yorkshire Combined Authority
Khaled Berroum	West Yorkshire Combined Authority
Peter Glover (Minute 8)	West Yorkshire Combined Authority
Ian Smyth (Minute 8)	West Yorkshire Combined Authority

1. Apologies for absence

Apologies for absence were received from Councillors Zafar Iqbal, Manisha Kaushik, and Olivia Rowley.

The meeting was confirmed as quorate, with 12 members present out of 11 needed for quorum.

2. Declarations of Disclosable Pecuniary Interests

There were no declarations of disclosable pecuniary interests.

3. Possible exclusion of the press and public

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

4. Notes of the inquorate meeting held on 22 September 2021

Resolved: That the notes of the inquorate meeting held on 22 September 2021 be noted and entered as public record of what was discussed.

5. Scrutiny and governance arrangements

The Committee considered a report of the Statutory Scrutiny Officer outlining membership changes since the last meeting and amendments to Scrutiny Standing Orders section on substitute rules to be proposed to the Combined Authority on 9 December.

The Chair welcomed new members Councillors Tony Hames and Tony Wallis, representing Wakefield Council, to the committee.

Resolved: That the report be noted.

6. Chair's update and comments

The Committee received a verbal update from the Chair on his activity since the last meeting and a number of matters, including:

- The three Scrutiny Chairs have written a joint letter with Mayor Tracy Brabin to the Secretary of State for Levelling Up, Housing & Local Government, Michael Gove, asking him to consider lowering statutory quorum requirements for combined authority scrutiny and allowing remote or hybrid meetings.
- Meeting with Mayor Brabin 1-1 to discuss the economy scrutiny workplan and the committee's plans for the year. The Mayor outlined her own plans and expressed support for scrutiny's critical friend role. The Chair reiterated that non-partisan nature of scrutiny and his desire that it focus on outcomes and performance rather than making policy or acting as an opposition to the mayor. The committee's concerns on rural issues, housing/planning, mayoral powers and mayoral economic pledges were also discussed.

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

7. Economy Scrutiny Work Programme 2021/22

The Committee considered a report of the Statutory Scrutiny Officer outlining the 2021/22 Work Programme which was based on the discussion held at the previous inquorate meeting and subsequent conversations with directors and heads of service.

The Chair confirmed he would like to go ahead with a workshop in February focusing on Inward Investment strategy and activity, with a focus on Channel 4 as a case study.

Members suggested that the COVID economic recovery item involve some discussion on the growth of the green sector, in particular solar and renewable energy, and difficulties in recruiting people with the right skills.

Resolved:

- i) That a virtual workshop focusing on Inward Investment strategy and activity, with Channel 4 bid as a case study, be arranged for mid-February 2022.
- ii) That the appended 2021/22 Work Programme be approved.

8. COVID Economic Recovery Plan

The Committee considered a joint report of the Director of Economic Services and Director of Policy & Development providing an overview of the current COVID Economic Recovery Plan, considered and approved by the Combined Authority at its last meeting, and a general update on current economic data and trends.

Discussion took place, and points were raised, around the following topics:

- **Business support schemes – advice, planning and networking:** Business Growth Managers, based in the partner councils, act as ‘business GPs’ and a first port of call for businesses to receive a diagnosis before being directed to the right place amongst a suite of support avenues. Many businesses would benefit from a level of support for long-term planning e.g. growing sustainably, finding people with the right skills etc. A peer learning and networking for businesses is currently in operation, where more experienced businesses can advise growing ones. There are other programmes which target that level of support, in advice, or finding premises/staff, rather than just funding.
- **Access to funding:** This remains one of the biggest challenges and barriers facing both new and growing businesses and existing and established businesses. Most of the schemes and programmes seek to provide funding in some capacity from smaller cash grants to larger capital loans. A lot of the COVID stop-gap schemes were delivered through LEPs and combined authorities’ business support schemes and teams. Another issue is banks, which are private entities, and began restricting credit and loan facilities at the height of the pandemic crisis. Some work was undertaken by local stakeholders, like the LEP Chair Roger Marsh to lobby banks to be more understanding. Ultimately, the newer and smaller ‘challenger’ banks saw a market opportunity to provide this funding and this caused the bigger banks to respond. There is a need to explore locally owned and managed sources of funding, to lower reliance on international banks.
- **Entrepreneurship Programme – target audience and promotion:** There is a concern that self-employment options are pushed for target delivery reasons in place of more stable and long-term employment options, which can be harder to find and attain. There are well understood ‘success factors’ to entrepreneurial routes and the programmes seeks to target people who have multiple factors, but just need support on one or two. Schools are often resistant, but for many students, the subjects they excel in might be the right to be

successful in business – with the right support and advice, no different to any other career. More success is gained convincing schools when business skills are more strongly related to taught subjects, such as maths and accounting/audit, or English literature/language to advertising/marketing.

