

BIRMINGHAM CITY COUNCIL

ECONOMY AND SKILLS O&S COMMITTEE

1430 hours on 22nd July 2020, Online Meeting – Actions

Present:

Councillor Lou Robson (Chair)

Councillors Nicky Brennan, Chaman Lal, Simon Morrall and Julien Pritchard.

Also, Present:

Cllr Jayne Francis, Cabinet Member for Education, Skills & Culture

Paul Faulkner, Chief Executive, Greater Birmingham Chamber of Commerce (GBCC)

Raj Kandola, Senior Policy and Patron Advisor, Greater Birmingham Chamber of Commerce (GBCC)

Professor Anne Green, City-REDI (Regional Economic Development Institute), WMREDI, University of Birmingham (UOB)

Rishi Shori, Head of Leader's Office, BCC

Aidan Hall, Strategic Policy, BCC

Baseema Begum, Scrutiny Officer

1. NOTICE OF RECORDING/WEBCAST

The Chair advised those present that the meeting would be webcast for live and subsequent broadcast via the Council's Internet site and that Members of the press/public may record and take photographs except where there are confidential or exempt items.

2. APOLOGIES

Cllr Maureen Cornish.

3. DECLARATIONS OF INTERESTS

None.

4. ACTION NOTES

The action notes of the meeting held on the 4th June were agreed.

5. SUPPORTING THE ECONOMIC RECOVERY

(See documents 1-5)

The Chair explained the purpose of the item drawing on previous discussions held by the Committee on the impact of Covid-19 on businesses and the future economic recovery. Cllr Robson then called on attendees to comment on these areas further with reference to the documents circulated as part of the agenda pack.

Paul Faulkner and Raj Kandola from the Greater Birmingham Chamber of Commerce (GBCC) talked members through the key points from the presentation in relation to the survey of businesses undertaken and made the following points: -

- The current climate for businesses is a continuously moving and changing picture. There is a need to be mindful of this in respect of the report and the data shared.
- Businesses are operating at 54% of their total capacity as it was pre-covid.
- Feedback received from businesses specified that grants rather than loans from government would be helpful.
- It will take time and effort to recover from the pandemic. Partnership working is key here and helps instil confidence. The Council has worked with the GBCC to provide information on grants and other support available in different languages.

Professor Anne Green, City-REDI, UOB talked members through her presentation focussing on those sub-groups hardest hit by the pandemic and made the following points: -

- Sectors including hospitality, retail and care services are amongst the hardest hit by lockdown. Young people were two and a half times more likely to work in one of these sectors. Low earners were also more likely to work in one of these sectors. Women and BAME workers were also more likely to be adversely affected as they were more likely to work in roles that left them more exposed to Covid-19.
- The government's Job Retention Scheme ('Furlough') is keeping more people in employment. There are a higher number of under 25's being furloughed predominately in the retail and hospitality sectors and in Birmingham those young people are living in areas that traditionally suffer high levels of unemployment and deprivation.
- There has been a big increase in benefit claimants (e.g. universal credit) in the city in relation to the population and these figures could increase further as not all workers on furlough are expected to go back to work. There are also more younger claimants and some areas in the city are more affected than others. In addition, young people were already facing other limiting factors in

accessing the labour market pre Covid-19 meaning that they are at an additional disadvantage.

- Further education is particularly important to those young people under 25 who have finished school and especially for those of a BAME background. It is therefore very important that the Further Education sector is up and working well to aide their future prospects.
- Digital inclusion is hugely important as can be seen by the increase in usage due to Covid-19 where businesses have set up workers to work virtually. Residents face social and economic exclusion if there are unable to engage effectively.
- Trends in areas of concern and where unemployment levels are already high are being accentuated due to the pandemic and the lockdown. This includes digital skills and infrastructure inequalities.

In response to questions from Members the following responses were made: -

- The GBCC has made information available and held training events on issues relating to Brexit during the last 3 years. There is also advice available for businesses in relation to trading systems, regulation and Brexit terminology on the GBCC website.
- In respect to the high number of apprenticeship vacancies that remain unfilled in the city feedback received from businesses indicates that much of it is related to structural issues that need to be addressed such as a gap in programmes and a lack of support in some areas where businesses have tried to implement the apprenticeship scheme. The GBCC has put together a report ('Growth for People') with a set of practical recommendations in relation to this.
- The city has a high number of people with low or no qualifications and skills particularly in areas that have historically suffered high unemployment levels (further information can be found in the 'Unprecedented Times' report by the GBCC). Much of this inequality is ingrained in society where wide scale infrastructure linking people to jobs and education isn't easily available. Also there is less resilience in the social-economic factors in those areas and this plays a huge part in determining access to opportunities and gaining employment locally. Work is being done to address these issues by linking people to growth sectors however this does take time to implement and for the effect to be seen. There is a need for the city and country to link productivity and inclusivity to make a difference to unemployment levels.
- The adverse impact on women was highlighted particularly because women make up the majority of single parents and therefore there would need to be appropriate support in place for them to transition back to work for instance adequate nursery provision following the lifting of restrictions. Women are also at higher risk of redundancy due to being in more front-line facing jobs and in sectors that have furloughed a lot of their staff.
- It is very difficult for businesses to navigate the current landscape and putting people first in relation to return to work and currently there is no road map for

this as so much of it is interlinked. Much of how this will work is dependant on the reopening of schools and then the subsequent opening of workplaces. However, the importance of key workers (and who these are) across the key sectors has been noted especially by the bigger employers.

