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KIRKLEES COUNCIL

GROWTH AND REGENERATION SCRUTINY PANEL

Tuesday 10th October 2023

Present: Councillor Moses Crook (Chair)
Councillor Zarina Amin
Councillor Susan Lee-Richards

Co-optees Chris Friend

In attendance: Councillor Elizabeth Smaje, Chair of Overview and Scrutiny Management Committee
Councillor Graham Turner, Portfolio Holder, Finance and Regeneration
Edward Highfield, Service Director, Skills and Regeneration
Gillian Wallace, Head of Employment and Skills
Jonathan Nunn, Policy and Partnership Team Manager

Apologies: Councillor Tyler Hawkins
Councillor Harry McCarthy
Councillor John Taylor
Jonathan Milner (Co-Optee)

1 Membership of the Panel

Apologies were received from Cllr Tyler Hawkins, Cllr Harry McCarthy, Cllr John Taylor and Jonathan Milner.

2 Minutes of the Previous Meeting

That the minutes of the meeting held on 25 September 2023, be approved subject to the following corrections:

That the term REBA be corrected to RIBA, (Royal Institute of British Architects).
That the term DELUC be corrected to DLUHC (Department for Levelling up, Housing and Communities).

3 Declaration of Interests

No interest were declared.

4 Admission of the Public

All agenda items were considered in public session.

5 Deputations/Petitions

No deputations or petitions were received.

6 Public Question Time

No questions were asked.

7 Inclusive Economy Strategy

Cllr Graham Turner introduced the item, advising that it was recognised that the Economic Strategy needed revisiting, and a decision was taken that rather than a wholesale rewrite, the strategy would be refreshed. Many of the principles and aims of the strategy is based on an inclusive economy and attracting inward investment to create a strong vibrant local economy. Since the strategy was created, there have been changes both nationally and internationally, and therefore a refresh was overdue. The revised strategy will be brought before Cabinet and Council in early 2024.

Edward Highfield, Service Director, Skills and Regeneration, referencing the presentation, highlighted key points in terms of drivers for change. In summary, the Panel was informed that the macroeconomic factors of Covid, the cost of living crisis, the impact of the war in Ukraine, energy prices and inflation would have a greater impact on the Kirklees economy than factors that could be controlled locally. The Panel was further informed that it is not possible to control the economy, however, where possible, the aim is to influence the local economy whilst being cognisant of the bigger economic factors. It is important to accentuate the positive opportunities, by influencing and being aware of macroeconomic factors using proactive resources with partners.

Timing is crucial whilst refreshing the strategy, as economic factors change, therefore it becomes dated very quickly, however, it is important that there is a local articulation of priorities that can be used for multiple audiences. The Panel was advised that Kirklees economic outlook, lags behind the regional and national average, despite recent growth with factors including, gross value added (gva), earnings, productivity and average wages. These are long term priorities which take a number of years to see a positive trend.

Edward Highfield advised that gva and productivity is essential as it drives earnings, quality of life, choices and inclusion in the district. The impact of Covid was less severe than first predicted, for example, the high numbers of unemployment expected never came to fruition. The impact of covid was more entrenched, nuanced and differential to different communities. Kirklees has a relatively high level of employment, however; this masks low wage and insecure employment that impacts on people, and there is significant economic inactivity.

By pulling together data from a number of sources, it gives an overall picture and there are significant headwinds around automation, artificial intelligence, inflation, input costs, energy and climate change that affect the global economy, which also impacts Kirklees. Whilst it is recognised that these factors are global, it is still important to have local articulation and a placed based narrative with an ambition to develop and stimulate the type of economy Kirklees requires. Therefore, it is important to identify opportunities and develop a response to the major headlines.

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In refreshing the strategy, the aim is to reach multiple audiences, is concise, speaks to its democratic accountability and political leadership and is readable. It is important that the strategy is not just a Council document, but is owned by a wider set of stakeholders and anchor institutions such as the college or the university. The strategy should be reflective of Kirklees, translating West Yorkshire Combined Authority, and Mayoral priorities down to a local level is also important. Local priorities are captured in the document and then can be matched to funding opportunities that may come along in the future.

