

Economy Scrutiny Committee

Minutes of the meeting held on 16 October 2013

Present:

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

Councillor Leese, Leader of the Council
Councillor Lone, Assistant Executive Member for Adults, Health and Wellbeing
Councillor S Murphy, Deputy Leader of the Council

Pauline Gaye, Chapter 1, the Limes
Jackie McCarron, Chapter 1, the Limes
Dean Ashton, Chapter 1, the Limes
Julie Blairs, City South Manchester Housing Trust
Tim Presswood, Manchester Credit Union
Sheenagh Young, South Manchester Credit Union

Apologies

Councillor Walters

ESC/13/46 Minutes

Decision

To approve the minutes of the meeting on 4 September 2013 and note the minutes of the Environmental Sustainability Subgroup on 2 October 2013.

ESC/13/47 Update on Community Budgets and Troubled Families

The Committee considered a report of the Deputy Chief Executive (Performance) which provided an update on the progress the Council and its partners are making in turning round the lives of troubled families.

A member noted the estimates in the report of the number of troubled families in Manchester varied considerably, and asked why this was and whether staffing levels were appropriate. The Deputy Chief Executive explained that the wider range was the initial estimate made by the Council for Manchester, with a loose definition of a complex family. Once the national programme was established, there was a clearer definition of troubled families, and Manchester was found to have 2355. Therefore the Council can now be precise on numbers and what resources are needed, included staff levels. Staffing levels for the number on the programme were adequate.

The Deputy Chief Executive provided more information on the sanctions being used, explaining that it was in the families' interests to work with the Council and partners involved in the programme, and the sanctions being used by the programme were separate from those related to employment. He said the framework would enable different sanctions to be linked up. He clarified that most families do want to work with the programme, but there are some who do not, and it is important to address this. The Leader said sanctions were vital to being able to tackle troubled families, but these sanctions were not like those associated with the Work Programme or the bedroom tax, as families have a choice.

The Deputy Chief Executive said the results of the programme were very promising, although it was still very early. He confirmed the results were good enough for the Council to be able to start making the case to partners that this way of working is successful. He cautioned that the positive results were generally for those interventions which were expected to improve quickly, and the programme was also identifying more areas of need within the families. Employment was an area in which significant progress was not yet being made, so there was work to connect the families to Jobcentre Plus, the Work Programme and Job Clubs. There were Jobcentre Plus staff based in the Troubled Families team to enable this. The Deputy Chief Executive said that the Association of Greater Manchester Authorities (AGMA) had agreed to run a programme applying the troubled families way of working to Employment Support Allowance claimants leaving the Work Programme without having found a sustainable job. The Council could show that this way of working was more successful than the usual support offered, then it could begin to make the argument that the government should be allowing local places to design programmes like this. The Leader said the Troubled Families programme was already more successful than the Work Programme in getting people back to work.

A member informed the Committee that the Council now had a policy on smoking, and felt that this should have been included in the report as it can have a huge impact on families, who may gain £50-£70 a week if they stop. He felt that as Council reports are often written by non-smokers, they do not have an understanding of the impact of smoking. The Deputy Chief Executive said that he had provided a response to the Committee on this matter in the past, and would include it in future reports. The Committee asked for the response to be recirculated.

A member was disappointed that the report did not mention domestic abuse and also felt that the programme should be taken further, beyond helping people to helping people help themselves. The Deputy Chief Executive said domestic abuse had been measured and a new service had been developed focusing on it and offered to provide information on it, which the Committee agreed to. He also explained that helping people help themselves was the purpose of this programme. The Assistant Director for Safeguarding added that families who have come through the programme were working with other families, which increases community resilience. A Member asked whether the Voluntary Sector would be put at a disadvantage by having to provide services flexibly, for example through spot purchasing. The Leader said that what we are trying to achieve is to enable the lead worker to access the right interventions for a particular family, not the same programme for all and that this had to determine arrangements, not the needs of particular organisations or sectors.

The Committee asked for a further update on this in March 2014, when a full evaluation was due, and asked for this to include detail on smoking and more case studies which show insight into specific interventions.

