

BIRMINGHAM CITY COUNCIL

BIRMINGHAM ECONOMY, SKILLS AND SUSTAINABILITY OVERVIEW AND SCRUTINY COMMITTEE 11 MARCH 2016

MINUTES OF A MEETING OF THE BIRMINGHAM ECONOMY, SKILLS AND SUSTAINABILITY OVERVIEW AND SCRUTINY COMMITTEE HELD ON FRIDAY, 11 MARCH 2016 AT 1000 HOURS IN COMMITTEE ROOMS 3&4, COUNCIL HOUSE, BIRMINGHAM

PRESENT: - Councillor Quinn in the Chair; Councillors Hughes, Islam, Jenkins, Jones, O'Shea and Spencer

ALSO PRESENT

Shilpi Akbar – Assistant Director, Employment, BCC
Lloyd Broad – Head of European & International Affairs
Baseema Begum – Research and Policy Officer
Rachel Egan – Head of Employment & Skills, Solihull MBC
Jackie Homan – Sustainability & Science City Manager
Ian McLaughlan – Growth Hub Manager, GBSLEP
Errol Wilson – Committee Manager
Benita Wishart - Overview and Scrutiny Manager

NOTICE OF RECORDING

72 The Chairman advised and it was noted that this meeting would be webcast for live or subsequent broadcast via the Council's Internet site (www.birminghamnewsroom.com) and that members of the press/public may record and take photographs.

The whole of the meeting would be filmed except where there were confidential or exempt items.

APOLOGIES

73 Apologies for non-attendance were submitted on behalf of Councillors Badley, Barrie, Evans, Huxtable and Rehman.

DECLARATION OF INTERESTS

- 74 Councillor Spencer declared her non-pecuniary interests in the update on the Green Commission item as she was employed by Climate Kick which was loosely connected with the Green Commission.
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MINUTES

It was noted that Councillor O'Shea was the Councillor appointee and Director of the Acocks Green BID.

- 75 **RESOLVED: -**

That the minutes of the meetings held on the 12 February 2016 and 19 February 2016 having been previously circulated, were confirmed and signed by the Chairman.

**GREATER BIRMINGHAM AND SOLIHULL LOCAL ENTERPRISE PARTNERSHIP
LEP – EMPLOYMENT, SKILLS AND GROWTH DEAL OPPORTUNITIES**

- 76 Shilpi Akbar, Assistant Director, Employment, Rachel Egan, Head of Employment and Skills, Solihull MBC and Ian McLaughlan, Growth Hub Manager, GBSLEP presented the item.

(See document No. 1)

Ms Egan advised that the mission of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) was to create jobs and grow the economy, how they look at the whole of the LEP area and to harness the opportunities that were available. This was not only to drive growth from a business perspective but to ensure that the opportunities were accessed by local people.

Ms Egan then drew the Committee's attention to the PowerPoint presentation and gave the following overview of where the employment and skills aspects sat within the wider strategy: -

- The strategy was focused on three key aspects – business, people and place. They were currently refreshing the strategy and it was recognised that the current strategy focused strongly on skills to drive economic growth, but did not necessarily took in the broader aspect of employment and skills around tackling unemployment.
- They had a secondee from Business Innovation and Skills that had worked with them, to help to strengthen the employment and skills strategy for the LEP.
- In looking at the development of the strategy, they looked at the perspective of the individual and where they were in their journey around

employment and skills and have come up with an analogy linking to manufacturing heritage.

- They looked at people in terms of whether they were in education (*ignite*) and in work (*accelerate*) or out of work (*retune*) recognising that in their journey they would be in one of these three situations.
- From a Government perspective, they had the Department of Innovation and Skills (DIS), the Department of Education (D of E) and the Department for Work and Pensions (DWP) all operating in this space, commissioning and programming in this space, some of which worked together and some of which they worked on locally to try to connect them on the ground. An example was where the Department for Education was working on the Careers Enterprise Company to support linkages with schools and businesses.
- The DIS had the National Careers Service and part of the contract was focused on linking the businesses with schools. The DWP was piloting an activity in the City around their work coaches going into schools to connect the world of work with schools.
- The High Speed 2 Growth Strategy was the first situation of their new ways of thinking as the LEP and focusing on how they could connect local people to the opportunities that would be arising from HS2.
- They were looking at the three aspects around *ignite*, *accelerate* and *retune* from a demand perspective in terms of a business need and how they could support them to engage with those in education the workforce and development and how they could work with them to offer opportunities to local people who were unemployed.
- Also from the supply side what services they offer to each of those groups to support them in their journey into the world of work. A key aspect was how they progress within work.
- It was recognised that not only did they have an above average number of people with no qualifications in this area, but they also had a below average number of people who were qualified to Level 4 and it was clear that they were not going to close that gap with people coming through the education system to look at how they were developing the existing workforce to upskill them.
- They were currently working through the data and the strategic opportunities to come up with priorities where they were targeting in terms of a business perspective geographically where were they in the different zones around skills, where were the key opportunities – Curzon, HS2 presents a lot of opportunities within this area and from a sector basis, what were the key sectors they needed to be looking at.
- They needed to be careful that those sectors that drove economic growth were not always the sectors that had high quality jobs. It was creating a