The output of the refreshed strategy will focus on some of the long term structural challenges such as skills, aspiration and entrepreneurship and will be owned by the Council and some of its partners. Some key actions will be delivered over the next three to five years, deliverables that can be influenced and controlled with discretionary investment or investment from partners. The Economic Strategy is one of the four top tier strategies in Kirklees which also include, the Joint Health and Wellbeing Strategy, Inclusive Communities Framework and the Environment Strategy.

Businesses are an important aspect of delivering the strategy as they create jobs, therefore it is important to be an attractive place to encourage businesses to come to Kirklees. The intention is to become a more productive economy in order to command and pay people a better wage which in turn will improve their quality of life and living standards. Referencing the presentation slide, the Panel was informed that nationally the bottom 10% had seen no improvement in living standards over the last 20 years (Indexed (2000/1 = 100) real median household disposable income (after housing cost) by decile, 2000/1). The data showed that a different approach is required to impact on the bottom 10%, and questions need to be asked about what has been undertaken in the last 20 years and what need to be done differently moving forward.

The Panel was directed to the presentation that outlined the 'plan on a page' with the following headings:

- People – The people element is with regards to the Employment and Skills Plan
- Place – Physical and Infrastructure based elements that affect the economy
- Business/Partners – Startup and Entrepreneurship raised across the district

In response to the information presented, the Panel made comment and asked questions including some of the following:

- Given that success is to achieve growth alongside a reduction in inequality, do you feel that sufficient emphasis has been given to that priority within the current strategy or is that being worked on in the refresh, in particular the bottom 10% as outlined in the presentation?
- Is it possible to explain, as referred to in the appended report and during the presentation, the key indicators and what Kirklees has to offer that is distinct to other areas?

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- If it is recognised that Kirklees has a distinctive offer that attracts businesses, how then do you encourage business growth?
- With regards to the poorest decile, a large portion of those are from the Black and Minority Ethnic (BAME) communities, how is this being measured and what steps are being taken to ensure that those communities are getting into jobs and apprenticeships?
- Is Kirklees in danger of falling behind some of its neighbours, for example Leeds and Bradford? The reason being that people might work, spend their leisure time and gain better salaries in other areas, but live in Kirklees because it's cheaper.
- How is the economic strategy going to help develop better transport links across the whole of Kirklees, to enable the movement of people?
- For a number of years there has been a large decline in retail as it has shifted online and leisure facilities. Is the Council looking at offering incentives to get those facilities into Kirklees?
- Where is the affordability, in relation to the financial strategies of the Council, in being able to deliver on the economic strategy?
- Will there be a promotional campaign to say 'This is Kirklees' as there does not appear to be one in the public domain?

In response to the question regarding a promotional campaign, Edward Highfield advised that a promotional video entitled 'Invest Kirklees' had been produced and agreed that it would be shared with panel members.

RESOLVED:

That Edward Highfield, be thanked for providing an update on the Inclusive Economy Strategy.

That the promotion video 'Invest Kirklees' be circulated to panel members.

8 An Overview of Post 16 Skills, Training and Apprenticeships

Gillian Wallace, Head of Employment and Skills provided the panel with an update on activities related to Post 16 employment and skills in Kirklees, and an overview of programmes being delivered directly by the Council.

In summary, the panel was informed that employment skills is a broad area and is growing in scope and importance. The aim of the update today is to give a top line overview of the approach, the reasons, partners and the projects and programmes being undertaken. The focus of the information is based on adult provision and less information on provision taking place with school aged children.

The Panel was provided with the following information:

- Unemployment claimant rate remained steady at 4.3% (August 2023)
- Kirklees employment rate is the lowest in the region at 73%
- Economic inactivity rate, which is where people are actively removing themselves from the labour market, is the highest at 27%

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The Employment Skills Team, works to address some of the challenges, however this is only part of the solution. The employment and skills infrastructure is complex and is a mix of national, regional, and local provisions that the Council can only deliver a part of. A key part of the role is influencing the delivery that is taking place nationally and regionally and bringing partners together to address this, through the Employment Skills Partnership.

The panel was informed that the Local Skills Improvement Plan is now published, and focus is on a Local Skills Improvement Fund which has the potential to make a real difference to some of the skills provisions on offer in Kirklees.

