

**MINUTES OF THE MEETING OF THE ECONOMY SCRUTINY
COMMITTEE HELD ON WEDNESDAY 9 MARCH 2022 IN COMMITTEE
ROOM 1, WELLINGTON HOUSE, 40-50 WELLINGTON STREET,
LEEDS, LS1 2DE**

Present:

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

In attendance:

Brian Archer	West Yorkshire Combined Authority
Khaled Berroum	West Yorkshire Combined Authority
Mayor Tracy Brabin (Minute 8 only)	West Yorkshire Combined Authority
Judith Furlonger (Minute 8)	West Yorkshire Combined Authority
Alison Gillespie (Minute 8)	West Yorkshire Combined Authority
Thomas Purvis	West Yorkshire Combined Authority
Hannah Scales	West Yorkshire Combined Authority
Phil Witcherley (Minute 8)	West Yorkshire Combined Authority

1. Apologies for absence

Apologies for absence were received from Councillors

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. Minutes of the meeting held on 17 November 2021

Resolved: That the notes of the inquorate meeting held on 17 November 2021 be noted and entered as public record of what was discussed.

5. Notes of the informal meeting held on 19 January 2022

Members asked that the notes capture their view that social housing was an important element in achieving more affordable housing.

Resolved: That the notes of the informal meeting held on 19 January 2022 be noted and entered as public record of what was discussed, pending the above amendment.

6. Chair's update and comments

The Committee received a verbal update from the Chair. Members noted the initial proposed changes to the Committee structure and plans going forward to transfer place/environment work from the Economy Scrutiny Committee remit to Transport Scrutiny Committee, an update to follow. The Committee also heard that a wrap-up session was due to be arranged for the end of the year to discuss lessons learned, evaluate performance and forward plan for the coming year.

Considering the economic impact of the Ukraine crisis and the sanctions on Russia and freezing of assets, the Chair invited the Director of Economic Services to give a brief update. Key points from the update included:

- The challenge of significant inflationary pressures due to inflation which was 5.5% two weeks prior to the meeting and was expected to rise to 7%. An example of the impact was the cost of gas which was 20p per therm last year compared to the current price, £2.24 per therm.
- According to statistics there was 158 companies in West Yorkshire currently exporting to Russia. Members heard that a large number of businesses had grown on the back of Russian brands, and it would have an impact on some companies more than others.
- Food production - around 25% of global wheat production was from Russia and Ukraine.
- Cyber security – the crisis had significantly increased the risk of cyber-attacks and hacking, with one local firm saying they were not going public with the help they were giving Ukraine with fear of cyber-attacks.
- The long-term impact of stability was evident, investors had been moving out of public investments to gold and currency. There were increased regulatory burdens expected also.
- In-work Universal Credit claims had increased while business liquidations had stabilised in the new year.

Resolved: That the Chair's verbal update and the Director's update on economic impact be noted.

7. Corporate Scrutiny Work Programme 2021/22

The Committee considered the Work programme for 2021/22. The Annual Report was due to be produced and short wrap-up sessions arranged for each Scrutiny Committee.

Resolved: That the report and comments be noted.

8. Mayor's Question Time – Tracy Brabin

The Chair thanked the Mayor Tracy Brabin for attending Economy Scrutiny to answer the Committee's questions and outlined the format of the Mayor's Question Time. The session would be split into pre-agreed topic areas and members would be able to ask any questions under those topic areas, and any follow ups.

The topic areas were:

- Partnerships and delivery
- Skills and jobs
- Businesses
- Culture
- Housing

Following questions and supplementary questions, the following was reported to the committee:

1. Partnerships and Delivery

- **Quality of partnerships:** the Mayor felt that the Local Authorities were aligned and working well together, they all had similar challenges and agreed on solutions.
- **Delivery capacity:** Gainshare was being used to support each member authority in developing a pipeline of projects ready for bidding in new government funding announcements. The Mayor felt government didn't understand delivery capacity issues facing local government and was too demanding in the number of funding announcements and the limited time to deadlines requiring resources to be spent on bidding.
- **York:** West Yorkshire worked with York on various joint schemes, not just in transport, but also in business. Further devolution to York was supported as it would also benefit West Yorkshire.
- **Leeds-centricity & West Yorkshire levelling up:** Members had the perception of Leeds centricity. Other cities and towns felt side-lined, particularly on office space. Wakefield Council was bidding for the new Rail HQ, but it was bidding against larger areas/authorities such as Doncaster, Preston and York.