balance in terms of where they focused for each of the different groups of people.

- From the supply side, they were looking at what were their geographical *talent investment zones* – East Birmingham, what were the priorities groups that they wanted to focus on. This could be looked after children and people within troubled families. Equally, it could be how they were supporting those who were arriving and identified as gifted and talented to accelerate their development.
- The work they had done within GBSLEP had been adopted by the proposed Combined Authority as the framework that they wanted to base their strategy on. They were playing a leading role in that development alongside the development of the LEP strategy.
- In relation to employment and skills, the key aspect within the Growth Deal was around Capital Investment for skills and this was only available to local colleges and training providers. This was not something that schools were able to access. In terms of Birmingham, they had approved a number of projects with investments totalling approximately £8m focused on the key sectors.
- There were a number of projects in development some of which were listed in the presentation. They had additional funding available to support projects.
- With regard to the further education areas, there had been an undertaking across Birmingham and Solihull and there may be further recommendations coming out of this some capital investment to support delivery.
- In terms of this funding, this was a key piece of funding that the LEP was involved with. They had the strategic responsibility around the European Social Fund and the European Development Fund.

Ms Akbar then made the following statements: -

- This allows Birmingham as a local authority to think about the strategy being set down by the LEP and to consider how they played their part. This was seen as the skills that were tailored to the needs of employers and the citizens.
- Birmingham had its own specific challenges as there was a gap in the qualification rates. A Level 3 was classed as a world class skill and they wanted as many people to get to this level as possible to Level 3 and Level 4.
- The aim was to challenge those with no qualifications and this was an opportunity to do this and for the local authority to influence and shape what was happening on the ground.

- It took a person centred approach which was important as there were a variety of individuals of a particular cohort, those who were more challenged whether they were younger or older, but also geographical locations within parts of the City where they wanted to invest a more intense support to those communities where unemployment was high and skill levels were low.
- Members may recall that the Cabinet had approved the Birmingham and Solihull Youth Promise plus projects that were an investment into this model. They were bringing in a total package of £50m over two and a half years for the Birmingham and Solihull Youth Promise from the LEP.
- In partnership with the LEP, a wide range of other providers will be bringing support to over 16,000 citizens between the ages of 15 – 29 years old to access training skills that would lead to sustainable employment. This was an example of how the geographical investment, but the priority around particular cohort was accentuated in this model and was something they could work with on a practical level.
- It was recognising that employers wanted suitable people in their workforces and there were examples through Hydro-force under the Advanced Manufacturing Hub. The only support they were getting was support for apprentices that were trained in the company.
- They were able to work with this employer and bring forward pre-employment training for that business and they were able to recruit from some of the most disadvantage geographies within Birmingham.
- There were now companies who were members of the Employment and Skills Board offering work experience to clients from the Jobcentre Plus. They were activating in reporting back their partnership to supply to them on an on-going basis.
- They were using the ignite, accelerate and retune model to deliver and implement the HS2 skills strategy and work was now being done with schools as £6m was being invested directly into colleges. They were co-funding with government and there was a lot of opportunities to ensure that adults and young people could benefit from something like this
- They operate in a close partnership through which they often agree through appropriate mechanisms where they might take the lead as Birmingham was best placed to do so.
- There was an agreement that as they had the Birmingham Commission on Youth Unemployment, there was a commitment that they would lobby for resources that they would work with their partners to secure investments for the City.
- This was discussed with the LEP and on this basis it was felt that the greater need across the LEP area around tackling youth unemployment lay in Birmingham and for this reason they were in agreement that Birmingham would take the lead on this.

