
**Manchester City Council
Report for Resolution**

Report to: Economy Scrutiny Committee – 12 December 2012
Subject: Access for Manchester residents to Economic Benefit
Report of: Angela Harrington, Interim Head of Regeneration

Summary

The purpose of this report is to provide an overview of key economic and employment growth initiatives in the City, and activity that supports Manchester residents to benefit from those opportunities.

The report presents the activity of the Work and Skills Partnership, set within the context of the City's skills demand and supply, and the challenges and opportunities the City will face in making sure that Manchester residents have the right mix of skills which employers demand, both now and in the future.

Recommendations

Members of the Committee are requested to note and comment on this report.

Wards Affected: All

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Background documents (available for public inspection):

None

1. Introduction

- 1.1. The city of Manchester has seen a renaissance over the last decade and a half, driven by continuous strong economic and population growth, such that it is now a hub of business, investment, education, culture and community activity, which rivals any other city in the UK.
- 1.2. Despite the progress made, significant problems remain and the challenge now lies in better connecting Manchester residents to the benefits and opportunities of Manchester's economic growth. Addressing this issue will be crucial if we are to achieve our Community Strategy vision of becoming a world-class city that is as competitive as the best international cities, meeting and exceeding the needs of all residents, with particular regard to those who have been excluded from the labour market.
- 1.3. The Manchester Independent Economic Review of 2009 identified skills as the key factor in Greater Manchester's £7.2 billion productivity gap with the rest of the UK. GM's skills profile lags the UK average with the result that in both a UK and European context, GM is operating in a 'low-skilled equilibrium', with low employment levels and low productivity per worker.
- 1.4. Having appropriate skills is crucial if we want residents to succeed in the Greater Manchester labour market and benefit from the projected job growth in the City. It is a role of all partners to support this work; from universities, colleges, schools, as well as employers in both the public and private sectors. It has for some time been the aspiration to commission /significantly influence the delivery of skills in Greater Manchester to better meet the needs of the GM economy. The Work and Skills Board /Partnership needs to ensure that this works for the City and its residents.

2. Skills Policy and the Greater Manchester Response

2.1 The Coalition Government has implemented significant reform to skills and employment policy. Changes to the skills system are built around models that are non-interventionist, market-driven and less reliant on public funding.

2.2 Specifically, the 'Skills for Sustainable Growth' strategy of November 2010 commits Government to:

- Expand the number and level of adult apprenticeships, specifically at National Vocational Level (NVQ) 3.
- Ensure that employers have a far greater role in working with providers to develop skills provision that meets economic need,
- Fully fund training for most individuals who are unemployed and looking for work,
- Greater co-funding of provision by individuals and employers. A Government backed learner loan system will help finance intermediate and higher level qualifications from 2013-14, similar to the University student loans system.
- A simplified funding system, aligning pre- and post-19 learning,

2.3 These changes offer challenges and opportunities for individuals, employers and

training provides. Through the Employer Ownership of Skills agenda, not only will employers need to be able to articulate their skills needs, but will also become involved in the commissioning of training. Here, employer engagement will be crucial, especially in the sectors predicted to grow over the next decade.

- 2.4 The Greater Manchester Chamber has bid for £8.5m of funding from Central Government to develop an Employer Ownership of Skills pilot for GM. This fund will be used to help employers develop and deliver training for their employees that will raise skill levels, create jobs, and drive increases in employee productivity and economic growth. Employers are expected to commit their own funds into the programme, in order to make better use of combined skills resources. The Chamber is expecting to hear the outcome of the bid shortly.
- 2.5 The Combined Authority has recently secured greater freedom and flexibility on skills through the City Deal. This work to deliver these new powers has been delegated to the Greater Manchester Skills and Employment Partnership (GM SEP). This partnership is collaboration between employers, colleges and training providers, funding agencies and local authorities around a shared goal: to maximise the contribution that skills funding can make to growing Greater Manchester's economy.
- 2.6 As part of these flexibilities and freedoms, the Skills Funding Agency has agreed to give the Combined Authority greater access to the intelligence it holds on skills delivery taking place across GM. Based upon this new intelligence and the GM Forecasting Model, the GM Skill and Employment Partnership have agreed a set of skills priorities that aim to better meet the needs of the city's growth sectors and residents (See Appendix 1). We are currently seeking approval for these recommended priorities from Local Economic Partnership and the Combined Authority.

3 Manchester Resident Skills: Demand and Supply

Skills Demand

- 3.1 The 2011 Greater Manchester Forecasting Model shows that over the coming decade there will be an increasing demand for higher level skills. Forecasts indicate that of the 900,000 job in the GM labour market; over half of these will require skills equivalent to at least NVQ level 3, and a quarter to NVQ level 4.
- 3.2 The structural change in the economy experienced over the past decade is forecast to continue and will dictate the demand for skills (see table 1). The financial and professional services sector is expected to continue to dominate, accounting for more than a quarter (28.8%) of all employment opportunities, and more than a third (35.5%) of all employment requiring higher level skills. There is a cross sector requirement for higher level skills although some sectors (hospitality & tourism and retail in particular) will continue to offer significant numbers of lower level jobs.

- 3.3 Although the public sector will be cut back, its size will ensure that there will continue to be significant demand for new entrants in education and health and social care, both of which have a demand profile in the next ten years skewed towards higher qualification levels and at NVQ level 4 in particular.

Table 1 Skills demand (jobs) 2010-20 in GM by occupation/
Source: Oxford Economics (2011) *Sectors do not sum due to overlaps

	TOTAL JOBS	<NVQ2	NVQ2	NVQ3	NVQ4
Automotive	15,090	26%	27.3%	27.8%	19.0%
Manufacturing	33,050	27%	20.5%	25.8%	27.0%
Financial & Professional Services	250,000	15%	20.0%	20.1%	45.1%
Life Sciences	96,020	15%	19.5%	18.1%	47.0%
Retail	83,830	28%	30.5%	26.2%	15.4%
Construction	88,210	23%	19.6%	33.9%	23.5%
Creative / Digital / New Media	55,560	18%	19.1%	21.0%	41.7%
Education	52,630	11%	14.2%	13.5%	61.1%
ICT Digital and Communications	39,100	15%	20.0%	20.6%	44.2%
Public Sector	11,080	10%	22.8%	24.2%	42.7%
Hospitality and Tourism	62,050	35%	26.0%	24.7%	14.3%
Aviation	7,780	32%	24.6%	23.3%	20.2%
Sport	20,270	21%	21.9%	25.1%	32.3%
TOTAL*	893,750	28%	24.9%	24.6%	23.0%

Skill base /supply

- 3.4 Figure 1, shows the latest available information on the skills levels of the Manchester working age population as compared with Greater Manchester and the United Kingdom. This shows that the city has a higher percentage of people qualified to Level 4 or higher than the national average, in part due to the large number of Higher Education students resident in the City. However, for qualifications lower than Level 4, Manchester fares worse than Greater Manchester and the United Kingdom.

