

Economy Scrutiny Committee

Minutes of the meeting held on 17 July 2013

Present:

Councillor Green – in the Chair
Councillors Barrett, Chamberlain, Chappell, Davies, Karney, Keegan, Ollerhead, Pritchard, Raikes, Razaq, Richards, Simcock, Smitheman and Stogia.

Councillor N Murphy, Executive Member for the Environment
Councillor S Murphy, Deputy Leader of the Council
Councillor Paul

Jonathan Beadman, Seetec
Gary Bennett, Avanta
Gleason Bradburn, Avanta
Phil Royle, Jobcentre Plus
George Selmer, G4s
Mike Wild, Macc (Manchester Alliance for Community Central)

Apologies

Councillors Hackett, Taylor and Walters

ESC/13/32 Minutes

Decision

To approve the minutes of the meetings on 17 June 2013.

ESC/13/33 Digital Strategy Update

A report of the Assistant Chief Executive (Communications and ICT) was submitted to the meeting which provided an update on the progress being made on the Digital City Strategy for Manchester and the revised proposals for the Urban Broadband Fund (UBF). The Assistant Chief Executive introduced the aspects of the report relating to the UBF. She explained that Manchester had secured £12m funding for an ambitious plan to provide broadband infrastructure which would support the delivery of economic and social outcomes for businesses and residents, with almost 100% broadband coverage across the city. However, the European Commission has changed the guidelines for urban areas, including Manchester, which has delayed the programme and the Department for Culture Media and Sport asked for a rescoped bid which did not have State Aid implications. The revised bid has been submitted and includes a voucher scheme for business connectivity, wireless in public buildings, wifi on public transport, some research and development projects and ducting for the Airport Enterprise zone. To ensure that the bid does not have State Aid implications, the ability to ensure that all residents have access to super fast broadband is now limited.

The Committee was disappointed at the news that Manchester's initial plans would not be enacted upon. Members asked what efforts had been made to change the guidelines, and whether local Members of the European Parliament (MEPs) had been contacted. The Executive Member for the Environment explained that Birmingham Council challenged the change in guidelines, but the Department for Culture, Media and Sport (DCMS) did not follow this up. He confirmed that local MEPs had not been contacted. The Deputy Leader added that there had been some lobbying taking place, but it was not initially clear how much the change would affect Manchester, and in future rounds of funding, the Council would put more pressure on for a better deal for the city. The members were disappointed that this had led to Manchester residents losing out, and urged the Executive Member for Environment and the Deputy Leader to use local MEPs in the future for all matters relating to the European Union. The Assistant Chief Executive explained that internet companies provided 80-85% superfast broadband coverage across the city, but the remaining 15-20% are generally the most deprived areas in the city, in Wythenshawe, north and east Manchester. She said there was work going on in these areas to communicate what residents needed to do to show there is demand for this service. The Executive Member for the Environment explained this campaigning was being set up and would involve the Go On Campaign and digital champions.

Members agreed that it would be useful to invite the internet providers to a future meeting of the Committee to hear their views on this. A member noted that there was intense competition between the providers, which Manchester Council could use to secure advantaged for the city's residents. The Executive Member for the Environment agreed that as internet provision was a new utility, the Council was exploring ways to jointly commission it to save money. The Assistant Chief Executive said Council officers met with the providers regularly and a mapping exercise was currently being carried out on exactly where has broadband and where has not, which she offered to share with members.

The Head of the Digital Strategy then gave a presentation which updated the Committee on progress with the Digital Strategy. The key points she made were:

- More than 900 people had signed up as Digital Champions
- Small and medium enterprises were being supported in their skills needs
- Partnerships between schools, further education providers and universities with businesses were being established.
- The presentation also included a film on Future Everything, a conference on digital innovation.

A member asked for more information on the digital champions, including where they were based in the city and whether they were based where need was greatest. The Assistant Chief Executive offered to provide this information. She confirmed that the volunteers would be matched with the need. There was also an aim to have digital champions helping businesses.

A member asked for more information on Sharp Futures. The Head of Regeneration explained that Sharp Futures wanted to expand without diluting its effectiveness or becoming a mass training provider. A model for how to achieve this was being developed. Sharp Futures was also supporting the Greater Manchester Apprenticeship Hub. The Assistant Chief Executive added that Manchester Digital

has a service that matches apprenticeship placements with schools. Communicating effectively to young people is key, so the Manchester Schools Alliance would be involved.

The Head of Digital Strategy confirmed that the target number of schools with a Code Club was 32, of which eight had so far been achieved. She said an event had been held the previous week in which 15 schools had attended and pledged to develop a code club including two secondary schools who committed to support their feeder primary schools to develop them. She said that Code Clubs needed volunteers. The Executive Member for the Environment added that the Schools Music Service was also involved in code clubs.