- Birmingham also lead on the construction sector due to what was happening in the City and the region and they were working with the neighbouring local authority in Sandwell with the development of the Midland Metropolitan Hospital to ensure they were optimising the investment for local residents on the North West side of the City.
- They were working in partnership with them although they were not strictly within their LEP area, but were in the proposed Combined Authority area. Where there was a clear opportunity to localised and focus on Birmingham as they were the implementation partner working with local partners, they had a well laid out approach and set of agreements in place.
- They did not lead on everything as sometimes it was the Further Education (FE) sector and the voluntary sector.

Mr McLaughlan then gave the following report: -

- Over the last 5 – 6 years, there had been a huge amount of change in terms of the infrastructure around business support with the ceasing of the development agencies and Business Link.
- What had emerged was a need to coordinate at LEP level the Business Support Echo System both from a bottom-up and a top-down approach. The idea was that each LEP area would have a Growth Hub which acted as the one-stop shop and the single point of contact for all business support enquiries.
- The Growth Hub was not there to deliver that business support necessarily, but was there to broker it with key partners like universities, councils, colleges etc. There was funding made available.
- The GBSLEP was still evolving in terms of the service and the data being collected. They did not have a huge amount of resources and there were only 4 – 5 full time advisors.
- It was becoming increasingly important to take the message out to the businesses to advice that there was this impartial one-stop shop for business support. In terms of the points mentioned earlier regarding skills, it was always the intention that skills would form a core part of that Growth Hub and there would be in effect that one-stop shop support for companies too.
- They were not able to develop that within the first five months, but that was the opportunity being referred to by Ms Egan and Ms Akbar and it was hoped to take this to the next level over the coming months. There was partnership work to be done around Business Improvement Districts (BID) in particular.
- The plea to the Committee was to take the message out there that this service was available, to think about business network in their area that

wanted them to work with or think about businesses in themselves they may want them to work with.

- He drew the Committee's attention to the appendix to the report concerning the Growth Hub over the recent months, but there was still work to be done, but it sets a solid start and a good partnership.

In response to questions, Mr McLaughlan, Ms Egan and Ms Akbar made the following statements:-

- i. They work closely with the other Hubs both nationally and on a local level. There was a forum that the Department for Business had set up to allow them to come together on a regular basis to share best practice and issues that were useful.
- ii. In terms of benchmarking what good looked like, it was difficult as each Growth Hub had a different model, different levels of funding, different time in terms of being set up – example, Coventry and Warwickshire the neighbouring Growth Hubs had been in operation for approximately two years and he gaze enviously on the funding and activities they had.
- iii. They did more accounting and signposting and had specialisms within their teams – Chelsmore House by the SFE and they had more funding. In relation to benchmarking, the targets were set by the BIDs so they consider this to be a reasonable grounding as these were pro-rataed out amongst the Growth Hubs. There were around half their targets in terms of enquiries.
- iv. Regarding the enquiries around jobs, this was a forecast and in speaking with the businesses that they assist they enquired whether through this intervention they whether they were expecting to create a job and it was then their job to go back and get the paper work from that business to ascertain whether this was the case.
- v. This would then fall in line with the ERDF report which was a requirement when they started to draw down ERDF. The only funding they received was from the BIDs. Every bid they put in would be matched by European money and would also be matched by key partners, the Chamber of Commerce being one of them as well as the local universities.
- vi. The aim was that they had done 5 months, they had a good base and the aim for the next 5 years was to expand this so that they had more of an account management type of organisation. They would not deliver the actual support, but they would hold businesses *hands* throughout their journey of support.
- vii. The issue was how they network and how they partner with colleagues in the local growth hubs. There were structures within the LEP for this to be done. A meeting was held with Mr McLaughlan this week (not because the Scrutiny Committee was happening), but because they wanted to promote the projects and programmes that they had through the Growth

Hub to get some presence on local employers and what they could access locally.