Figure 1: Skills profile of Manchester residents, 2009

Qualification level	Manchester	Greater Manchester	United Kingdom
No Qualifications	16.4%	14.4%	12.6%
NVQ level 1	17.9%	18.7%	18.2%
NVQ level 2	18.7%	21.4%	21.1%
NVQ level 3	17.0%	18.8%	18.4%
NVQ level 4 & above	29.9%	26.7%	29.8%

Source: Manchester Local Economic Assessment, ONS, Annual Population Survey, 2010.

- 3.5 Greater Manchester is home to five universities (the University of Manchester, Manchester Metropolitan University, University of Salford, University of Bolton and University of Huddersfield, Oldham campus) which collectively have more than 100,000 students and almost 30,000 graduates each year. A further report on graduate retention rates will be provide to Economic Scrutiny in January 2013.
- 3.6 It is estimated that 58% of graduates from the five GM Universities enter employment in the local area, equating to approximately 18,000 graduates every year. The largest subject of study is business and administrative studies, with 17,245 (16.1%) students in GM, followed by subjects allied to Medicine (covering subjects such as nursing, nutrition and medical technology) with 14,570 (13.6%) students, and Engineering and Technology with 10,650 (10.0%) of students. However, whilst the 2011 Greater Manchester Forecasting Model predicts that Manchester will continue to have a high proportion of residents skilled to degree level, it is unclear how changes to university funding will impact on this in the future.
- 3.7 From 2001 to 2010, Manchester has seen an increase in the adult population achieving a Level 2 or higher qualification, with Manchester having 70% of residents qualified to level 2 and above in 2010, although this is still lower than the North West and national rates as shown in Figure 1. Both the current and previous Government committed to increasing the number of people achieving level 2 qualifications, and we have seen increased capacity in this area of the skills system for many years.
- 3.8 Over the last decade, the proportion of residents with no qualifications in Manchester has reduced significantly, coming closer into line with England and North West figures. In 2010, 14.3% of working-age population in Manchester had no qualifications (a drop of 10.6% since 2001), compared to the North West figure of 10.8% and England 9.9%. This 14.3% of residents equates to 60,000 residents with no qualifications, representing a large number of residents who historically would move into entry level roles within the labour market. There is a far greater proportion of residents who are out of work with few or no qualifications than for the working age population as a whole. With the increasing demand for higher level skills by employers in Manchester's growth sectors those residents with no qualifications will be considerably disadvantaged in the labour market.

4 Skills Funding Agency (SFA) provision in Manchester

- 4.1 The Skills Funding Agency is a partner organisation of the Department for Business, Innovation and Skills (BIS) and it exists to fund and promote adult further education (FE) and skills training in England. In 2010/11, the SFA supported 234,032 adults (19+) to access skills training in Greater Manchester. The Manchester College and Manchester Adult Education Service (MAES) are the two largest providers of SFA funded learning. Both these providers account for approximately 25% of course starts in 2010/11 in GM and 68% of Manchester residents accessed SFA provision through these providers.

- 4.2 In terms of the level of this provision:
- The Manchester College provision 60% entry and level 1: Level 2 (32.5%); Level 3 and above only 8%.
 - MAES provision: Entry level and level 1 (31%): Level 2 and above (5%):

Manchester Adult Education Service

- 4.3 MAES' aim is to enable adults to improve their lives through first steps learning, helping them to secure and sustain jobs. The service also supports the well-being of communities through learning for personal and social development.
- 4.4 MAES provision is concentrated on the SFA and City Council priorities of basic skills, English for Speakers of Other Languages (ESOL) and vocational courses linked to employment opportunities. The focus of the curriculum is at entry level, level 1, and level 2.
- 4.5 Vocational learning is limited to provision that provides first steps into sectors where there is demand or where there can be active referral to Further Education colleges and work based learning providers. Childhood Studies, Health and Social Care, Community interpreting, and courses leading to opportunities in the Creative Industries delivered by MAES mean that residents are accessing training in those sectors where there is predicted job growth.
- 4.6 A good example of this work is MAES delivery of the Volunteer Training Programme. This programme teaches volunteers the skills needed to deliver ESOL and Basic ICT courses in community venues as volunteer teachers.
- 4.7 The programme provides residents with practical skills to be a teacher and enables the volunteer to develop the qualifications needed to teach in the community learning sector. In addition, the programme builds learning capacity in the heart of deprived communities.
- 4.8 In 2010/11 the project achieved the following:
- 37 volunteers supported to deliver 20 regular ESOL classes across the city, 31 of whom achieved a PTTLT teaching qualification
 - 19 Community centres supported
 - 353 ESOL learners attended ESOL classes in total, 234 of those on a continuous basis

5 Employment Growth and Labour Demand in the City

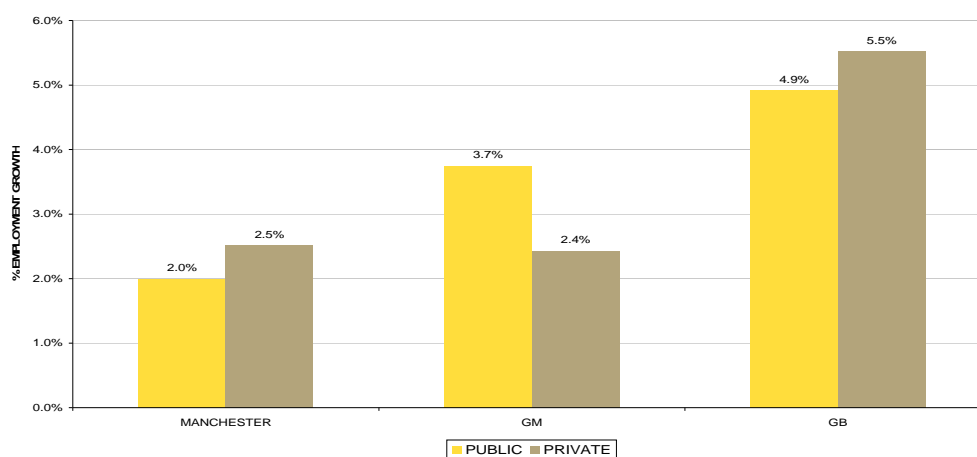
- 5.1 In April 2006, the Association of Greater Manchester Authorities (AGMA) agreed to adopt a single economic, population and household forecasting model within Greater Manchester. This model consists of forecasts for all ten districts in Greater Manchester, but recognising economic realities, the model also contains data for areas within Cheshire (Warrington and the former districts of Congleton, Macclesfield and Vale Royal) and one in Derbyshire (High Peak).

5.2 The Greater Manchester Forecasting Model (GMFM) is produced annually by Oxford Economics and reflects the most up to date national economic forecasting. The most recent report, published in November 2011, showed that recovering the economy would continue to be a challenge. The impact of the recession on Manchester had not been as bad as anticipated and it was now expected to recover relatively well which is attributed to the resilience of the key sectors in Manchester. The following information comes from the GMFM 2011, however it should be noted that the 2012 GMFM which has not yet been formally published, indicates that growth will be lower than predicted in 2011. A report on the findings of the GMFM 2012 can be present to Economic Scrutiny early in 2013.