Members asked what support councillors could have in developing their digital skills and accessing technology. The Assistant Chief Executive explained that two training courses had been run for members on how to use technology, including social media, and being a Digital Champion. She confirmed that more could be set up. She also said there was a BYO (bring your own) strategy for councillors to link their personal equipment up with the Council email etc.

The Assistant Chief Executive confirmed that she was confident Manchester would achieve Digital City status by 2020.

Decision

1. To urge the Executive Member for the Environment and the Deputy Leader to ensure that they involve local Members of the European Parliament when lobbying over matters relating to the European Union.
2. To invite the representatives from the internet providers to a future meeting of the Committee, to discuss the matters raised in this meeting.
3. To request that the Assistant Chief Executive provide further information on the Digital Champions, including where they are based, and an update on progress with Code Clubs at a suitable date.

ESC/13/34 The Work Programme – update on performance

A report of the Interim Head of Regeneration was submitted to the Committee which provided an update on the performance of the Work Programme, the government's welfare to work scheme, in Manchester. The Committee welcomed representatives from the three prime contractors who deliver the Work Programme: Gleason Bradburn and Gary Bennett of Avanta, George Selmer of G4S and Jonathan Beadman of Seetec. The Committee also welcomed Phil Royle from Jobcentre Plus.

The Committee welcomed the improvement for people claiming Job Seekers Allowance (JSA) since the last time they considered the Work Programme in January 2013. However, members were disappointed that there was no improvement in the figures for the harder to reach groups: those claiming JSA who were previously on Incapacity Benefit (IB), those claiming Employment Support Allowance (ESA) who were previously claiming IB and those claiming Income Support who have

volunteered to be referred to the work programme.

Members asked if this was because Jobcentre Plus were delaying or avoiding referring people in those groups to the prime contractors. Mr Royle assured the Committee that Jobcentre Plus was doing everything it could, and the government had made referral of those groups to the Work Programme mandatory. He said the number of referrals had increased, but that they were extremely difficult groups to engage with and were not always willing to take up the support. The representatives from the prime contractors felt, however, that Jobcentre Plus could do more and that they were all missing an opportunity for people, particularly those on IB.

The Committee discussed the value for money of the Work Programme. A member estimated that the prime contractors had received approximately £50m between them, but had not achieved their targets and suggested this did not demonstrate good value for money. Mr Selmer disagreed, and said while the figure seemed approximately correct, though he could not confirm it at that time, this was for the whole of Greater Manchester, Cheshire and Warrington, an area covering 14 local authorities with 100,000 jobseekers. He said this amount of money was significantly less than there had been for the New Deal, the programme under the previous government, but the Work Programme is achieving the same outcomes for JSA claimants during worse economic circumstances. The Committee accepted and welcomed that, but felt that the performance for those groups that are hardest to reach was not acceptable. Mr Beadman acknowledged that Seetec was not meeting its targets, and informed the Committee that it was under a stringent performance plan with the Department for Work and Pensions (DWP), and risked losing the contract if it did not improve.

The Committee felt that the prime contractors should make better use of the voluntary and community sector (VCS), which often had excellent links to local communities. Members specified a community centre in Longsight which had better performance rates than the prime contractors and a church hall in Ardwick which had helped over 1000 people find employment. Members were disappointed with a comment by Mr Selmer that VCS organisations should approach the prime contractors, as they felt that, given that the prime contractors were responsible for getting people in to work and that many VCS organisations lacked resources, prime contractors should be seeking the help, support and expertise of the VCS. The representatives from the prime contractors reassured members that they did work closely with VCS organisations, but it was difficult to do this in a cohesive way as many groups worked in very small localities. Members felt this approach was wrong, and it was in fact the localised nature of many VCS organisations that enabled them to be so effective, as they knew their communities so well. The Committee urged the representatives to contact Macc (Manchester Alliance for Community Care), GMCVO (Greater Manchester Centre for Voluntary Organisations) and Voluntary Sector North West to improve this aspect of the scheme.

A member asked for more detail on how the prime contractors supported people with poor IT skills. Mr Selmer acknowledged this was vital, as long term jobseekers with basic IT skills are 75% more likely to be hired. He said everyone had basic IT training, and it was important to ensure that it is specifically about finding a job, such as how to search and how to apply.

A member asked whether the prime contractors made use of zero hour contracts. Mr Selmer confirmed that, despite misgivings, the prime contractors had to, as this is what is available in many cases. He reassured members that it only counted if the person was in work for more than 16 hours a week. He said that it was often taking up to eight separate sequential jobs to achieve the successful outcome of three months in employment.