The Panel was directed to key statistics in the presentation, which outlined a number of graphs, showing that the unemployment claimant rate has remained steady at 4.3%, however, the estimated claimant rate amongst young people (18 – 24) in Kirklees was 6.2% and increasing. Intervention is required as unemployed adults can often remain unemployed for their life cycle; therefore a great deal of attention is required to address this. Comparing Kirklees to the regional and national averages, it is evident that Kirklees has the lowest employment rate and the highest inactivity rate. There is also evidence to show that the economic inactivity rate does vary across selected disadvantaged groups such as disabled people, people with low skills and ethnic minority groups. This needs to be the area of focus in order to influence the figures.

The panel was informed that there has been year on year growth in job postings across all sectors, for all five local authorities in West Yorkshire. In order to address productivity issues, there needs to be a focus on people that are not in the labour market, and match them to available vacancies.

Low skills can often be a barrier to people entering the labour market, however it is recognised that not having a proportion of people with higher skills can also be a barrier to productivity. It is generally accepted that a Level 2 qualification is required to enter the labour market and statistics show that 26% of the population in Kirklees are qualified up to this level, with only 34% up to level 4. On a positive note, young people in Kirklees are achieving qualifications at Level 2 and 3, enabling them to enter into the labour market with the qualifications that they need in order to access well paid jobs.

Young people that can access free school meals are only achieving 64% of the qualifications that are required to enter the labour market, compared to 85% of young people not on free school meals. The Council's responsibility is to address some of these challenges, in conjunction with a number of externally funded skills and employability programmes.

The adult and community learning provision, which is a fair steps provision working with adults that have no or low level qualifications, has seen a record number of learners accessing the provision and also leaving with some qualifications.

The European Social Fund Works Better suite of programmes that supported those out of work, is coming to an end, and is in its final 6 months of delivery, however it is important that people continue to be supported, both in terms of being able to

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access work or further skills development. Employment Kirklees, directly supports people that are employed, who still access benefits because the work is low paid, to develop their skills and improve their quality of life.

Apprenticeships are unique in the way they allow people of all ages to develop qualifications while in work. Over the years, Kirklees has put emphasis on developing apprenticeships and will continue to do so going forward. Support is given to employers to help them fund the apprenticeship and training in addition to accessing the talent pool in the district.

To date:

- £91k of Kirklees Council apprenticeship levy has been committed for transferring to Kirklees Small and Medium Enterprises, which will cover the training costs associated with apprenticeships.
- Facilitated the transfer of a further £236k of levy from large employers, supporting 28 apprenticeships.

The Panel was informed that the Local Supported Employment initiative is a new program which actively supports people with Learning Disabilities (LD) and Special Educational Needs and Disabilities (SEND) into paid and sustainable employment. It is a pilot programme that is part funded by the Department for Work and Pension (DWP), working with both employers and individuals. While it is still early days with the programme, there are some early successes and interest from employers wanting to know how they can support this cohort.

Gillian Wallace advised that it was recognised that with the employment and skills journey, there needed to be a partnership in place that could come together pooling resources. In response to this, an Employment and Skills Partnership (ESP) that would work together to influence regional and national programmes was established. The ESP works closely with the West Yorkshire Combined Authority (WYCA) on Skills connect and Skills Bootcamp programmes to bridge the gap between level 2 and level 4 skills.

The Local Skills Improvement Plan is a document that has been produced by the Chambers of Commerce and funded by Department for Education (DFE), which will help employers articulate their skills needs. The plan for Kirklees, is part of a wider West Yorkshire plan that was published in September 2023. Information from the plan has been used to access the Local Skills Improvement Fund bid. The outcome of the bid will be known by the end of October 2023.

In response to the information presented, the Panel made comment and asked questions including some of the following:

- Can you give an explanation on what the different levels mean for example Level 1 and Level 2?
- How are you breaking down and measuring the BAME community getting into jobs and what positive steps are being taken to ensure that those communities are getting into employment?

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- Is it possible to set targets that specifies at least 20% of the workforce must be from specific communities?
- With regards to young people with SEND, what measures are being put in place to support them to move through into further education and employment?
- Are there any specialised skills programmes, for example AI or digital, being promoted in local colleges or universities?
- What opportunities are there available for young people (19+) who have not achieved the necessary levels to get them into employment?
- Due to COVID and the disruption in education, is there likely to be more young people needing extra support at further education level, to get onto the employment ladder with adequate skills?
- Can you provide clarity on how employers can support employees to navigate the benefit system, for example Universal Credit?

RESOLVED:

That Gillian Wallace be thanked for giving an overview of post 16 skills, training and apprenticeships.