Long-Term Employment Growth

5.3 Private sector growth has been the main driver of employment growth in the city over the last decade, with Manchester having one of the highest rates of private sector growth between 1998 and 2008 (+10.4% compared to GM average of +4.4%). In absolute terms the City of Manchester has been responsible for over a quarter of (26.9% of the 21,900 Annual Business Inquiry) the private sector jobs created in Greater Manchester between 2003 and 2008. As such, the City of Manchester has seen a net shift towards the private sector in contrast to many other large UK citiesⁱ.

Figure 2: Public sector and private sector growth in Manchester, Greater Manchester and nationally, 2003 to 2008.



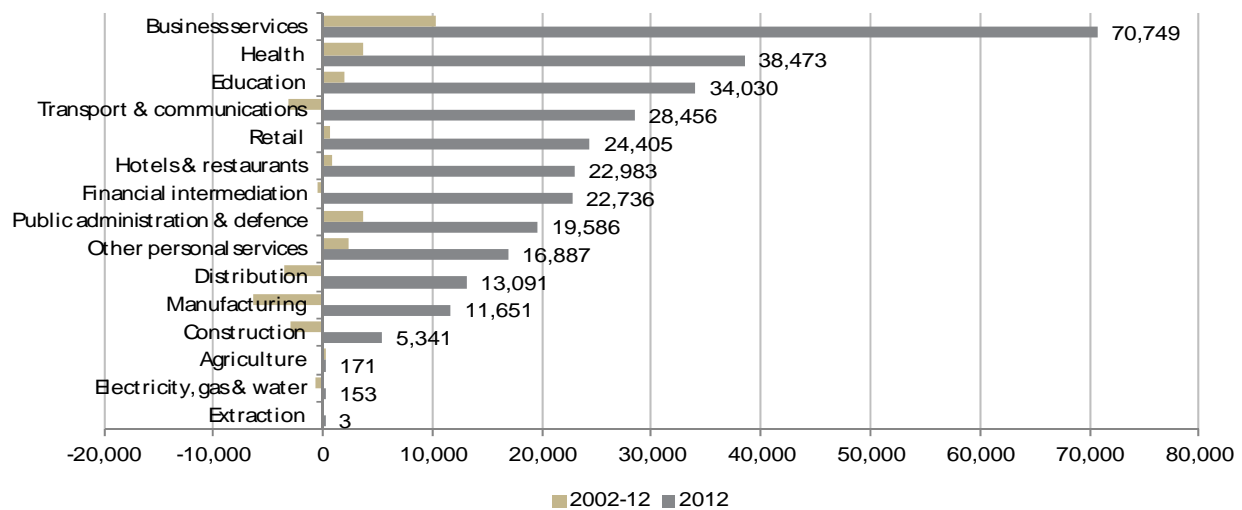
Source: Office of National Statistics (ONS) Sub-regional public and private sector Estimates, 2010

5.4 Manchester's employment growth and skills demand has been driven by the large-scale and rapid expansion of the service sector, particularly financial & professional services. This sector accounts for a sixth of employment in Manchester, a fifth of GVA and businesses, and contributed 40.1% toward

ⁱ Manchester Local Economic Assessment

employment growth in GM over the decade prior to the recession.

Figure 3: Employment by Sector footprint in 2012 and Change since 2002



Source: Annual Population Survey, ONS (2012)

- 5.5 Manchester has developed its creative & digital industries to the stage where they represent the UK's biggest centre for the creative industries outside of London. This specialisation in GM is forecast to increase over the coming decade as MediaCity:UK, The Sharp Project and other assets develop. The Sharp project is a great example of how we can use public sector investment to grow the economy, and helps us make the case to government for greater control over the support measures for economic growth at the local level
- 5.6 Health and social care is the second largest employer in Manchester, which is in line with national trends, and has seen strong employment growth over the past decade. However, the current public sector reforms and budget reductions are likely to impact on employment levels in this sector over the medium term.
- 5.7 The size, strength and importance of Manchester universities, as well as colleges, schools and vocational training providers, mean that Education is another key service specialism for the conurbation. However, the current public sector reforms and budget reductions are likely to impact on employment levels in this sector over the medium term.
- 5.8 Manchester's history means the conurbation still retains strengths in manufacturing, and advanced manufacturing and this is expected to be of increasing importance for increasing GVA and productivity in GM. However there will be limited employment growth in this sector as the labour needs of the sector is small.
- 5.9 Whilst not highlighted as a key growth sector in the 2011 GMFM, Retail, Hospitality and Leisure sectors will continue to play a important role in job creation over the long-term and will be an importance source of entry level jobs for many of Manchester residents.

Medium and Short Term Employment Opportunities.

- 5.10 Whilst it is vital that we ensure that the skills system is geared to matching our residents' skills base to the long term growth trajectory, it is also crucial that we link those currently out of work with the short and medium term opportunities that are already available in the City.
- 5.11 Through numerous physical developments underway across the city, we will see significant employment growth in the medium term. The major developments taking place in the city include:
- The Corridor: this is a partnership between the universities and the NHS, involving the transformation of the environment and business activity as well as the development of the Graphene Centre. The Corridor will create/safeguard 20,000 jobs, from construction to postgraduate level research jobs.
 - First Street: the site of the new Cultural Hub, where the Library Theatre and Cornerhouse will be based along with commercial, cultural, retail, hotel and residential developments. This is expected to create/safeguard up to 10,000 jobs.
 - Spinningfields: the largest and most successful office based initiative outside Canary Wharf and home to the Royal Bank of Scotland building.
 - NOMA / Co-op Quarter: this development includes the new headquarters for the Co-operative Group along with the £27million redevelopment of Victoria Station and the National Football Museum. It serves as the gateway to North Manchester, from which the name NOMA is derived. This is also expected to create up to 8,000 new jobs.
 - Airport City Enterprise Zone: Airport City was one of the first new enterprise zones designated by government. It is estimated 16,320 jobs will be created through the Airport City Development by 2025ⁱⁱ
 - East Manchester: the development of the Etihad Campus which will entail unparalleled investment in sport, leisure and commercial facilities, is expected to create 550 jobs.
 - Civic Quarter: this includes the transformation of the Town Hall Complex, St Peters Square and the redevelopment of Elisabeth House. It is estimated that 8,800 jobs will be created
 - Siemens: the new headquarters for Siemens is expected to create 300-400 new jobs through the Sustainable Technology Hub.
- 5.12 Based on the development frameworks of Airport City, Birley Fields, Central Park and City Centre developments (Civic Quarter, Creative Quarter) and NOMA, it is estimated that between 55,000 – 65,000 new jobs will be created across the city by 2025. Primarily, these jobs will be in the financial and professional services sector, as well as a significant proportion in the Creative and Digital sector and in the Hospitality and Leisure sector. In addition, there will be significant construction opportunities. Mechanisms will be put in place to link local residents to the job opportunities created particularly focussing on adjacent areas.