- **Fair wages and working conditions:** Although different people have different requirements in work, and flexible (or 'gig') work might suit many, there are reports that some employers exploit self-employed status for their workers. It is difficult to identify exactly which companies are engaging in such practices, but work is underway on a 'Fair Work Charter' and fair pay promotion across the region. There is also a new focus on cooperatives, as it is a key mayoral pledge – alongside developing creative and culture sector. These are the kind of areas where mayoral soft power can be deployed and make an impact.
- **Retired workers re-entering work force:** The possibility of people who had retired early, or are fully retired, re-entering the work force to fill shortages. Data currently shows the rate of return to employment after redundancy is low. More data is required to understand exactly why, but there are reports of barriers to reemployment and discrimination against older applicants as being 'overqualified', as well as workers being pressured into early retirement. Ultimately, a recently unemployed person can also access re.boot and other programmes to help them re-enter the workforce or reskill.
- **Disadvantaged communities and inclusion:** There are two elements to inclusive approaches, targeting individuals and groups directly or targeting communities in a place-based approach. Interventions should be evidence led and the focus on inclusivity is framed in terms of economic growth as it is not considered possible to increase inclusivity in the economy without growing it. The expression 'hard to reach communities' implies certain communities are resistant to being reached rather than not being reached out to. Consultations and policy development exercises often attract organisations that are well versed in participating in them – similarly to some businesses which are fluent in the processes for accessing funding and support, compared to others. Work is underway to ensure that everyone has access to business and skills programmes/support and that economic growth benefits everyone.
- **Climate action vs economic growth:** Tension between need to grow the economy and carbon emission reduction targets E.g. in the debate on road and airport expansion. The Combined Authority's purpose is to drive economic growth and so all strategic analysis and business cases must make a case for economic growth factors. Recently, a carbon impact assessment tool to use to assess schemes has been commissioned and should be deployed in the near future – but the overall impact requires further data and analysis.

- **Growth of green jobs/skills:** The definition of green jobs is key. A definition that is too broad might suit target achievements and 'greenwashing' efforts but would not properly address the current deficit in green skills supply vs growing demand in the region (and country). The Combined Authority has established a 'Green Task Force' to determine suitable criteria for a 'green job' amongst other things – and could report back to a future meeting – alongside a broader 'audit' on the research side of the region's skills base and requirements. The possibility of supporting reskilling people into in-demand growing green sectors, through AEB influence, is being considered i.e., mechanics upskilling to be able to repair electric vehicle engines. Electric cars are being promoted and use is increasing in both public transport and in cars and bikes, but repair capacity is not rising in proportion.
- **Region's assets and infrastructure (in energy and supply routes):** The possibility of using the region's natural assets in the generation of renewable energy, such as the feasibility and of using the waterways system to produce and store hydroelectric power. The potential of the Humberside Freeport to become the 'Rotterdam' of England could have a positive effect on West Yorkshire in supply terms, and if certain strategic infrastructure improvements are made along the route – including on waterways. Could look at what other regions with similar asset profile are planning. It was noted that any local energy policies must adhere to national government guidelines, which define the scale of different types e.g. nuclear is still defined as 'small scale' despite the large infrastructure requirement and cost.
- **Research, development and intelligence:** There is close work ongoing between the Combined Authority and universities, through an appointed individual, to coordinate the region's assets and experts to help answer questions to inform policy development and services. Most recently this network is aiding in the development of the COVID economic recovery plan. In general intelligence gathering the Research & Intelligence team produces regular monitors and have begun an annual 'state of the region' with the goal of having a comprehensive picture of developments in economic and social data.

Members asked for additional data on number of people affected by reduction in Universal Credit / working tax credits being in work vs those not in work and the Chair reiterated his hope that the Committee focuses on the delivery and achievement of the Mayor's Pledges.

Resolved: That the report be noted and the Committee's feedback and conclusions be considered further.

9. Date of the next meeting – 19 January 2022