

**MINUTES OF THE MEETING OF THE ECONOMY SCRUTINY
COMMITTEE HELD ON 16 NOVEMBER 2022 IN IN CONFERENCE
ROOMS 1/2, WELLINGTON HOUSE, 40-50 WELLINGTON STREET,
LEEDS, LS1 2DE**

Present:

Councillor Aneela Ahmed	City of Bradford Council
Councillor Gohar Almass	Leeds City Council
Councillor Helen Brundell	Calderdale Council
Councillor Stephen Fenton (Substitute)	City of York Council
Councillor Sam Firth	Leeds City Council
Councillor Tyler Hawkins	Kirklees Council
Councillor Zafar Iqbal	City of Bradford Council
Councillor Chris Pillai (Deputy)	Calderdale Council
Councillor Audrey Smith	Calderdale Council
Councillor Richard Smith (Chair)	Kirklees Council
Councillor Ian Sanders	Wakefield Council
Councillor Isabel Owen	Wakefield Council
Councillor Tony Wallis	Wakefield Council
Councillor Geoff Winnard (Substitute)	City of Bradford Council

In attendance:

Michelle Burton	West Yorkshire Combined Authority
Lindsey Daniels	West Yorkshire Combined Authority
Peter Glover	West Yorkshire Combined Authority
Hannah Scales	West Yorkshire Combined Authority
Phil Witcherley	West Yorkshire Combined Authority

1. Apologies for absence

Apologies for absence was received from Councillors Gwen Lowe, Colin Campbell, Bob Felstead and Andrew Hollyer – with Councillors Fenton and Winnard substituting.

The meeting was confirmed as quorate, with 14 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

1. To highlight appendix 2 to agenda item 7c which officers have identified as containing exempt information within the meaning of schedule 12a to the local government act 1972, and where officers consider that the public

interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.

2. To consider whether or not to accept the officers' recommendation in respect of the above information.

3. If the recommendation is accepted, to formally pass the following resolution: -

Resolved: That in accordance with paragraph 3 of part 1 of schedule 12a to the local government act 1972, the public be excluded from the meeting during consideration of appendix 2 to agenda item 7c on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. **Minutes of the last meeting held on 9 March 2022**

Resolved: That the minutes of the meeting held on 9 March 2022 be approved.

5. **Notes of the inquorate meeting held on 21 September 2022**

Resolved: That the notes of the inquorate meeting held on 21 September 2022 be noted and entered as public record of what was discussed.

6. **Chair's update and comments**

The Chair welcomed members and invited the interim Director of Economic Services to provide an introduction.

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

7 a) **Labour Market Evidence**

The Committee was provided with an overview of key labour market issues and context to support discussion.

- **Unemployment Claimant Count:** Through inferences, national data was not showing a severe impact due to the cost-of-living crisis at the current time. The claimant count had continued falling since early 2021, albeit remaining higher than pre-pandemic levels.
- **Labour Shortages and Apprenticeships:** Current challenges in the labour market were discussed including labour shortages and staff retention issues, particularly in specialist roles. Around 20% of employment in West Yorkshire was public sector and pay was rising by around 2% as opposed to the private sector 7% average increase. Members discussed the impact of Brexit and heard that approximately

one third of the labour deficit was due to Brexit (migration). There is a growing demand in higher skilled areas such as digital and ICT, and most of the job growth has been in hospitality and service roles which reopened after COVID. There are still some industries which have struggled to recruit such as manufacturing. Some 'semi-skilled' roles such as secretarial support are also in decline and struggling to recruit. Apprenticeships had reduced during the pandemic due to lower vacancies but are now picking up again.

- **Minority ethnic groups assessment:** The CA is due to publish a report analysing the labour market in the context of minority ethnic groups, in order to determine qualification, employment and attainment in these communities and where some groups perform better than the majority and where some groups perform worse.

Resolved:

- i) That the report be noted, and the Committee's feedback and conclusions be considered further.
- ii) That the EDI labour report be circulated to members when ready.

7 b) Programmes for Young People

The Committee was provided with an overview of current Combined Authority programmes to support young people's careers.

- **Source of Funding:** The Combined Authority delivers programmes and commissions employment and skills provision to support employers and adults some of which is funded through devolved sources, and some externally funded including by Department for Education, Careers and Enterprise Company and Department for Work and Pensions.
- **NEETs and School Engagement:** Members heard that the proportion of NEETs (Young people not in education, employment, or training) was higher than the national average at 8% in Leeds. Young people with educational and mental health needs were more likely to be NEETs. More work is needed to determine why certain people are NEETs and how to engage with them. The Committee was keen to understand why the destination of some young people was unknown, (not in employment, training, or claiming benefits). Most businesses were keen to engage with students and young people but did not know how and the challenge is identifying these businesses in order to link them into existing engagement networks.
- **'Future Goals':** The 'Future Goals' platform was explained, with over three million users (including schools) the website had a sizeable reach. Members wished to know more about the platform and receive

data in regard to who was using the platform and where they were geographically based in order to monitor and evaluate success.

- **Apprenticeships:** The challenge of gender stereotyping in apprenticeships was discussed, and the importance of engaging with young people at an earlier stage to negate this. The question of wages was also discussed, with lower uptake in apprenticeships linked to pay that was lower than the national minimum wage.

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

7 c) Adult Education Budget

The Committee received a report which outlined the Adult Education Budget (AEB) and the changes made through devolution.

- **AEB Background:** The Combined Authority has had the AEB (£65 million annually) since August 2021 which was the underpinning budget for adult education in West Yorkshire. The budget existed prior to devolution but now, the Combined Authority had a direct relationship with providers and managed the budget directly. Approximately £62 million had been used, however, the remaining funds stood and could be reinvested in future. This does not constitute additional money, but just a change in responsibility between national government and WYCA.
- **Funding:** The allocation process was described as demand led and based on pre-calculated amounts, which is why Kirklees, for instance, receives much less than Leeds. The previous allocations and system were retained in order protected the stability of the system and a review of the system of funding which might possibly result in retargeted funding in future is under discussion. Currently, strategic conversations are taking place about what funding is required, instead of what has always been spent before the allocations can be reviewed. An update can be provided in future.

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

7 d) Employment and Skills Programmes

The Committee received a report which detailed devolved funding such as Adult Education Budget, Local Digital Skills Partnership, and delegated funding for free courses for jobs. In addition, the Gainshare multi-year settlement and the notional allocations the Combined Authority had made to each investment priority in the West Yorkshire Investment Strategy (WYIS) including £21m notional allocation for Investment Priority 2 'People and Skills'.

Skills for Growth Scheme: Members were reminded of the Skills for Growth scheme that aims to connect small and medium sized business owners with the region's 'top talent' such as local schools, colleges, and universities. This aimed to assist access to apprenticeship, graduate and intern opportunities that meet business needs.

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

8. For Information – Economic Update

The Committee received an update report and were invited to submit any questions or discuss the content further outside of the meeting with the Interim Director of Economic Services.

Resolved: That the report be noted.

9. Economy Scrutiny Work Programme

The Committee considered the Work programme for 2022/23 and discussed the addition of Enterprise Zones to the 18 January 2023 Agenda. Members were also interested in building on the discussion regarding young people and engagement with schools at a future meeting.

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

10. Date of the next meeting – 18 January 2023