ⁱⁱSource: Ekosgen October 2012

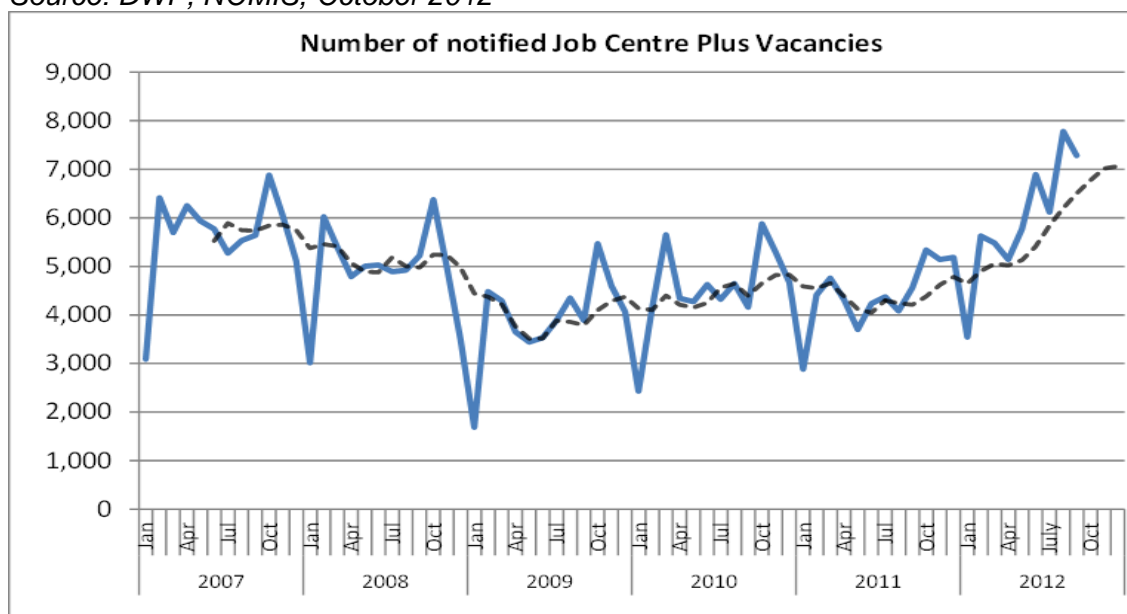
5.13 The rationale for the figure on jobs created above is based upon new floor space created, and how this relates to full time equivalent jobs. The methodology for this calculation was developed by the Home and Communities Agency; however, it is dependant on the end-user. Therefore, as these projects come online, the job estimates will be further refined. In addition, the unpublished 2012 GM Forecasting Model indicates that some of these job creation figures should be treated with caution, as economic growth is predicted to be slower than previously anticipated.

Short-Term Employer Demand: Jobcentre Plus Vacancies

5.14 Jobcentre Plus (JCP) regularly releases information on the number of vacancies they have on their books broken down by occupation. It should be noted however that these figures do not represent all vacancies (it is estimated that they represent less than half). Many employers in the private sector recruit via other mechanisms including recruitment agencies and word of mouth. It must also be noted that JCP notified vacancies are not an accurate cross section of all vacancies as they tend to be skewed towards lower-skilled occupations traditionally likely to be more appropriate for JCP clients who – during the years preceding the recession – tended to be lower skilled. These figures can roughly be thought to account for a sizeable proportion of vacancies requiring qualifications at NVQ level 2 or below.

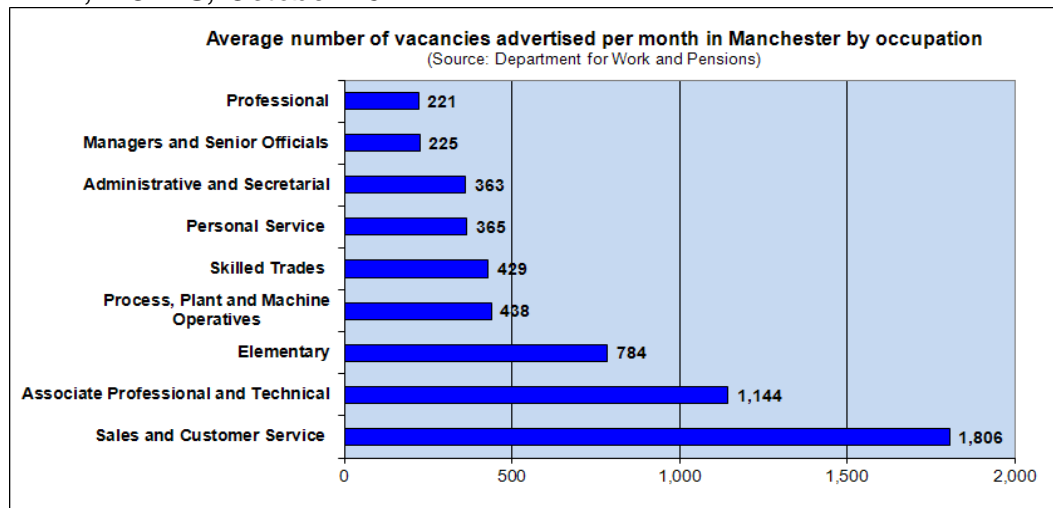
5.15 For the first time since the recession, vacancy levels notified to JCP in Manchester have exceeded 7,000 vacancies advertised per month (see figure 4 below). This continues the positive upward trend of the last year. However, the unpublished 2012 Greater Manchester Forecasting Model suggests that there are a greater number of part-time employment opportunities being advertised and secured by Manchester residents.

Figure 4: Number of Vacancies notified to JobCentre Plus per month by occupation.
Source: DWP, NOMIS, October 2012



- 5.16 Over the past year vacancies have been heavily concentrated in sales and customer service roles (31%) and Associate Professional and Technical roles (19%), with these vacancies typically in the Financial and Professional Services sector. Added together with elementary/entry level occupations (14%); plant, process and machine operatives (10%), these occupations make up the vast majority (74%) of vacancies advertised through JCP (See figure 5).

Figure 5: Number of Vacancies notified to JobCentre Plus per month. *Source: DWP, NOMIS, October 2012*



6 Work and Skills Board

- 6.1 The Work and Skills Board has agreed a Work and Skills Plan for 2012/13 which determines the shared strategic objectives of the partnership in Manchester to help deliver a reduction in Manchester residents claiming out-of-work benefits. The remainder of this report looks at the activity of the Partnership which supports residents to access the job opportunities created in the City through skills development.

Jobcentre Plus (JCP) and The Manchester Employer Suite

- 6.2 Jobcentre Plus (JCP) is the lead Work and Skills partner for supporting local people into work pre-Work Programme and has a series of tools to support this aim under the 'Get Britain Working' banner as well as 'earned autonomy' to deliver services to meet local needs. More detail is provided throughout this report on how Manchester City Council has supported the delivery of some of these tools in partnership with JCP and other stakeholders. Tools include work clubs which are local centres which provide information, advice, guidance and employment support for job seekers, Work Experience which assists young people to gain insight into the world of work through 2 – 8 week placements with host employers and Sector-based Work Academies (now branded as Work experience with training and a guaranteed interview). This initiative is focused on combining sector-specific training with a work placement and employer within an identified sector. It is targeted at residents close to the

labour market to assist them to gain employment and has been established in sectors with high volumes of entry-level jobs and current vacancies, with participants receiving a guaranteed interview on completion. The programme lasts for a maximum of six weeks and is accredited. Participants remain on benefits and receive additional support with travel and childcare costs if required.

