

**Minutes of the Economy, Skills, Transport and Environment
Scrutiny Board**

**7th November, 2019 at 5.30 pm
at Sandwell Council House, Oldbury**

Present: Councillor Rollins (Chair);
Councillor Sandars (Vice-Chair);
Councillors Allcock, Crumpton and Padda.

Apologies: Councillors Eaves, L Giles, Hackett, M Hussain,
Singh and Worsey

In attendance: Sarah Middleton, Chief Executive Black Country
LEP;
Dr Alison Knight, Executive Director
Neighbourhoods.

19/19 **Minutes**

Resolved that the minutes of the meeting held on 10
October, 2019 be approved as a correct record.

20 /19 **West Midlands Combined Authority Industrial Strategy and
the Local Industrial Strategy**

The Board received a report and presentation from the Executive Director, Black Country Local Enterprise Partnership (LEP) which provided an overview of the Industrial Strategy at a sub-regional level. The presentation gave further information from a Sandwell perspective.

The Board noted the approach taken for the implementation of the West Midlands Local Industrial Strategy (LIS) and the integral role of the Black Country Consortium LEP in providing and co-ordinating the evidence that underpinned the strategy.

Economy, Skills, Transport and Environment Scrutiny Board – 7th November, 2019

The Board noted that the WMCA and 3 LEPs had worked together to gather the evidence base, the Black Country Consortium's Intelligence Unit was under contract to keep the evidence base current. The West Midlands LIS was the first to be developed, it was published on 16 May 2019.

The Board noted that the strategy had previously agreed priorities built in and set out four major new economic opportunities for the West Midlands, as follows:

1. The UK's Centre for Innovation in all forms of transport and mobility
2. A leader in data driven healthcare
3. A global centre for modern services
4. A centre for creative content

The Board noted that the LIS also identified current and future sector strengths, which were important to take forward the four identified economic opportunities and it set out the actions needed to help businesses deliver and overcome barriers.

The Board noted that the implementation plan had taken account of current political and financial uncertainty nationally, aligned to existing funding streams and delivery to the strategy. It also positioned the West Midlands well for future Government Investment and securing the right deal for the West Midlands from any future replacement for existing EU funding.

The integrated approach was based on four principals to ensure that the West Midlands:

1. Created a single pipeline of significant, strategic projects and programmes
2. Was proactive – biased towards action
3. Was collaborative and complemented existing activity
4. Insisted and ensured that projects and programmes integrated our commitment to a balanced and a more inclusive economy, engaging with communities and employees.

The Board welcomed the approach and that the West Midlands Combined Authority (WMCA) and LEP teams would lead on specific delivery work and would ensure that that they engaged with the right groups and people in the West Midlands, including

Economy, Skills, Transport and Environment Scrutiny Board – 7th November, 2019

the young people and employees whose future opportunities were framed by the Local Industrial Strategy, the businesses and sectors that would deliver the growth and economic activity needed.

The Board noted that the Black Country LEP led on aerospace, Construction, Metals & Materials and Rail, and continued to provide data to the Overall LIS across the region.

The Board noted the need for Sandwell to be agile with its economy and that goods had to travel across the region and beyond.

The Board noted the following points from the presentation:

- the WM LIS has an integrated spatial and economic plan, other LEPS did not have the pipeline;
- the West Midlands had really close interconnection and boundaries were porous which warranted close work, flow of goods and an interrelation between business and residents – over 76% of the space was occupied by residents;
- there had been a growth in jobs, but there had been dips in 2008 and 2014. Generally, Sandwell looked positive but there was some caution whether this was sustainable post Brexit; the West Midlands was a region of greatest risk should there be a ‘No deal’ outcome (10%), with a ‘Deal’ (maybe 4%);
- it was confirmed that people on zero hours contracts would have been considered in the calculations;
- Sandwell sector – ‘Automotive Business’ was at risk from Brexit, it was believed there would be a greater impact in this area;
- overall there was evidence of economic growth, however the Board wanted to see growth in the amber areas which was showing negative change. The problem was a national picture, some of the areas needed additional work and this position may not change because of ministerial change;
- the additional work could be divided into three parts:
 - Major new growth in economy
 - Build on strengths: we lead on space, others lead on other things, there was a need to work together
 - Foundations of productivity – need to get greater alignment

**Economy, Skills, Transport and Environment Scrutiny Board –
7th November, 2019**

- The Board recognised the positive messages around growth but recognised that there were still challenges such as youth employment and affordable housing to consider, and the importance of local needs;
- to make the best out of the pipeline Sandwell had to know its priorities and evidence base to position itself and to be ready for opportunities;
- there was a big focus on productivity and skills to get more people into work and a drive for improved connectivity to economic centres and town centres;
- there was a need to secure appropriate energy infrastructure, without greater control over local energy, the local industrial strategy could not be delivered either meaningfully or cost effectively. It was noted that when looked at where the energy use was being used, approximately a third was being used for each of the following:
 - Industrial
 - Housing
 - Transport