2. Jobs and skills

- **Labour shortages:** Members heard of the use of the Adult Education Budget (AEB) budget to respond to reactive labour needs such as the HGV driver training during the recent shortage.
- **Green jobs:** There was demand for green jobs in the development of EV charging infrastructure and EV mechanics, retrofitting homes opportunities and the use of AEB funding to help. Members wished to know the definition of a 'green job'; to ensure it was not the marketing industry 'greenwashing' campaigns, but direct jobs for example as EV related workers and electric boiler fitters.
- **Parent workers:** The importance of support for parent workers, particularly women.
- **Over 50s:** The CA wanted to support people to reskill as their careers progressed. Older workers had been positively targeted through the employment Hub to help people get back into work.
- **University engagement:** The Mayor had regular meetings with Vice Chancellors encouraging positive engagement. The Mayor emphasised the importance of careers advice, working with businesses and helping young people make important choices.

3. Business

- **Support for small businesses:** historically economic development policy focussed on businesses with growth potential. There were various versatile initiatives to support small/medium sized businesses including integral local, community businesses such as 'corner shops' which may not be looking to grow.
- **Cost of living:** the cost-of-living crisis was affecting business costs/expenses and there were schemes in place to advise/fund businesses helping them in reducing energy costs through greater efficiency.
- **Grants vs advice;** Members felt that on occasion, businesses needed invaluable advice rather than money – which the CA did also provide in its services.
- **Late payments:** Businesses and in particular small businesses struggled with late/backdated payments which was a recognised issue. Members heard this problem was addressed as part of the 'Fair Work Charter' and other initiatives.
- **Inclusive growth:** Members felt there was a lack of clarity around the definition of 'inclusive growth' and whether the CA sought to make only the new growth element inclusive or the entire existing economy inclusive. Members heard that the goal was to grow the economy further and in an inclusive way that shared the benefits of growth. Some work such as the 'Fair Work Charter' sought to make the existing economy fairer and more inclusive.
- **Leeds Bradford Airport (LBA):** LBA was considered an example of the tension and conflict between economic growth and the climate emergency action. Expanding the airport would lead to increased carbon emissions but the Mayor felt that the region couldn't remain competitive with other regions without its own modern airport.

4. Housing

- **House production rate:** The rate of housing development hadn't increased in 10 years, which had contributed to the rising house prices.
- **MCA housing powers:** Members understood that the CA/Mayor can't build houses, but the CA could help Local Authorities deal with issues such as land-banking through Compulsory Purchase Orders (CPO) or develop less viable land through devolved funding.
- **Viability of land:** The majority of land especially in districts such as Calderdale was harder to develop due to the area's terrain. The Brownfield Fund was designed to help councils develop such difficult land, that requires a lot more funding to make viable.
- **Social/council housing:** 5000 'affordable' homes target did not include a specific proportion as social housing. Members of the public often viewed affordable housing as social housing for rent. Members thought the affordable housing definitions were too subjective – what was affordable for one, may not be affordable for another.
- **Developers:** Members discussed that far too often developers agreed to develop affordable housing, then under technicalities renege on their agreements by citing lack of profitability due to 'unforeseen' viability costs after the fact. Members heard that an area in Horsforth gave up greenbelt land for a development of affordable housing and did not get any in the end. Members discussed the possibility of Mayoral soft power being utilised by identifying good and bad developers who adhere to agreements.
- **'Wellness' and 'place':** Price was not the only factor for good housing; also access and connectivity to amenities such as food and transport were equally as desirable. It was not just about houses, it was also about the area and place, an example being those fortunate to have garden space during the pandemic compared to people who didn't.

5. Culture

- **Networking and inclusivity:** Creative industries are centred around networking, contacts and relationship building. This could put people from various social classes at a disadvantage. It was suggested that peer networking opportunities should be part of the Creative Catalyst and Channel 4 programmes.
- **Culture and wider regeneration:** This could create a wide range of jobs in acting, producing, writing, digital, marketing, building, logistics and hospitality to contribute to wider economic growth.

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