- 6.3 The key mechanism for ensuring that Manchester residents benefit from employment opportunities is the Manchester Employer Suite. The Employer Suite was opened in autumn 2010, to fully exploit Manchester city centre as generator of employment growth that attracts new jobs through a combination of inward investment, growth of existing key sectors and increasing levels of entrepreneurship. A review conducted by JCP into residents accessing city centre jobs had provided the rationale for the Suite. It highlighted that whilst the city centre is surrounded by some of the most deprived communities with the highest levels of worklessness, our residents from these neighbourhoods were not taking advantage of the opportunities available.
- 6.4 The Manchester Employer Suite is a partnership between MCC and JCP that provides Manchester businesses a central point of employer interviewing facilities and pre-screened, job-ready candidates at no cost. It has enabled us to ensure that residents from our most deprived communities receive the training and support that they need to find and sustain work with these employers, whilst meeting and exceeding the quality standards expected by employers whatever their size and needs.
- 6.5 The Manchester Employer Suite engaged with 5,795 Manchester residents between April 2011 - October 2012, of which 1,202 (20.7%) achieved employment within 13 weeks. A breakdown of engagement and outcomes by SRF area and postcode is provided in Appendix 2. N.B. Engagement includes generic or tailored pre-recruitment support and not all residents proceed to interview stage until they meet employer requirements. Many need work experience or more industry specific requirements such as criminal record clearance or the security industry Authority Licence for example. Where a resident is unable to meet the fund this, JCP may be able to cover costs.
- 6.6 Since the start of the project the Employer Suite has worked with over 150 employers from a range of sectors, including: AEGIS, RBS, Taco Bell, Jamie Oliver and Marks and Spencer, supporting them to recruit to their vacancies.

Case Study 1: Working With the Financial and Professional Services Sector

- 6.7 Over the last year, the Manchester Employer Suite has been supporting the recruitment needs of Aegis. Aegis is a business services company, which provides back office service functions for other multi-national company: these services include recruitment, technology, education, and consultancy outsourcing support. An example of successful inward investment, the Manchester Inward Development Agency Service (MIDAS), introduced Aegis to Manchester City Council and the Manchester Employer Suite, as part of a package of support that would strengthen the Manchester case for the Aegis'

relocation.

- 6.8 Aegis relocated in September 2011, and from the initial recruitment, 39 jobseekers gained employment directly through the Employer Suite support. Other Manchester residents found work with Aegis through other pre-employment support.
- 6.9 As a global business services management company, Aegis have engaged and developed their business in Manchester, providing business solutions for RBS, Swinton Insurance, CFS, Harrison Brookes and the AA to name but a few. Following the initial support provided, Aegis reengaged with the Manchester Employer Suite for further help in the recruitment of staff, for both themselves and their business partners.
- 6.10 Further support provided to Aegis by the Manchester Employer Suite has included:
- Employer Suite Call Centre Jobsfair held April 2012. In total 245 people attended of which 92 have since left benefit/found work with a number of call centre operators based in the City Centre.
 - Employer Suite Call Centre Jobsfair held June 2012. In total 397 people attended of which 195 have since left benefit/found work
 - Aegis also attended a number of Youth Events held at local Manchester Jobcentre's and attended the JobsCity event in East Manchester in Feb 2012.
- 6.11 The work with Aegis and for Aegis on behalf of RBS, has allowed Jobcentre Plus and the City Council to get a better appreciation of the challenges and difficulties when working with the financial and professional services sector. For example, we now understand that a large proportion of our workless residents are excluded from work within the banking sector, not just because of skills levels, but also due to poor credit histories. This is also reported as a barrier to Manchester residents gaining work by the Work Programme prime contractors.
- 6.12 This has been reflected in the small than expected numbers of job outcomes on the Aegis work with RBS. Many of the clients put forward for RBS roles, while being job ready and having the motivation to work in the sector, were unable to pass the credit check stage of the recruitment process. Further investigation with Aegis, determined the standard for this check was set as 1 missed credit payment (bank loan, credit card, mobile phone direct debit) in a 2 yr period. Given the debt levels of many of the poorer households in the City (subject of a separate report to Scrutiny), it is clearly of concern that this is an additional barrier to them accessing employment opportunities in the key growth sector.

Case Study 2: Working with Neighbourhood Regeneration Teams

- 6.13 Whilst the Employer Suite is a central resource mainly utilised for city centre vacancies, activity delivered locally within regeneration areas plays a key part in delivering the local benefit agenda. The Neighbourhood Regeneration Teams (NRT) co-ordinate activity, to ensure that residents in each SRF area

are supported into both city centre vacancies and other more local opportunities. This is particularly an issue for Wythenshawe where travel into the city centre is more of a problem but where there are significant employment opportunities and predicted employment growth within the Airport City Enterprise Zone.

- 6.14 An example of how the NRTs play a role in supporting large scale recruitment is the activity coordinated by the North NRT in summer 2011. Hundreds of new jobs became available as four national businesses; Tesco, Sainsbury's, Marks & Spencer and Travelodge increased their investment in the area.
- 6.15 North NRT led the recruitment partnership with Job Centre Plus and supported residents into these vacancies by promoting them and the support available to apply for them at community venues. The role of the NRT was critical in terms of the planning agreements on these developments and therefore having the ability to influence local benefit outcomes.
- 6.16 Tailored pre-recruitment training and four local recruitment open days were delivered with employers and training providers in community venues. During a two month period, Tesco staff were based at the Employer Suite to facilitate and used for the delivery of their recruitment processes including interviews and initial staff induction.

This approach resulted in:

- 1,375 residents attending recruitment days with signposting to further support and training
 - Employment of 409 new staff, with 195 from the North Manchester area via a supported recruitment process
 - A further 100 jobs made available via an open recruitment process.
- 6.17 In order to address barriers to more formal learning opportunities, South Manchester Regeneration Team has developed a network of Learning Hubs across the area. Learning Hubs are community-based centres, located in neighbourhoods with high levels of worklessness. They often have wider objectives than purely adult learning and provide a wide range of courses, advice and information that engage local people and support them into employment.
- 6.18 Detailed business plans are being developed for the three initial learning Hubs in the South with the assistance of Southway Housing Trust and South NRT (Barlow Moor, Westcroft and Ladybarn). MAES has delivered taster sessions in maths, English, IT and arts and crafts with a view to progressing learners into mainstream learning and pre-recruitment opportunities. Work Solutions delivered two pre-recruitment programmes for John Lewis out of one South learning hub resulting in 11 South Manchester residents gaining employment. Vacancies identified by NRTs or the Employer Suite are cross communicated to ensure that pre- recruitment training provision is delivered so that local residents benefit from local opportunities.
- 6.19 MCC has also worked closely with JCP to develop work clubs across the city,

which act as a local engagement mechanism for residents to receive the support needed to move them onto the Employer Suite caseload or take advantage of local job opportunities. Across the city, 26 work clubs have been set up and delivered by many local organisations in partnership with volunteers and supported by Jobcentre plus, MCC and training providers. Many are co-located with learning hubs or other services which supports engagement and progression. Recently a mapping exercise has been carried out to ensure that work clubs have a presence in deprived areas and that they are linked in with the Employer Suite and other opportunities to progress local people who attend into work. A list of work clubs across the City is attached as Appendix 3.