There was consensus that a case should be made to submit to London with all the evidence gathered, local political support and industrial partners;

- Sandwell suffered more than others in the region with transport emissions due to having more businesses and the transport infrastructure. The board was assured that officers would work with the businesses;
- the funding summary was considered, the fund tracker highlighted the scale of impact, an example of this was the increase of 202% of homes built – the tools would help to demonstrate trends;
- other developments in the sectors were noted, such as the future of mobility, the Board noted that Sandwell was considered the centre of innovation in the UK for mobility;
- Sandwell strategic companies had a sizeable industrial base, 34% in advanced manufacturing and 35% in retail gave a good balance;
- there was a good cross collaboration in the West Midlands and a good detailed delivery plan that outlined short, medium and long-term actions needed for major new market opportunities, foundations and sectors now being developed.

**Economy, Skills, Transport and Environment Scrutiny Board –
7th November, 2019**

The following comments and responses to questions:

- the Chair welcomed the Industrial Strategy that had taken information into account about economic and environmental factors;
- the Board was advised that many of Sandwell business premises were out of date for the innovative and new industries and that Sandwell need to have growth, spaces, a consolidation base and a need basic services such as accountancy;
- Sandwell was a big exporter and would have to look at the future trade agreements;
- if larger premises were required there would be a need to consider how the business would absorb the additional costs;
- members were concerned that there may be a barrier to growth if properties were not available in the same postcode, but were assured that the business could move but workers may not want to travel, and this could influence the move;
- there was a need to identify growth in industrial spaces in Sandwell because the proximity of the supply chain was very strong attraction to remain in the motorway area;
- there was a gap for 25,000-50,000 square feet units, members considered that should more be built they would be in high demand;
- Sandwell businesses were generally engaged with the Industrial Strategy, 38% of enquiries were coming from Sandwell Businesses, but the number of enquiries was in the hundreds not the thousands, and the quality of enquiries tended to focus on advanced manufacturing, the Council wanted to look at advanced care;
- Members indicated that there were skill shortages to work in the available industries and wanted to know how the plan linked to provision of education and skills training. The CE BC LEP advised that there was a need to consider whether the right courses were available and to talk to businesses to determine exactly what was needed to prepare for future industry requirements. There were several smaller training courses in the training framework but there was more that could be done in relation to NVQ level 1-4, a need for more trainers and there was a need to invite businesses to invest in training;
- work had started with Partners and the need to work with schools had been highlighted as critical. There was a need to

**Economy, Skills, Transport and Environment Scrutiny Board –
7th November, 2019**

- look at different career routes so that the pool of interested and skilled young people had a route to develop;
- there was investment in adult skills in Sandwell but there was concern that Sandwell was not getting its share of funds. Funding issues were historical, and there was a need to address this, and to tackle all routes, colleges, universities and training bodies to work together;
 - members voiced concern that smaller businesses were wary of training, there was a tendency for big businesses to poach staff once small businesses had trained them. Members wanted to know what support was in place for small and medium businesses (SME's). The Board was advised that it was the responsibility of businesses to invest in their workforce, larger businesses could offer higher salaries, but there was a need to consider other offers for employees and the need to invest in training and for businesses to talk to each other and invest in the future skills;
 - the Board was advised that the Black Country (BC) voice was heard and that the Local Industrial Strategy (LIS) would have further impact and strengthen the message from the BC;
 - the strategy was not just about new buildings and securing developments such as the Metro, but also that there was a need to articulate the adult training base;
 - all places needed investment, and lots of small investments would add to investment into the future BC;
 - the Board highlighted that Sandwell suffered from high deprivation and low skills and wanted to know what more Members could do to ensure that Sandwell did not lose out. The Board was advised that the Council should have a clear set of priorities knitted into the BC voice and Members should be clear to consistently put the message out to businesses in their communities and to encourage them to take up opportunities;
 - the Board was advised that it was important to have the pipeline and an evidence base to continue to progress and stay ahead;
 - the Board noted that there were many clusters of houses being built but that there was a need to argue for programmes for larger housing sites to get the impact of scale;
 - the Board was advised that the Leader attended West Midlands Combined Authority (WMCA) Board meetings with the Chief Executive and Executive Director of Neighbourhoods. The relationship with the other Authorities

Economy, Skills, Transport and Environment Scrutiny Board – 7th November, 2019

was good and developments were emerging out of the working relationship such as Friar Park, Grove Lane, West Bromwich Gateway and Bull Street development;

- each Cabinet Members had attended the portfolio holder meeting at WMCA and these had proved positive;
- the Leader was attending the BC LEP meetings and developing relationships.