- viii. This was a piece of work that they were going to be progressing. They had also talked about where those jobs created were being notified and what they could do to get local unemployed residents into those opportunities and what they could do through the funds that they hold to prepare those individuals for those jobs that were coming out.
- ix. They wanted to link all the investments where jobs in ERDF were being created. In the youth project referred to earlier, CENTRO was the key delivery partner offering support to every resident around travel – travel training and they would be supported in drawing down funds so that people could travel to those areas where the opportunities were.
- x. In terms of reaching those with lower level skills, there were a number of tools at their disposal and currently in development. With regard to the European Social Fund they were expecting to have a call around skill support for the workforce.
- xi. There was a project that was in place for the previous programme in relation to engaging with employers, doing training needs analysis and looking at how that funding could be used to upskill existing staff. They were looking to route this through the Growth Hub.
- xii. As part of the Combined Authority Devolution Deal, the devolution of the Adult Education budget which was previously called the Adult Skills budget forms a part of this.
- xiii. Full devolution would not be in place until 2018, but for the next two academic years they would be working closely with colleges and adult education providers to look at how they support them to align their delivery with the strategic economic plans.
- xiv. *Accelerate* was a key part of this strategy and they would want to talk to them about how they support those in work through that funding. Another key aspect and a key policy that was coming through was the Apprenticeship Levy which would be in place from 2017.
- xv. This would be a levy on large employers whose payroll was more than £3m per annum. The opportunity there was not just to look solely at young people and new entrants to the company, but how the use of that levy could be used to upskill existing staff to higher level skills.
- xvi. With regard to the Mental Health Commission, the Chief Executive of Dudley MBC was leading on this piece of work which was integrated with the Employment and Skills activity they were coordinating through a public sector group.
- xvii. They were looking at how all of these things connect together and a key thing in terms of ensuring they were not going off in different directions

was homing in on this structure so that they could keep track of the multiple layers of activities through not just those activities led by the LEP, Combined Authority or the local authorities, but how they layer up and complement each other, did not duplicate and that they got the best value of the funding and effort going into these projects for the best outcome of the local people.

- xviii. Ms Akbar advised that they had put in place for each of the Districts the District Jobs and Skills Plan. She referred the Committee to the diagram in the green sphere that speak about *Geographical Talent Investment Zones* and advised that there was a clear overlay between geography and what talent they wanted to develop.
- xix. The District Jobs and Skills Plan was something they had been putting in place in partnership with the Districts. There were greater degrees of success in some Districts than others and they tried to get local ownership of District Plans by asking Districts to set the priorities and delivery ambitions of some of the targets of the District Plans.
- xx. They wanted Districts to reflect the needs of the local area and there had been a number of meetings with Districts around the Jobs and Skills Plan. One of the big ask in the Plan was the convening power and setting of the priorities that was subject to local decision making involving Members and community based organisations including Adult Education who were a partner in each of those.
- xxi. This was the forum that really starts to localise some of these challenges at a local level. This was the forum where they should be demanding and *soaking up* like a sponge all the various activities that were happening across the City, but to also look at the nuances at a local level to see what more could be done as partners in the City.
- xxii. It was having the barometer at a District level to highlight where they had new arrivals settling in particular communities, it was these activities they needed to mobilise quickly. Sometimes this involve bringing in other partners such as health providers, schools etc. It was about working locally and reaching out to those networks so that they could set the activities and the priorities around communities.
- xxiii. Having the ambition that you will be learning for the rest of your life, some of that learning was not about your place of work or the work the individual wanted. It was about personal development. Part of the budget that the local authority had was for community based learning, cultural base learning etc. which was bread making, learning a modern foreign language at one's leisure.
- xxiv. All of this was in place and sat alongside the wider offer around employment and skills. The issue being discussed today was specifically around economic growth and growing our skills base.

- xxv. Ms Egan stated that in terms of *high growth not equalling high unemployment* where there was a manufacturing centre, where increased productivity could be a result of automation, therefore, fewer jobs would be required to increase productivity. If you look at those sectors that had high GBA, retail would not be one of them.
- xxvi. It was known that there was a huge boom in retail particularly in the City where employment was available. It was about ensuring that it was recognised that they needed to support people to get into jobs where there was high value and not to be diverted into those sectors where it was known on paper ticked the box on productivity, but did not tick the box on employment creation.
- xxvii. With regard to whether a LEP was needed when there was a Combined Authority, this was not a question that could be answered now, but it was recognised that the LEPs were seen as a part of the Combined Authority. If they were looking at this agenda, there were investment decisions that currently lay with the LEP – the Growth Fund in relation to the strategy around European Funding as they had those responsibilities prior to the Combined Authority.
- xxviii. It was recognised that the questions around devolution were now happening in the Combined Authority that replaced LEPs. It was a case of watching this space and seeing how the roles and responsibilities shift between LEPs and the Combined Authorities and the appropriate persons would then make the decisions at the appropriate time.
- xxix. In terms of where they were in leading and shaping the agenda, based on the work that GBSLEP had been carrying out before the discussions around the Combined Authority, they had developed the strategy and the framework being presented. This was then presented to all LEP Chairs and leaders of the local authorities who had bought into this concept.
- xxx. Nick Page, Chief Executive of Solihull MBC was the Lead Chief Executive for this area of work. Ms Egan advised that when it came to negotiating for the Devolution Deal, Mr Page along with herself was there on behalf of GBSLEP.
- xxxi. They were leading the way in terms of shaping the strategy. Regarding performance, this was a mixed picture as the three LEPs were in different places in terms of their history around the employment and skills system and the starting points.
- xxxii. They were taking best practice from each of the LEPs in terms of shaping the strategic economic plan and ensuring that they connect and had common programmes where it was appropriate, but was tailoring things locally when they were appropriate around the District Plans.
- xxxiii. A Combined Authority or a LEP solution would not necessarily meet local needs. They needed to harness the power at the varying levels to ensure that people on the ground get the support needed.