- 6.20 An example of a well established work club is 'The Works'. This is an employer led work club based at the former Alexandra Park Housing Office. It is a partnership between The University of Manchester, Manchester Metropolitan University, City South Housing Trust and Work Solutions with Manchester City Council providing the venue at nil rent. The Works is open Monday to Friday from 9am until 5pm and offers residents access to pre-employment courses and ring fenced employment opportunities at the local universities and hospitals.
- 6.21 Since 'The Works' went live in early 2011, approximately 2,000 people have registered, over 1,000 people have attended a training course and nearly 600 vacancies have been filled. This success at linking local residents to employment opportunities with The Corridor partners and other employers has led to a new branch of The Works opening in May 2012 at Brunswick Church in Ardwick.

Case Study 3: Links between Employers and Schools

- 6.22 Members will be aware of the approach the City adopted to the development of academies, where major employers in the key growth sectors sponsored the academies along with Manchester City Council, the Manchester College and other key stakeholders. However, beyond that there are a number of other initiatives that link employers with schools.
- 6.23 The Business in the Community (BITC) Business Class programme is a Government-endorsed programme which provides a systematic and proven framework for developing partnerships between businesses and schools that are rooted in the needs of the school. It is a long-term relationship between a business and a school and typically lasts a minimum of 3 years. Business Class was launched in the Burnley in 2008 and rolled out in Manchester and other parts of the North West in 2009. There are now over 200 Business Class partnerships across the UK.
- 6.24 The programme works with Local Authorities and partners to identify schools that would particularly benefit from engagement and support from a business. A cluster of schools in a local area is then established. Each school is matched with a local business, and BITC helps each school and its business partner to build an action plan based on four priority areas: leadership and

governance; the curriculum; enterprise and employability; and wider issues. BITC convenes termly cluster meetings to share best practice, update on activity and agree combined actions. Below is a list of Manchester schools involved in the programme along with their business partner:

School	Business Partner
Manchester Creative and Media Academy - Boys	KPMG
Manchester Communications Academy	LBM
Whalley Range	Manchester Working
St Peter's RC High School	Pannone / Deloitte
St Paul's Catholic High School	Pets at Home
Our Lady's RC High School	PWC
The Barlow RC High School	Siemens
Parrs Wood	Styles & Wood
St Matthews RC school	Wates
Newall Green High School	World Duty Free
Abraham Moss	Yorkshire Bank

6.25 The City Council's Executive agreed in November, to establish a Strategic Education Partnership, chaired by the Leader of the Council and create a Manchester Schools Alliance. These proposals when implemented will strengthen and enhance existing partnerships and better link the education and skills sector with the City's growth strategy. A new post of Director for Education and Skills was also agreed. The post holder will strengthen partnerships within and across the education, skills and business sectors and provide a single focus for exercising a strong commissioning role for education and skills.

7 Conclusion

7.1 The Employer Ownership of Skills and City Deal gives the Work and Skill partnership the opportunity to influence the skills system and make sure it aligns to the City growth sectors. However, with a large volume of residents having low or no skills in an economy that will be demanding higher level skills, it is crucial that we develop pathways into employment so that all residents can access the jobs in the City.

7.2 The extra intelligence gained from the Skill Funding Agency will allow us to better understand the skills offer and skills levels in Manchester. The new information from Census 2011, expected in spring 2013, will add to our developing understanding of skills at a ward level. This intelligence needs to be turned into to effective partnership activity to address issues for priority groups and neighbourhoods.

7.3 With The Manchester College and MAES delivering training to 70% of all Manchester learners, by working more closely together, there is a great opportunity to make sure the skills offer links delivery to the City's growth sectors and help more residents access and sustain work. It is important to ensure that there is a skills escalator in place to ensure that once in work,

residents can continue to enhance their skills and qualifications both to ensure that work is sustainable for them and their families and to increase productivity for businesses and the economy. The Community Budgets for Complex families report being considered elsewhere in the agenda outlines how work and skills can be brought together more effectively for residents who are furthest from the labour market.

- 7.4 The Work and Skills Partnership has a strong track record of supporting residents into the Health, Education, Retail, Hospitality and Leisure sector. However, it is very important that more effective pathways are built with the financial and professional services sector, as over the next decade this sector will see the largest employment growth. The partnership need to learn from the Apprenticeship in Manchester group's approach to working with this sector, as it has been very effective in raising awareness of apprenticeship opportunities and securing them for local residents.
- 7.5 JobCentre Plus, through Universal Job-Match is changing the way that vacancies in the economy can be measured. This new system should provider the Work and Skills Partnership with better intelligence of the skill requirements of recruiters/ those needed for the jobs available and of those attempting to apply for them. This intelligence will better enable us to plan pre-employment and skills provision in the City.
- 7.6 Medium term employment growth - Airport City, Etihad Campus, City Centre Growth (Civic Quarter and Creative Quarter, NOMA) and aligning the skills system to this employment growth will be crucial if we are to maximise the number of Manchester residents moving back into employment. However, we need to understand better the skill levels and types of the job being created in order to align the local skills offer to upcoming employment opportunities. We are currently working with Airport City Enterprise Zone, Ekosgen and the New Economy to develop an effective model for this.
- 7.7 Finally, the GMFM has shown that Manchester's growth sectors will increasingly have a need for skills NVQ 4+. However, whilst the 2011 Greater Manchester Forecasting Model predicts that Manchester will continue to have a high proportion of residents skilled to degree level, it is unclear how changes to university funding will impact on this in the future. Therefore it is crucial that we increase the number of Manchester school leavers and young people accessing level 3 education and training and above, including expanding the pathways via higher apprenticeships etc. There is also a need for smarter working with Manchester's Universities. To aid this work AGMA are in the process of developing higher education labour market intelligence analysis for Greater Manchester.

Appendix 1 - Proposed GM Skills Priorities

Note: these priorities have been agreed by the GM Skills and Employment Partnership, and they have been recommended to the LEP and CA for approval (Mid Dec 2012)

Opportunity / challenge identified in the <i>GM Skills Analysis</i>	Proposed priority agreed by the Skills and Employment Partnership
<p>Generally weak labour market conditions, high youth unemployment and benefit reforms expected to move significant numbers of inactive benefit claimants further towards the labour market.</p>	<ol style="list-style-type: none"> 1. To develop high quality skills programmes that include a broad wrap-around support offer for unemployed individuals, particularly for young people and those who have previously been inactive benefit claimants. 2. To improve the quality and effectiveness of skills programmes in supporting unemployed individuals to secure job outcomes, including Apprenticeships.
<p>Benefit reform is also likely to increasingly affect those in work and claiming tax credits. Skills policy has a role in facilitating these individuals to earn higher incomes.</p> <p>One in six Greater Manchester employers have staff who are not fully proficient in their role. This is particularly the case for roles traditionally associated with level 2 or below skills – sales and customer services, admin and clerical and elementary occupations.</p>	<ol style="list-style-type: none"> 3. To provide high quality programmes of skills training for low paid and/or low skilled employees, particularly those working in high churn sectors (e.g. retail, hospitality) and/or in part-time or temporary jobs. 4. To involve employers in the design of that training and encourage their investment in the skills of their workforce. 5. To ensure that those who have recently undertaken skills training while unemployed but who are now in-work have the opportunity to continue their learning.
<p>Technological developments in a number of industrial sectors mean that existing staff have an outdated skills-base as do those in the wider labour market. This issue is particularly acute in sectors that have an aging workforce.</p>	<ol style="list-style-type: none"> 6. To work with employers to better understand the emerging skills requirements they expect to have in the next 5-10 years as a result of technological developments. 7. To provide programmes of high quality skills training for those who are working, or wishing to work, in sectors and occupations where the required skills-base is changing due to e.g. technological developments and/or where there is an aging workforce.