The Committee agreed to invite the representatives of the prime contractors back to a future meeting in approximately six months to discuss progress. The Committee wanted to have more information at this meeting about what the prime contractors were doing to improve, particularly for the specific hard to reach groups. The Committee wanted the prime contractors to provide specific targets and detail of their performance against those targets. Mr Beadman said that as Seetec were under a notice to improve by the DWP, there were significant actions they were taking, which he was confident would improve performance. Mr Selmer said G4S had strong plans for improving engagement with employers and offered to bring back more details on specific strategies, which the Committee welcomed.

Decision

To invite representatives of the prime contractors back to a meeting of the Committee in approximately six months to discuss progress. To request information on:

- what the prime contractors are doing to improve performance, specifically for the hardest to reach groups;
- what aspects of their approach to delivering the Work Programme they have changed to improve performance;
- detailed targets and performance against them;
- details on specific strategies to improve performance.

ESC/13/35 Impact of funding cuts to the Third Sector

A report of the Deputy Chief Executive (Performance) was submitted to the Committee which provided a detailed analysis of the impact of budget reductions to third sector organisations in Manchester. The Committee welcomed Mike Wild of Macc (Manchester Alliance for Community Care) to the meeting.

A member said that it seemed from his ward that third sector organisations were increasingly focusing on helping people into work or develop skills and asked for more detail on this. Mr Wild explained that exact details of whether there has been an increase were not available, as the details in the report are based on the first ever City of Manchester State of the Voluntary Sector 2013 survey. Another survey would be carried out in two years, which would start to map such trends.

The Committee discussed very small organisations with few resources, which were at greater risk of failing. The Deputy Chief Executive agreed that there is a difficulty with groups facing a reduction in resources and increased demand at same time, which was exacerbated in Manchester by the level of deprivation. He said Manchester Council was working to understand the cumulative impact of funding reductions on small organisations, and working to protect those which make a contribution to

achieving the priorities of the Council. Mr Wild said there were 1987 micro organisations in Manchester, which mainly wanted small grants for activities. Macc offers a training service for grant funding, which was very popular, and Macc uses this as a way to make contact with groups. He added that councillors were vital for putting organisations in touch with Macc.

Members welcomed that the recent grant funding agreements were for three years as this gives organisations some stability, but asked how the Council would ensure they are meeting agreed performance. The Deputy Chief Executive explained that the separate funding for third sector organisations had now been brought together into the integrated commissioning hub, which would enable greater understanding of how an organisation is funded and its stability. The VCFS Development Manager confirmed that their performance would be monitored, and all organisations must carry out evaluations and quarterly monitoring reports. The Deputy Leader added that although grant funding was for three years, in some cases the Council only funded one year at a time, so groups must prove they are performing in order to receive funding for the second and third years. The Committee asked for all councillors to be involved in funding decision throughout the plan, as they could provide local knowledge and expertise.

The Committee felt that the report did not enable them to get a real understanding of the impact that funding reductions have had on third sector organisations. Members noted that the report did not distinguish clearly between funding from the Council and other sources. The Committee agreed to return to this subject at a future date, and to hear directly from representatives of the third sector organisations on the impact of the changes. Members specified that they wanted to understand the stories and background of groups, rather than descriptions and figures.

Decision

To return to this subject at a future date. To invite representatives of third sector organisations to hear their personal experiences of the impact of funding cuts on their organisation and the people they help.

ESC/13/36 Draft Terms of Reference for the Environmental Sustainability Subgroup

A report of the Governance and Scrutiny Support Unit was submitted to the meeting which set out the proposed terms of reference for the Environmental Sustainability Subgroup. The Chair informed the Committee that the Neighbourhoods Scrutiny Committee had discussed the Subgroup at its meeting the previous day, and had suggested that, given the cross over with its remit, the group is a joint subgroup between the two committees. The Economy Scrutiny Committee welcomed this, and their suggestion of members to appoint. Councillor Paul also asked to be appointed to the membership.

Decision

1. To agree the terms of reference for the Environmental Sustainability Subgroup.

2. To appoint Councillors Chamberlain, Chappell, Curley, Gillard, Hennigan, Richards, Ollerhead, Paul, Shone, Simcock, and Stogia to the membership of the Subgroup.
3. To appoint Councillor Chappell as Chair of the Subgroup.

ESC/13/31 Overview Report

The Committee considered a report of the Governance and Scrutiny Support Unit which provided a summary of the key decisions due to be taken that are relevant to its remit, an update on actions taken as a result of recommendations and the current work programme. The Overview Report also included the most recent Real Time Economy Dashboard.

The Committee had discussed the work programme for the forthcoming year at its premeeting, and noted that an updated work programme containing these changes would be submitted to the next meeting of the Committee.

Decision

To agree the work programme.