- The pandemic will impact some areas of the city where there are inequalities already (e.g. in employment, housing and the digital divide) more severely therefore immediate action is required to improve outcomes and stop these deepening. There is merit in targeting these areas in a localised or neighbourhood approach in a joined-up way so that key areas (i.e. housing, health, jobs) are worked on at the same time to make a difference and improve people's lives.
- The GBCC has been lobbying for the need to support young people especially those in high-risk areas of unemployment campaigning on targeted areas such as wage subsidies. In relation to the importance of supporting young people especially those under 25 who are self-employed or looking to set up entrepreneurs it was confirmed that the GBCC has a 'Future Focus' division for young professionals that offers networking opportunities and supports young people with skills to thrive in the job market. In addition, a campaign on the importance of digital inclusion was run by the GBCC that covered business adaptability and resilience to ensure that people are equipped with the right digital skills and to improve digital inclusion as it is a key part of the world of work.
- Cllr Francis confirmed that work is being done to look at how economics and entrepreneurship support advice can be delivered through the adult education service locally and in libraries to complement teaching in schools.
- Professor Green and Raj Kandola confirmed that they were not aware of any research undertaken on what the economic impact would be on businesses if no government interventions had been put in place. In terms of the economic impact on businesses if a second lockdown occurs the GBCC confirmed that a second survey of businesses was planned to understand future prospects and will cover workforce issues. Many businesses have indicated that they see employees working from home for the next 12 months. Further work in this area on a national level will be led by the British Chamber of Commerce.
- In relation to any changes that will impact on infrastructure and commuting for employees it was confirmed that the pandemic will have a long-lasting effect with the emphasis on a more flexible way of working with more people working from home and only attending the workplace when needed. This opens up the possibility for more people to live further away from the workplace which will mean commuting further when needed. This will have an impact on public transport with less traffic on the road that should result in some tangible benefits for the environment in the long term.
- Regard should also be given to the impact on employees' mental health and well-being as people are working from home for a longer period of time.

RESOLVED: -

1. Raj Kandola to provide further information on the support that the Chamber of Commerce is offering to young people especially in reference to business, entrepreneurship and upskilling and general information available for people to access and improve their digital skills and promote digital inclusion.
2. The report was noted.

6. UNIVERSAL BASIC INCOME (UBI) - DISCUSSION

(See documents 6-7)

Rishi Shori highlighted the main points from the presentation circulated and during a discussion with Members the following points were made: -

- Results from pilots have shown that people are no more likely to not want to work and the scheme didn't indicate that people were choosing to quit their jobs due to receiving UBI. Overall the impact on unemployment figures did not change. The pilots also indicate a positive impact on mental well-being as people face less pressure to afford living costs whilst receiving benefits and looking for work.
- Setting a UBI at the correct level so that it is helping people out of poverty and is enough for them to live on would be a key factor to its success. It also needs to be affordable.
- Concern about financing a UBI - who will pay for it, how the money will be raised and if a threshold would be in place as not everyone would require the support.
- There is a risk of abusing the system.
- UBI has lots of other policies to make it successful. Other broken systems e.g. low wages, housing, childcare need to be taken into consideration. Universal basic services that provide this support would have more of an impact on people's lives rather than money itself.
- Further case studies and experiments are needed before rolling out a programme nationally if the evidence is supportive.

In response Rishi Shori confirmed that: -

- There will be a cost to any UBI but there will also be an economic benefit with potential spend in the economy.
- As a nationally based policy there would be an impact on other forms of welfare and support e.g. tax credits. If implemented on a local/national or regional basis there would be a need to link it into other determining factors such as housing/healthcare/employment and use it as a tool to tackle those broader issues of poverty at the same time.
- No specific work is currently happening on a UBI in Birmingham as it is not a policy priority. The matter was raised by the UBI Lab who had contacted the Leader in the first instance.

RESOLVED: -

1. The report was noted, and the Chair confirmed that the item will be kept on the Committee's work programme for future discussion.
2. Cllr Pritchard requested that the UBI Lab in Birmingham is invited to any future meeting.

7. WORK PROGRAMME

(See document 8)

The Chair noted that the items for discussion listed for the September meeting including the Smithfield Masterplan that was postponed from the meeting today.

RESOLVED: -

1. Members noted future items for discussion.

8. REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS (IF ANY)

None.

9. OTHER URGENT BUSINESS

None.

10. AUTHORITY TO CHAIRMAN AND OFFICERS

Agreed.

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 16:28 hours.