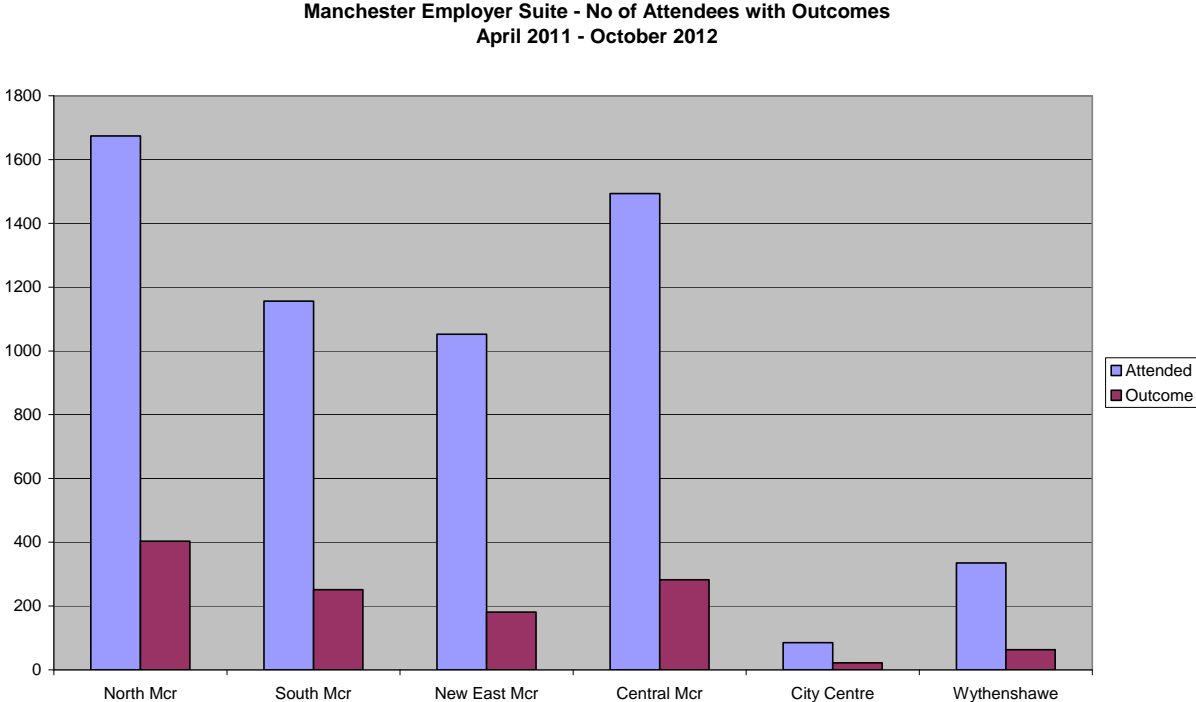
Opportunity / challenge identified in the <i>GM Skills Analysis</i>	Proposed priority agreed by the Skills and Employment Partnership
<p>23% of skills shortage vacancies in Greater Manchester are caused by a lack of strategic management skills and 16% of skills gaps in the current workforce are identified as being due to a lack of strategic management skills.</p>	<p>8. To increase participation in high quality leadership and management training.</p> <p>9. To ensure that leadership and management training meets employers' and individuals' needs.</p>
<p>Employers believe that many young people coming out of school, college and university are ill prepared for work and lack the right "attitude, personality or motivation" and "working world/life experience".</p> <p>Employers stress the importance of "soft skills", such as planning and organisation, customer handling, and "attitude, motivation and personality".</p>	<p>10. To increase the scale and/or improve the effectiveness of 'employability' training that is embedded in skills programmes.</p> <p>11. To involve employers in the design and delivery of employability training and in offering work experience opportunities, etc. as part of skills programmes.</p> <p>12. To establish a high quality 'core employability offer' across GM that can be recognised by employers as high quality provision and to ensure this core offer is available across GM.</p>
<p>Across all sectors and occupations there is a growing requirement for level 3 and above qualifications.</p>	<p>13. To increase the availability and take-up of Level 3+ provision including Advanced Apprenticeships and through progression from Level 2 programmes (Apprenticeships and others) including academic-vocational and vocational-academic routes.</p>
<p>Employment and/or GVA growth and high levels of skills demand are expected to be driven by:</p> <ul style="list-style-type: none"> • financial and professional services; • health and social care; • education; • creative and digital industries; and • advanced manufacturing. <p>Significant employment opportunities, where there are also risks that supply does not meet demand, are concentrated in :</p> <ul style="list-style-type: none"> • retail; 	<p>14. To increase the scale of participation in provision at all levels that meets the skills needs of employers in growth sectors, including through Apprenticeships.</p> <p>15. To involve employers in the design of that training and encourage their investment in the skills of their future and potential workforce.</p> <p>16. To increase the incidence of progression from Level 2 to Level 3 provision and Level 3 to Level 4 including academic-vocational and vocational-academic progression routes.</p> <p>17. To ensure that IAG, available to young</p>

Opportunity / challenge identified in the <i>GM Skills Analysis</i>	Proposed priority agreed by the Skills and Employment Partnership
<ul style="list-style-type: none"> • logistics; and • hospitality and tourism. 	<p>people and adults, promotes the opportunities available in growth sectors and provides information about entry points, progression routes, etc.</p>
<p>Outside of that funded by HEFCE, Level 4 and above learning (including Higher Apprenticeships) remains very low and is considered key to the growth of specific sectors.</p>	<p>18. To better understand those sectors/occupations where Level 4+ skills are important.</p> <p>19. To increase the availability and take-up of high quality Level 4 provision within those sectors/occupations including Apprenticeships.</p> <p>20. To increase the incidence of progression from Level 3 to Level 4 within those sectors/occupations including academic-vocational and vocational-academic progression routes.</p>