- xxxiv. Mr McLaughlan stated that in relation to adding value, the point was taken, but in some ways the jury was still out. They had secured a small amount of funding from Central Government, but it was fair to say that Central Government was not known for its larger terms of public investment.
- xxxv. Equally, this had come with its caveat that beyond those two years there would be no further funding, but they had to demonstrate that value both to businesses and partners otherwise they would not be willing to sustain the service beyond that.
- xxxvi. They would need to do an evaluation report at the end of each year which was an independent one and they would be happy to share the outcome.
- xxxvii. In terms of the general point of the value that this was adding, there were a number of policy papers that had been developed which was on the website to state that businesses do perform better when they had some form of independent external support.
- xxxviii. Prior to Growth Hubs there was a lot of activities taking place, but with little coordination. Some coordination may be able to add some value to what was happening. At the end of the Government's Spending Review, it was announced that the Manufacturing Advisory Service (MAS) would not be continuing.
- xxxix. The *Intensive Assist* would be handing over some of that service to Growth Hubs to pick up some of those businesses. When the importance of manufacturing was considered for Birmingham and the wider LEP area, it was important that the manufacturing businesses had somewhere to go that they could then linked them with.
- xl. It may not be the MAS, but could be experts within the universities, inward investments in terms of Marketing Birmingham; all these connections could add value to the Growth Hub.
- xli. In relation to this was the face to face diagnostics with an advisor who goes through the bids in some details and the requirements of those bids. As an advisor Growth Hub employee would be able to broker some help and support from the numerous partners.
- xlii. Regarding data sharing and working together, they operate with a policy that there was no one door to the Growth Hub. Their partners were also the Growth Hub – the team within Birmingham Council was also the Growth Hub as they were signed up to the Data Sharing Agreement.
- xlili. In terms of prioritisation of businesses, there was prioritisation in terms of the level of the resources they had; they could not offer the same level of service to every individual business.
- xliv. They were linked with the LEP priority sector or if the SME had the opportunity to create jobs were the companies they would spend more

time with – Intensive Assist, where as if someone telephoned to say that they would like to start a business and needed some information, they would point them to the website and advised them to read through the information. It was a tailored service as they did not have the resources.

The Chairman thanked Shilpi Akbar, Rachel Egan and Ian McLaughlan for attending the meeting and presenting the information.

UPDATE ON GREEN COMMISSION

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Jackie Homan, Sustainability and Science City Manager introduced the item and drew the Committee's attention to some of the highlights in section 4 of the document. She highlighted the following: -

- In terms of progress as the Green Commission and the thematic areas that were progressing, potentially energy and resources, natural capital and adaptation and transport and mobility were the ones that were making the greatest progress.
- Energy and resources in particular, they had recently commissioned a study to look at decentralised energy across Birmingham and what this might look like.
- They had good partnership support from the universities who had the energy research accelerator which was worth £60m and they were hoping to gain further funding from Treasury.
- The energy system Catapult had recently located in Birmingham which was an Innovate UK initiative aimed at coordinating businesses and infrastructure and were keen to work with the City.
- In terms of Natural Capital and Adaptation, Birmingham was leading the way on Natural Capital contribution on planning and Natural Capital Accounting.
- Transport and Mobility did not have a group of its own under the Green Commission as there were a number of groups that was already working on transport and people did not want a working group overload.
- The work of this group was taken through the ITA Communities Group which feeds into the Green Commission, but they were also doing a number of areas of activities around carbon neutral vehicles through the Transport and Mobility work.
- Low carbon activity in the LEP was being driven through funding and the need to deliver on the European Strategy Investment Fund (ESIF) strategy.
- In relation to the Combined Authority, Sustainability West Midlands had been leading on a piece of work around how the various Green

Commission equivalent in the three LEPs could come together to look at what could be delivered at Combined Authority level.

