

GLoucestershire Economic Growth Scrutiny Committee

MINUTES of the meeting of the Gloucestershire Economic Growth Scrutiny Committee held on Wednesday 18 January 2023 commencing at 10.00 am at the Cabinet Suite - Shire Hall, Gloucester.

PRESENT

MEMBERSHIP:

Cllr Robert Vines	Cllr Vernon Smith
Cllr Roger Whyborn	Cllr Stephen Hirst
Cllr Matt Babbage (Chair)	Cllr Chloe Turner
Cllr Paul McCloskey	Cllr Paul Baker (Vice-Chair)
Cllr Gina Blomefield	
Cllr Alastair Chambers	

Substitutes: Cllr Kevin Cromwell

Apologies: Cllr John Murphy, Cllr Nicky Packer, Cllr Sajid Patel

Attendance via Video

Conference: Cllr Paul McCloskey
Cllr Philip Robinson

In Attendance: David Owen (GCC/GFirst LEP)
Pete Carr (GCC)
Paul Blacker (GCC)
Angela Presdee (GCC)
Colin Chick (GCC)
Katherine Martin (GCC)

56. APOLOGIES

Cllr Kevin Cromwell substituted for Cllr John Murphy.

57. MINUTES

57.1 A member asked for an update on the progress of action points 2 and 7 from the 29th of November meeting

58. DECLARATIONS OF INTEREST

No declarations of interest were made.

59. SUPPORTING SMALL BUSINESSES AND ASSISTANCE FOR START UPS

59.1 David Owen, Director of Economy and Environment, took the presentation as read but presented a brief summary.

59.2 Business survival rates across Gloucestershire were higher than the South West average and the England average but business birth rates were lower. In response to a question about 'only' 60% of businesses surviving beyond three years, it was explained that businesses that had sold were not included in that figure and that certain short term companies had a natural churn. Unemployment was still low at 2.3% and this was attributed to the work of the Growth Hub and SAGE programme.

59.3 Funding was moving away from European funding which allowed for more flexibility with interventions for start-up businesses. This flexibility, particularly in allowing many-to-one interventions, in the SAGE programme had meant that many more businesses had been supported than previously.

59.4 A member asked for more clarity as to the future of the funding. It was explained that Growth Hub funding from next year was under discussion but other avenues of support were being explored. Growth Hub core funding from central government for 2022/23 dropped by 50% but the funding allocation for 2023/24 was not yet known. Funding via the UK Shared Prosperity Fund was under the control of District Councils and those discussions were ongoing.

59.5 Members raised the issue of high interest rates impeding funding for businesses. It was explained that the Growth Hub was exploring options but it was likely that more could be done. In particular, loans for capital purchase were being explored by the Growth Hub to support businesses to scale up once they were past the start-up phase.

59.6 It was also explained that there was some spending on marketing the Growth Hub and that awareness rates among the business community were high. Having a physical location meant that the Growth Hub in Gloucestershire had more visibility than in most other counties.

59.7 A member asked for clarification over the future plan to shift away from jobs and focus on what businesses were doing for sustainability and social value. The officer explained that this shift in strategy had been planned based on what businesses had been asking for from Growth Hub. Businesses had been

particularly asking for help with shifting to Net Zero and for guidance on how to contribute socially amongst the community.

59.8 In response to a question on sector focus, it was explained that the Growth Hub generally wanted to support businesses of all different types though each of the Growth Hub centres had a speciality. The Growth Hub planned to open in Cheltenham this year was given as an example which had a speciality in cyber. The Royal Agricultural University was another example that specialised in agri-tech support provided through the Growth Hub.

59.9 It was explained that inward investment contributed roughly 10% of new jobs growth in Gloucestershire. Inward investment had been driven by a programme that was European funded and this funding was due to end at the end of the financial year. Concern was raised over the risk to the 795 jobs created as part of this programme but the officer was confident that they would find a way to support those jobs despite the end of funding.

60. ADDRESSING THE LABOUR SHORTAGE

60.1 Pete Carr, Head of Employment and Skills, gave a report on the national arrangements in place to tackle this and what Gloucestershire County Council had done so far to address employment issues within the county.

60.2 The officer explained that nationally, the Unit of Future Skills had been set up to understand skills employers would need in order to help training providers plan to deliver these. Prior to the pandemic there had been sectors struggling to recruit but now it was an issue across all sectors. A shortage occupation list detailed roles that had more significant shortages such as dentists and care workers in order to clarify which job roles could be recruited from overseas.

60.3 Certain businesses were needing to increase salaries to remain competitive or find other ways to make employment packages more appealing to prospective employees. Gloucestershire County Council were supporting local businesses to explore job descriptions, inclusive employment practices, salaries, job packages, and job satisfaction (including the way this was rated by current/ex-employees through Glassdoor.com). The overall intention was to help employers increase applicant numbers and make their organisations more attractive to potential employees. In response to questions about Glassdoor.com it was explained that Gloucestershire County Council and District Authorities were focusing on employee benefits such as employer brand and flexible working to help attract new employees and increase employee retention and satisfaction.