Appendix 2 – The Manchester Employer Suite

Fig.1

Manchester Employer Suite - Total Attendees and Outcomes by SRF Area



Appendix 3 Current Manchester Work Clubs November 2012

SRF Area	Nearest JCP Office	Name	Address	Postcode	Work Club Tel Number	Contact Name	E-mail Contact
Central	ALEXANDRA PARK	The Works - Moss Side	130 Alexander Rd, Moss Side, Manchester	M16 7WD	0161 3593388	Khalida Baksh and Nicola Burns	khalida.baksh@work-solutions.org.uk, nicola.burns@neweconomymanchester.com,
Central	LONGSIGHT	Impact for All	372-376a Dickenson Rd, Longsight	M13 0WQ	0161 224 4564	Riaz Khokhar	i4amanchester@gmail.com
Central	LONGSIGHT	The Limes	76 Daisy Bank Rd, Victoria Park, Longsight	M14 5GL	0161 225 6817	Pauline Gaye	paulineg@ch1.org.uk, jackiem@ch1.org.uk
Central	LONGSIGHT	Ida Kinsey Centre	117 Guide Post Street (Grove Village), Ardwick	M13 9HP	07912 773751 or 0161 202 8305 (NCS) (07940 425 212 David)	David Tomlinson	grovevillageresidents@gmail.com
Central	LONGSIGHT	The Deaf Centre	Crawford House, Booth Street East, Manchester	M13 9GH	0777 551 3569	Beverley Roberts	Beverley.Roberts@manchesterdeafcentre.com
Central	RUSHOLME	Somali Golden Centre	7 Greenheys Lane, Hulme	M15 6NQ	0161 226 9288	Nassra Aden	nasra37@hotmail.co.uk

Central	RUSHOLME	Focussing First on People	169 Princess Rd, Rusholme	M14 4RL	0161 232 1716	Abdi Yusef	info@ffop.co.uk, abdi@ffop.co.uk, awaleh@ffop.co.uk
Central		The Works - Brunswick	Brunswick Parish Church, Brunswick Street, Manchester	M13 9TQ	0161 272 9860	Khalida Baksh and Nicola Burns	khalida.baksh@work-solutions.org.uk, nicola.burns@neweconomymanchester.com,
Central	RUSHOLME	Trinity Work Club	Trinity House Community Resource Centre, Grove Close (off Platt Lane), Rusholme, Manchester	M14 5AA	0161 225 1064	Lydia Anthony	lydia@trinityhousecrc.org.uk
Central	LONGSIGHT	Breakthrough UK Disabled Persons Job Club	The Manchester Employment Team Aired Close Ardwick Manchester	M12 4AN	0161 273 5412	Kevin Taylor	Kevin Taylor <k.taylor@breakthrough-uk.co.uk>
North		Harpurhey Neighbourhood Project	Carisbrook Street, Near Conran Street Market	M9 5UX	7.91E+09	Collette Carole	cmb.carroll@gmail.com
North	CHEETHAM HILL	Trinity Church Welcome Centre	Greenhill Road, Cheetham Hill	M8 9LG	7.91E+09	Collette Carole	cmb.carroll@gmail.com

North	NEWTON HEATH	Lalley Welcome Centre	Currently St Saviours Church on Eggington Street St Malachy's School, Eggington Street, Collyhurst	M40 7RG	7.91E+09	Collette Carole	cmb.carroll@gmail.com
North	NEWTON HEATH	Whitemoss Club	Southdown Crescent, Charlestown	M9 7DQ	7.91E+09	Collette Carole	cmb.carroll@gmail.com, johnwhitemoss@googlemail.com
North	CHEETHAM HILL	The Waterloo Centre	389 Waterloo Road, Cheetham Hill	M8 9AB	0161 795 4121	Gurnham Singh	gurnamsingh2010@gmail.com
North	CHEETHAM HILL	Cheetham Christian Centre	1 Tamerton Drive, Cheetham Hill	M8 0DH	0161 792 4148	Sharon Thomas	cheethamhillntcg@btconnect.com
North	CHEETHAM HILL	Upturn Enterprise	The Cheetwood Centre (Big Life) 41 Allesley Drive, Cheetwood	M7 4YE	0)161 652 9000	Anwar Ali	Anwar.Ali@upturn.org.uk
North	Harpurhey	The Manchester College					
East	Newton Heath	Stirling Centre	6 Coleridge Street, Newton Heath, Manchester	M40 1RX	0792 2644407	Les and Jane Chadfield	cstar.manchester@yahoo.co.uk

East	OPENSHAW	The Grange - 4CT	Pilgrim Drive, Beswick	M11 3TQ	0161 230 1420	Claire Evans	claire.evans.4ct@btconnect.com, v.keelan.4ct@btconnect.com,
East	OPENSHAW	Oasis Community Centre	Collier House, Wellington St, Gorton	M18 8TX	07749 078 764	Lizzy Watson	oasisineastmanchester@live.com, Gwr.oasis@live.co.uk
East	OPENSHAW	Justlife	1479-1478 Ashton Old Road, Openshaw	M11 1HH	0161 285 5888	Alex Rose	alex@justlife.org.uk
East	Bradford	The Manchester College, New Roundhouse	Manchester Settlement, 1328-1330 Ashton Old Road, Openshaw, Manchester	M11 1JG			-
East		Back on Track	4th Floor, Swan Buildings, Manchester	M4 5JW	0161 834 1661	Clare Grindrod	clare@backontrackmanchester.org.uk, paula@backontrackmanchester.org.uk, kate@backontrackmanchester.org.uk,
East		The Mustard Tree	110 Oldham Road, Ancoats, Manchester	M4 6AG	0161 228 7331	Johnny Bushell	johnny@mustardtree.co.uk

South	CHORLTON	Barlow Moor Community Association	Merseybank Ave, Chorlton	M21 7NT	0161 448 8232	Julie Mrozek and Margaret Sutherland	margaret@paramount-online.co.uk, bmca23@hotmail.co.uk
South	Chorlton	Chorlton Central Community Centre		M21 8BF	860 5921	Phil Harrison	yourc4@gmail.com
South	DIDSBURY	Westcroft Community Project	24-26 Westcroft Rd, Burnage	M20 6EF	0161 448 8232	Diane Roege	westcroftcommunityproject@gmail.com
South	LONGSIGHT	Inspire Work Club	The Inspire Centre, 747 Stockport Road, Levenshulme	M19 3AR	850 5717	Munyi Mwara	Munyi.mwara@lev-inspire.org.uk
South	LONGSIGHT	St Mary's Parochial Church	Levenshulme	M19 3PY	07767 497625	Marion Quinn	marionq32@googlemail.com
Wythenshawe	WYTHENSHAWE	Thorngrove House (Harvest Housing)	Flat 6 Thorngrove House, Thorngrove Ave, Baguley	M23 9PQ	0161 912 4671	Kate Eastwood & Collette Carroll	Kate.Eastwood@yourhousinggroup.co.uk, cmb.carroll@gmail.com
Wythenshawe	WYTHENSHAWE	Woodville Community Centre	130 Sale Rd, Northern Moor	M23 0BX	0161 945 8940	James Lowe	james@edstart.org.uk
Wythenshawe	WYTHENSHAWE	Royal Oak Community Centre	Brookcot Road, Royal Oak, Wythenshawe	M23 1DU	0161 998 2146	Gina Hall	ginahall@btinternet.com

Wythenshawe	WYTHENSHAWE	The Manchester College, Wythenshawe Campus	Hollyhedge Road, Wythenshawe		07514 553093	Steve Hulmes	shulmes@themanchestercollege.ac.uk
City Centre		The International Learning Centre	Clarendon House, 2 nd Floor, 81 Mosely St, Manchester	M2 3LQ	0161 870 5740	Lauren Howe	lauren.howe@internationallearningcentre.com
City Centre		The Booth Centre	Manchester Cathedral, Victoria Street, Manchester	M3 1SX	016 835 2499	Kate McSweeney	kate@boothcentre.org.uk