- In terms of the other core cities, it was known that Greater Manchester etc. was leading the way in terms of low carbon working at Combined Authority level.

(See document No. 2)

In response to questions, Ms Homan made the following statements:-

1. In terms of transport, they were working closely with colleagues in Transportation Strategy at Birmingham City Council. They were also looking at how their work could help to deliver Birmingham Connected. Anne Shaw, Birmingham City Council was the main representative officer on the Green Commission and they were confident that they took the view from Transportation Strategy and relied on them so that the work was going forward and the agenda was well aligned. If they found that things were falling through the gaps, they would address it. Currently, the arrangements were working well and they were confident that this had been addressed.
2. In relation to national Government, this was a huge challenge in term of the fact that low carbon seem to be going down the list of priorities. One of the problems were the short term requirement of the Treasury balance against the long term need of delivering on sustainability which was an issue and was where low carbon work was falling through the net. They were working closely with DEC through the Core Cities Group and they feed back to them through regular meetings and DEC attended those meetings.
3. With regard to linking up with other departments, they would also rely on working with colleagues at the City Council and their relationships with those other departments. They work with Public Health for example, and Transportation Strategy. There was a need to lobby Central Government to prioritise around low carbon as their ability towards planning to make requirements locally had fallen away. This provides some of the challenges outlined in the paper, but they were doing what they could through their networks and relationships.
4. In terms of business they had a Low Carbon Champion, Pat Laughlin, Midlands Environmental Business Company who sat on the Green Commission and works regarding the low carbon growth sector. She also leads on the Green Growth Group, but there was more to be done around the Green Growth Hub.
5. They had a Buildings and Efficiency Round Table and a few weeks ago they had hosted the UK Green Building Council Summit in Birmingham where they had 150 people attending from across sectors to help them to think about what they might do post Birmingham Energy Scheme (BES).
6. There were a number of challenges one of which was around the lack of incentivisation with the absence of the Green Deal. The other was the ending

of BES as there was now no focused delivery at the City Council and this was something that they needed to look at in terms of strategic direction going forward.

7. There was the Green Capital Investment Team based in Housing who had the Housing Repairs and Maintenance Contract and there may be somethings they could do through that.
8. Acivico Limited did some work with schools and commercial buildings and Birmingham Property Services took control of our own buildings, but it was now fragmented and the Private Rented Sector was the one where it could potentially fall through the net and they had a huge amount of fuel poverty in Birmingham and it was critical that they know how they were going to address that issue.
9. The UK Green Building Council would be reporting to them by the end of March 2016 and they were working with them to develop the report on areas where it would be useful to them.
10. The Retrofit Agenda was one of the workshops that was organised as part of that event and there would be some suggestions that come through this around what they might do.
11. The Chair of the Green Efficiency Round Table was based at the Energy Savings Trust and had offered some support around what they should do about going forward. BES formally ends on the 31 March 2016, after which there needs to be something about what should go forward from there. They did not have a buildings expert within their team as BES was never part of the sustainability team, but they need to think about how this shapes and how they go forward.
12. In terms of the Housing Stock, they were working closely with the Green Capital Investment Team and were trying to understand the things that they could do through that, but it sat beyond the remits of their own team. Whilst they brought people together through the Green Commission, and they were looking for solutions through working with potential partners, taking it forward sat outside their remit.
13. However, there was now a new Development Infrastructure Board which had been constituted in the Economy Directorate and housing was one of the priorities that were coming forward through that. They understood how they could collaborate and bring their different specialisms to think about a new offer going forward to follow on and BES would be a part of that.
14. With regard waste, the energy area was within the remit of the sustainability team and they had undertaken a decentralised energy study and this would be made available shortly as it was currently in draft form, to understand what decentralised energy looked like in Birmingham.
15. The sustainability team had lead on energy fore sighting study to feed into the waste strategy to understand the different options and how others could feed

into both the waste offer and the energy offer by thinking about these in a holistic way and how they could collaborate together.