Decision

1. To recirculate the information on smoking and its impact on families.
2. To request a further update on this in March 2014 with detail on smoking and more case studies which show insight into specific interventions.

ESC/13/48 The Hub – Chapter 1, the Limes

The Committee welcomed Pauline Gaye, Jackie McCarron and Dean Ashton of Chapter 1, the Limes to the meeting. They gave a presentation on their work as a charity for homeless people and their plans to build an employment hub:

- Providing support for homeless people – Chapter 1 allocates a support worker, who assesses their goals and determines what support they need;
- Chapter 1 has a leadership programme and enables homeless people to get qualifications. It also has a housing club, a job club, cooking classes and fitness classes as well as volunteering opportunities'
- Chapter 1 works with businesses, and Pret a Manger and Marks and Spencer have taken on apprentices;
- Chapter 1 is working with Jobcentre Plus on sanctions that are incurred in the benefits system, which disproportionately affect the homeless community.
- The Employment Hub – Chapter 1 has limited resources to build this, but have raised £20,000 themselves and the hub will be built by the residents of the Limes. Chapter 1 has a business plan and planning permission in principle, and just need to raise the rest of the funds.

A member noted that at the November meeting, the Committee would be looking at apprentices and said she had spoken to Rose Marley of Sharp Futures, who would be invited to the meeting, who had pointed out that apprentices do not get the same opportunity to leave home as those entering higher education. She suggested that the Council could support halls for apprentices to enable this, which would be particularly beneficial for homeless people.

Members thanked the representatives from Chapter 1, the Limes for their presentations. A member said it had made the visit to Ardwick worthwhile. The Committee wished Chapter 1 good luck with the employment hub.

Decision

To recommend that the Council consider supporting halls for apprentices, to enable them to leave home and learn to be independent.

ESC/13/49 Family Poverty Strategy Update

The Committee considered a report of the Director of Education and Skills, the Director of Public Health and the Head of Regeneration, which provided an update on the implementation of the Family Poverty Strategy since it was adopted in September 2013.

The Committee discussed free school meals. The Director of Education and Skills explained that the statistics for attainment for children who receive free school meals were not yet available, as the full breakdown of results had not been released yet. He said a report would go to the Young People and Children Scrutiny Committee once they had been released. He told the Committee that last year the performance of children receiving free school meals was significantly below those who do not, but the gap was narrowing. Children in Manchester receiving free school meals did better than the national average for children receiving free school meals, but the high proportion in the city affected the overall results. In ensuring that all children who are eligible receive them, the Director of Education and Skills said there was no easy solution, but the schools play a significant role and work with parents. It is also in the schools' interests to ensure eligible children receive them, as the funding formula took account of the number. He offered to provide a paragraph for the November Overview Report on what the Council is doing to encourage uptake of free school meals, which the Committee agreed to.

The Committee asked for more detail on the work to encourage high quality work experience. The Director of Education and Skills said headteachers were increasingly recognising that the traditional one or two week work experience did not work for everyone, and were working with local businesses to develop a good provision. The Deputy Leader said there was clear evidence that young people who have high quality work experience are much more likely to enter employment than those who do not. She said that providing work experience was no longer compulsory, so the Council was working on the Greater Manchester level to ensure there is high quality provision.

A member noted that when the Committee considered the Family Poverty Strategy in its draft form before the Executive approved it, the Committee recommended that it should have more focus on the short term and alleviating immediate problems. She did not feel that the strategy reflected this. The Head of Regeneration explained that the Family Poverty Strategy is a long term strategy by its nature, but reassured the member that the strategy was amended according to the Committee's comments. The Deputy Leader said that tackling the symptoms of poverty is not the same as getting people out of poverty, and the report did lack that link. She agreed with the member that an emergency strategy was needed to alleviate immediate problems, but cautioned that this should not be at the expense of a long term strategy.