The Chair thanked the Chief Executive BC LEP for her contribution at the meeting and highlighted that the Board was very pleased with the report and presentation and that Sandwell was ahead of the game.

21/19

Brexit Update

The Board received a report from the Executive Director – Neighbourhoods that provided an overview of the plans that had been put in place regarding Brexit and any mitigations that could be actioned. The Executive Director had been designated Brexit Lead Officer and carried out the role in line with the requirements set out in the report.

The Brexit Lead Officer had set up a Brexit Working Group with officers from the Council which had met to:

- consider the risk register and risk areas;
- prepare a Communications Plan to inform residents about Brexit preparation;

The Board was advised that the European Union had agreed to accept the UK's extension until 31st January 2020 and as a result the 'Get Ready for Brexit' public information campaign was being paused but that Sandwell would continue to provide information to local people regarding EU Settlement Scheme as well as signposting individuals to gov.uk/Brexit. It was further advised that since this report had been written a General Election had been called on 12th December 2019.

The Board noted the following main risk messages:-

- EU Residency: Human Resources (HR) at Sandwell Council were working with staff who needed to apply for residency or leave to stay;
- Sandwell Council and Sandwell Children's Trust was working with residents, adults and children' who were not UK

Economy, Skills, Transport and Environment Scrutiny Board – 7th November, 2019

Nationals. The Government had provided funding and the Council was working with Brush Strokes and the CAB to carry out the work;

- A briefing would be shared relating to EU funding and the shared prosperity fund, the ERDF distribution and how that would be replaced and that there was still funding that the Council was being invited to bid for;
- The economic prosperity of the Borough: Birmingham had led on a commission with the University to consider the Brexit health check;
- The financial impact on the Council: There would be variation whether deal or no deal: the variation on exchange rates due to Brexit may have impact on major projects and programmes such as the Aquatic Centre;
- Brexit would impact on availability of medicines, some medicines had longevity, others not and there was reported 'stockpiling' which was causing shortages;
- other potential shortages were reported: fuel and food supplies. The group was working with Public Health and had put aside £15,000 - £20,000 to the food bank, in case food supplies were limited;
- incidents of potential social unrest were being monitored through the Local Resilience Forum (LSF), a multi-agency body which was keeping watch and monitoring situations. The Director - Housing and Communities was the Council representative on the LRF;
- data-sharing, data-protection and anyone that holds data in a cloud etc;
- potential financial hardship depending on the impact of no deal. The biggest risk was about the unknown;
- Adult services: Many carers were from outside the UK and there would be a need to look at Visa's and permits for employees.

The Board was advised that there was a lot happening, but there was still a lot of uncertainty. The Board welcomed the thoroughness of the brief.

The Board noted the following responses to questions:

- There would be many people who had no recourse to public funds and would fall into hardship. These people would not have access to cold weather grants;

**Economy, Skills, Transport and Environment Scrutiny Board –
7th November, 2019**

- additional funds had been put into Brush Strokes and the CAB to help people to go through the system so that they can access public funds;
- people suffering hardship were being referred to welfare rights team to consider how they could be helped to pay rent or heating bills in the cold weather;
- Members were advised to contact the team if they were aware of people who may need assistance;
- the biggest risk of Brexit to Sandwell was not knowing what the impact would be, if the impact was not positive it may mean loss of jobs and people need the skills to be ready to help people who were made redundant or needed extra support;
- there was a communications plan and copies were circulated. The Board was advised that this was a Government Campaign, if people contact the Council they would be signposted to the Government approach;
- the Board was re-assured that the Council was in a good position to re-act when Brexit happened, and that the Council had done everything it possibly could with the money, spent some on becoming prepared and kept some back for hardship. The money would not be replenished once spent;
- there would be support for EU residents in Sandwell who needed help; people in hardship or those that needed voluntary services because they had no recourse to public funds, or needed help with applying for EU settled status;
- the Board was advised that Sandwell was in the top quartile Nationally for dealing with the preparation for Brexit;
- the Executive Director agreed to find out and prepare a briefing to Members to set out what voluntary services support was available for people in hardship or with no recourse to public funds, or those needing help with applying for EU settled status.

The Chair thanked the executive Director for the work she was doing as the Brexit Lead Officer and welcomed that Sandwell was as ready as it could be under the circumstances.

Resolved

- (1) that the Executive Director – Neighbourhoods prepare a briefing note to circulate to

**Economy, Skills, Transport and Environment Scrutiny Board –
7th November, 2019**

Members to outline the voluntary services support for people in hardship or with no recourse to public funds, or those needing help with applying for EU settled status

(Meeting ended at 6.42 pm)

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