16. They had done some heat network or some mapping funded by the heat network for a development unit at depth to understand the areas where there was the greatest heat demand in the City. There were detailed feasibility studies being taken forward through some of these areas, the first of which was at Tyseley to understand the volume of heat that they might capture from Tyseley and where that heat might be used in that demand in the local area.
17. The detailed feasibility study would be reported in June 2016 and they had just commissioned a study at Selly Oak as this was another area where there was huge heat demand from the hospital, Birmingham Women's Hospital.
18. There were some challenges and they had come up against some of these. Some of the new arrangements had been put in place with the new Corporate Management Team who was helping – they now had a Development Infrastructure Board - which was helpful in terms of bringing planning, public health and skills together so that they could start to collaborate around their agenda.
19. The initial work that they started to collaborate was good - housing and energy - and understanding how their activities could feed into the infrastructure project such as HS2.
20. Also challenging in terms of what they could do, given changes to national Government guidelines -around the National Planning Policy Framework – they were now not able to be ambitious in their requirements as they were before.
21. There was work to be done as Team Sustainability was seen as something external and more work needed to be done with other teams internally. The bringing together at a higher level would help them going forward, but they were making progress.
22. In terms of the internal City Council arrangement around more energy efficient homes, this builds on the work they were doing through the Buildings and Efficiency Round Table and collaboration with the Green Capital Investment Team. It was about understanding the post BES era on how they could take this work forward. It was hoped that the UK Green Building Council work would be able to help with that issue.

The Chairman thanked Jackie Homan for attending the meeting and presenting the information.

DISCUSSION – BIRMINGHAM IN THE EUROPEAN UNION: POSITIONS TO EXPLORE IN PERSPECTIVE OF THE REFERENDUM

The Chairman introduced the item and advised that Lloyd Broad, Head of European and International Affairs was invited to steer the Committee on its reflections on the

item to produce a Terms of Reference they may want to put in a report to the City Council, the questions they may want to lever out and the information they may want from their partners and the things that the European Union (EU) brings, to form the basis of the report to City Council.

In an extensive and wide ranging discussion, the following was a summary of the issues debated:-

- The European Union Referendum would affect people in Birmingham and across the country more than anything for a long time. It would have a serious impact and they should not be debating anything that would support the In/Out campaign.
- The City Council would be in a serious dereliction of duty if they did not look to find out what the impact of the In/Out of the EU would have on Birmingham and its residents.
- They need to deal with the facts and look at things in a positive light in terms of what it would mean to be in/out of the EU. What they did not want was to have the electorate voting without the facts.
- It was appropriate to consider the implications of the decisions going either way. It was not the job of this Committee to conduct the referendum, but they would be remiss if they did not think about the implications for Birmingham. It had to be seen as an objective piece of work and must not emerge like other things that were seen over the last few weeks that were trying to steer people in one direction.
- It would be strategic how the Committee put together a report without making recommendations. The report should be evidence based i.e. what the EU was worth to Birmingham and information as to negative impact. The report should be balanced and based on hard facts that they could evidence.
- The question was how far they could present the evidence on the information on the things that were known now, rather than being unable to answer the question which they did not currently have the answer to. Example, the UK outside of the EU and what this would mean in terms of getting the £50m backing to produce the Youth Employment Initiative and how they could get the £50m in other ways and whether they would be able to.
- They needed to be realistic to acknowledge that this was largely a political question in that there would be so much evidence and it would be argued in different directions that in the end they had to be grown up to recognised that what it really comes down to was a simple decision on the part of each individual – do you wish to be part of a EU Super State or not.
- This was not a mathematical calculation, but was a decision on how people wish to live their lives. It was a subjective question, but they

needed to be as objective as they could in terms of the impact on Birmingham.

- They could create a risk register – *if they stay in the EU it would mean this, if they leave, it would mean that*. Where hard evidence and facts could be provided this should be stated, where they identified risks this should be stated.
- The Committee's role should be to take the heat out of this discussion and *appreciate* that in the end that citizens do vote to leave the EU, that there would be an impact and that change they could reasonably expect that the Council would take steps to manage.
- If they chose to remain in the EU, there was no harm in better understanding our context in the EU. They were already discussing how their cities and city regions would be funded in the future. It had to be appreciated that EU funding was part of this context.

Mr Broad then set out the following context which was further debated by Members: -

- When Members were asking about hard evidence, balanced opinions, the information he would provide would be based on what was known and currently exist as a member of the EU.
- There would be facts and evidence presented that would be illustrating what the benefits had been to Birmingham with the UK being a member of the EU. There were models that could be shared with the Committee as to what the alternative could look like and what the implications of those other models were.