The Committee discussed fines for parents for unauthorised absences. The Director of Education and Skills said that the Council wanted to work with families if they are struggling to pay fines, but has a zero tolerance policy for unauthorised absence. Levels of school absence are closely linked to attainment. He added that in September headteachers had lost the power to authorise absences except in very extreme circumstances. A member noted that Ofsted would also be looking at whether this is enforced. Another member informed the Committee that if a court

finances a parent and they cannot afford to pay, they can make arrangements to pay in instalments.

A member asked for more information on how the Council enforces the minimum wage, and what work was being done to introduce a Manchester living wage. The Deputy Leader agreed that enforcing the minimum wage was necessary, but did not know how it could be done. She said there was discussion at the Greater Manchester level of a Greater Manchester living wage, but it was not clear how this could be introduced. She urged caution as some councils had introduced it by reducing terms and conditions, which Manchester did not want to do.

Decision

To request that the Director of Education and Skills provide a paragraph for the November Overview Report on what the Council is doing to encourage update of free school meals.

ESC/13/50 Affordable Credit – a Financially Inclusive City

The Committee considered a report of the Regeneration Manager, North, which provided an update on progress on the development of an affordable credit offer in the city. The Committee welcomed Julie Blairs of City South Manchester Housing Trust, Tim Presswood of Manchester Credit Union and Sheenagh Young of South Manchester Credit Union to the meeting. The Regeneration Manager, North told the Committee that this report had strong links to the previous report on the Family Poverty Strategy. He said that the work on affordable credit needed to pick up on the issues of sanctions and tobacco raised under that item. The Assistant Executive Member for Adults, Health and Wellbeing said this was a challenging piece of work and this report was the starting point.

Members thought the report was excellent, bringing together a range of issues and being honest about the challenges faced. A member pointed out the Council was in a difficult position and could not avoid licensing new betting shops because the legislation is so restrictive and in favour of the gambling industry. He suggested that the Council should be campaigning on this issue, and the Committee agreed to include this matter in its plans to lobby the government on welfare reform.

A member noted that there was new legislation allowing Credit Unions to increase interest on their loans, which had previously been capped, and asked whether the credit unions had responded. Mr Presswood confirmed Manchester Credit Union had responded, but did not necessarily welcome putting interest rates up. He said that Manchester Credit Union welcomed the freedom, but keeping loans affordable for members is important so they may not increase interest rates. Ms Young agreed, and noted that some credit unions provided pay day loans and could only do so at a loss, which is partly why pay day loan companies charge such high interest.

The Deputy Leader told the Committee that there were plans to introduce a mechanism that when Council staff go to pay day loan company websites or other high cost credit sites, they are redirected to the "find my credit union" website. The Committee supported this.

A member expressed caution that credit unions were not the sole answer, as some people using pay day loans would not qualify for loans with them. Ms Young said that more people would qualify than realise it, but agreed that credit unions do not provide the instant loan that people often want. She said that instead, credit unions provide a better loan that is easier for the customer to pay off and puts them in a better financial position than a pay day loan.

A member asked for more detail on the work that social housing providers are doing on financial inclusion. Ms Blairs said that City South Housing Trust provided support, but it was difficult to encourage people to take it up. Often they did not realise that they needed help with budgeting and attributed their financial problems solely to needing more money. She also told the Committee about Smarter Buy, a scheme the trust was launching in November as an alternative to Bright House, a rent-to-buy scheme for household goods which had a poor reputation for dealing with vulnerable people and repayment savings could go in the person's credit union account.

The Committee welcomed the report, appreciating there was both a strategic, long term approach and short term actions to protect people, for example from pay day lenders. The Committee asked to be kept up to date on this work.

Decision

1. To include financial inclusion in the plans to lobby the government on welfare reform.
2. To support the plans to introduce a mechanism that when Council staff go to pay day loan company websites or other high cost credit sites, they are redirected to the "find my credit union" website.
3. To request that a further report updating the Committee on this work is submitted at an appropriate date.

ESC/13/51 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 noted that a number of the recommendations were outstanding, and asked the Head of Regeneration to provide updates on whether they were being progressed or not and where they were up to.

Decision

To agree the work programme.