ACTION – DSU to circulate the Glassdoor.com website for members to explore

60.4 The Council was also focused on ensuring colleges and training providers were providing courses that delivered the staff and skills that employers needed. An Ofsted grade had been introduced that evaluated whether courses were meeting local skills needs. Gloucester College was given as an example of a college that had gone through a recent Ofsted inspection and done considerable work to demonstrate how it was linking with industry and meeting the needs of employers.

60.5 It was also explained that the withdrawal of some level 2 apprenticeships would make it harder to recruit for elementary roles. The Council was supporting refugees with training and language skills to meet a number of local job requirements and the elementary role job posting uplift.

60.6 A member raised concern over the skills gap left by the reduction in Non-UK national residents in the UK following Brexit. It was also asked how easy it was for employers to bring in skilled migrants and what could be done to support this. The officer explained that one possible approach would be to publicise stories from businesses that had employed refugees to encourage refugee employment. Additionally, the Social Work Academy was directly targeting markets abroad for recruitment, though there was likely more that could be done with employment agencies to encourage more workers from abroad to go into other sectors.

ACTION – Head of Employment and Skills and Director of Economy and Environment to explore how the Growth Hub can support businesses with employing migrants and refugees

60.7 In response to questions about automation and productivity, it was explained that the Growth Hub was providing advice to businesses about ways automation could be used to plug labour shortages as well as boosting productivity.

60.8 Members raised wellbeing concerns for those who were a part of the increased number of economically inactive. The officer explained that the Employment & Skills Hub Outreach (ESHO) Project, which has been set up specifically to support economically inactive people in the County, was building an evidence base of the needs of these individuals (including wellbeing) and the sorts of interventions that proved to be most effective.

60.9 Members had questions about remote working and attracting work from outside Gloucestershire. This developed into a discussion around the importance of developing the local workforce as well as the potential of

bringing in skills from elsewhere. Members also discussed Gloucestershire's housing provision and how a lack of affordable housing could have been providing a barrier to workers who had planned to move to the area. Officers agreed that having business support at the Growth Hub for remote working was worth exploring in more detail.

ACTION – Head of Employment and Skills and Director of Economy and Environment to explore what remote working support was already in place and what more could be added

60.10 Concern was also raised over the high unemployment rate in those in the 16-24 age bracket. It was explained that Careers Hub was working with secondary schools, colleges and alternative provision settings, but it was difficult to target and support young people not in education. It was agreed that more work should be done for signposting and awareness of careers and that social media was a good platform for that.

61. GCC ECONOMIC DASHBOARD

61.1 Katherine Martin, Data Analysis Manager GCC, gave a presentation on the updates of the GCC Economic Dashboard. This presentation highlighted key economic data such as inflation, unemployment, wage growth, and economic inactivity rates. This presentation was provided as a supplementary document.

61.2 In response to a question about returning to work after an early retirement, it was agreed that the tax code did not incentivise this return to work. That was highlighted as a challenge that needed to be overcome. It was reported that there was anecdotal evidence that some were considering returning to work due to the Cost-of-Living crisis.

61.3 A clarification was given that of the 38.1% of the population registered as economically inactive, 4.1% were in full time education.

61.4 A member asked why the 'no work requirement' cohort had grown so significantly. It was suggested that this growth could be due to a number of factors. Potential causes given were that Covid-19 had driven higher long-term physical and mental health problems and that more people had needed to become care providers for unwell family members. It was explained that the data was not broken down by health condition but that other data suggested mental health conditions were causing a significant number of people to be unable to work. Flexible working was suggested as a way to overcome this.

62. EXECUTIVE DIRECTOR'S REPORT

Minutes subject to their acceptance as a correct record at the next meeting

62.1 Colin Chick, Executive Director of the Economy, Environment & Infrastructure submitted this report that was taken as read.

63. WORK PLAN

It was suggested that the following adjustments be made to the work plan:

- Committee Terms of Reference to be discussed by committee on 25th May
- Update on rail transport within Gloucestershire, including potential for rail expansion to be added to the agenda for the 20th July
- 'Reflection on the LEP's delivery against the Strategic Economic Plan and proposals for the future delivery of the refreshed Local Industrial Strategy' discussion item scheduled to be split into two items;

'Reflection on the LEP's delivery against the Strategic Economic Plan' 25th May

'Proposals for the future delivery of the refreshed Local Industrial Strategy' 30th November

64. FUTURE MEETINGS

Future meeting dates as well as the next meeting's location at Cheltenham Borough Council were noted.

CHAIRPERSON

Meeting concluded at 12:10