The Prime Minister, David Cameron, MP had agreed that the deal effectively identified the following areas:

- ✓ The Euro Zone - Keeping Britain's Pound safe and keeping out of the Euro Zone arrangement.
- ✓ Sovereignty – not committing Britain to a closer union
- ✓ Red Card for National Parliaments – the blocking of unwanted legislations if 5% of member states were against that legislation.
- ✓ Competitiveness – strengthening the internal markets
- ✓ Limits on free movement outside the EU and marrying people within the EU
- ✓ Child Benefits – sending child benefits back home to countries of origin.
- ✓ Protection for the City of London - safeguarding the City of London
- ✓ Migrants' welfare payments – limiting in work migrants benefits until the first 4 years of EU residency.

There were other issues where Birmingham was concerned that needed to be played out and understood. These include:

- ❖ Trade
- ❖ Investments – issues around policy and legislation and their impact
- ❖ EU funding
- ❖ Migration

Mr Broad advised that he could provide some facts and figures and evidence on how Birmingham and the West Midlands had engaged with the EU in those areas and what this meant to the City in the last 30 years.

It was important to look at the implications of leaving and the potential cost and risk, balanced against the opportunity that would be offered in an alternative arrangement and the way it impacts Birmingham.

It was difficult to assess the future on any punitive deal as there was no revision from the *Out* side as to what trade deal they would expect with the EU.

It was necessary to consider the extent of the healthy relationship in core aspects that could be used to the City's advantage whichever way things go. The major universities collaborating with each other in terms of stimulating research and development for new enterprises.

Polls had stated that 20% -25% of people were undecided on which way they would vote. A number of people stated that it was dependent on whether they would be better off In/Out of the EU.

It was difficult for the City Council to consider taking forward a position as many of the discussions had alluded to was that this was a decision for the public and it was their decision on whether we remain or leave the EU. It was important for people to take a decision based on as much information as possible. There was a lot of information for the public to make an informed decision.

In the time since the announcement for the referendum, it was difficult to bring all the facts and figures, but he had given commitment for his team to find some more information specific to Birmingham.

Trade – 50% of the West Midlands exports were to the EU. SMEs benefitting from access to the single market and tariffs free trade. £12b worth of trade had been exported in the last 12 months in the West Midlands. What would be the impact on West Midlands trade abilities should the UK leave the EU? There would be two years of negotiation as part of that exit and during that time they would need to renegotiate new trade deal with the EU.

There were a number of models that were cited as an option as part of that deal: -

- The Norwegian model
- The Swiss model
- The Customs Union as was the case with
- The UK Free Trade Agreement

The point was taken on trade exports, but there was a need to focus on Birmingham as it could be equally stated that they had a trade deficit with the EU of £75b across the UK. None of the statistics meant much and they needed to be careful in doing parallels with other jurisdictions. They needed to look at Birmingham and focus on the effect on the City and the opportunities and risks.

Could consider the bits of trade that was Birmingham specific where possible and look at other cities across the globe with 1 million citizens who were not in the EU to see how they prosper.

Could get information on the UKTI for Birmingham and other local agencies concerning Birmingham's position in the world, Europe etc. with regard to its trading position etc. These were headline positions that were being used. Work would be facilitated around some of the key sectors and industries in Birmingham that was crucial in terms of jobs and employment and the impact on them.

The Committee then further debated the key benefits of investments, EU Funding, ESEF, EU Policy and Legislation and migration which was Birmingham specific. The Committee concluded that it was important to present a balanced report for people to make an informed decision; that more localised evidence that was specific to Birmingham's position was needed; it was necessary to drill down and produce the hard facts for a balanced and neutral report.

The Chairman thanked Lloyd Broad for attending the meeting and presenting the information.

**WORK PROGRAMME FOR THE ECONOMY, SKILLS AND SUSTAINABILITY
OVERVIEW AND SCRUTINY COMMITTEE 2015/2016**

The following work programme was submitted:-

(See document No 3)

79 **RESOLVED:-**

That the work programme be noted. The Committee agreed for the meeting that was scheduled for the 15 April 2016 to be brought forward to the 8 April 2016.

**REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS
RECEIVED (IF ANY)**

80 The Chairman advised that there had been no requests for call in/councillor call for action/petitions received.

AUTHORITY TO CHAIRMAN AND OFFICERS

81 **RESOLVED:-**

That in an urgent situation between meetings the Chair, jointly with the relevant Chief Officer, has authority to act on behalf of the Committee.

The meeting ended at 1250 hours.

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CHAIRMAN