

Economy Scrutiny Committee

Minutes of the meeting held on 19 November 2014

Present:

Councillor Green – in the Chair
Councillors Davies, Ellison, Hackett, Hacking, Karney, Manco, Moore, Raikes, Razaq [present for items ESC/14/51 onwards], Richards, Simcock and Wilson.

Councillor S Murphy, Deputy Leader of the Council
Councillor Flanagan, Executive Member for Finance and Human Resources

Lynne Kent, Greater Manchester Centre for Voluntary Organisations
Toni Brocklehurst, Chair of the Youth Panel, Talent Match
Nic Hutchens, New Economy
Gemma Marshall, New Economy
Robin Pye, FC United
Gavin Healy, FC United

Apologies

Councillors Shilton Godwin, Smitheman and Stogia

ESC/14/51 Minutes

Decision

1. To approve the minutes of the meeting held on the 22 October 2014.
2. To note the minutes of the meeting of the Living Wage Task and Finish Group held on 8 October 2014.

ESC/14/52 Talent Match

The Committee welcomed Lynne Kent of the Greater Manchester Centre for Voluntary Organisations (GMCVO) and Toni Brocklehurst, chair of the Talent Match Youth Panel, to the meeting. Ms Kent provided the Committee with a presentation on Talent Match. The key points in the presentation were:

- Talent Match worked with vulnerable people aged between 18 and 24 and was based on the Local Economic Partnership (LEP) area;
- The principles of the programme were to: be centred on young people; have a positive approach; find local solutions; build on assets; and provide learning;
- Young people were involved in all parts of the programme: from its development to influencing decision making;
- Talent Match worked with 25 employers, including the BBC and local universities.

A member asked Ms Brocklehurst how she had got involved in Talent Match. Ms

Brocklehurst explained that she had been on a placement with one of the stakeholders who suggested she get involved. Through her involvement she had accessed employment and placements, but was not currently in employment.

A member asked for more detail on the targets that Talent Match was expected to meet, including whether they related to particular wards. Ms Kent confirmed that when the programme was being development there had been target wards and groups in mind, and the impact across Manchester was measured, although they were working with only small number of young people.

The Deputy Leader told the Committee that she was the chair of the Talent Match partnership board and explained that one of the unusual things about the programme was that young people were at the heart of all aspects of the programme. In addition to the youth panel, there was a youth commissioning panel, which interviewed potential contractors. She emphasised that employers were positive about the model. She added that an event called the "Big Conversation" had taken place, involving young people and employers, from which young people had been able to secure interviews, job opportunities and work experience.

The Committee welcomed the programme and commended the work, especially putting young people at the heard of it. At Ms Kent's suggestion, the Committee agreed to return to this in approximately a year to consider progress and request that young people involved in the programme attend the meeting.

Decision

To add an item to the work programme in approximately a year to consider progress on the Talent Match programme and invite young people involved in the programme.

ESC/14/53 Youth Employment and Apprenticeships Across Greater Manchester

The Committee considered a report provided by Nic Hutchins, Head of Youth Initiatives at New Economy. The report provided an update on youth employment and apprenticeship opportunities in Greater Manchester

A member noted that the apprenticeships system was potentially open to abuse, for example if employers took on an apprentice for 18 months in order to save money on employment, and at the end of the placement, they replaced the apprentice with another, rather than provide career opportunities and development. Ms Hutchins agreed this could be a problem, and it was wrong to misuse apprentices this way, but reassured members that the change in standards in apprenticeships should reduce this and lead to better outcomes.

The Committee discussed careers advice, which could be both formal and informal. A member emphasised that those providing advice needed to have a thorough understanding of the labour market and what skills were required within it, not just statistical information. Ms Hutchins agreed that it was fundamental to good careers advice to understand what it meant to work in different industries and jobs. She said that one of New Economy's roles was working with partners and employers to

understand what skills would be needed and to encourage those skills to be developed in young people. She anticipated that there would be an increase in vocational degrees to meet the skills demands. She added that New Economy would be undertaking research into how employers were engaging with young people.

A member noted that the report stated that Greater Manchester employers had the worst perceptions of any major city of young peoples' 'job readiness' aged 16, and asked what activity was taking place to challenge this. Ms Hutchins confirmed there was lots of activity to engage employers to help them understand the differences in this generation of young people and how they work, particularly around technology. But there was also activity to help young people understand what employers expect of their employees.

A member asked what the system as a whole looked like to employers. Ms Hutchins acknowledged there was not one single point of contact, although there were plans to create one, so the system did appear too complex and unfiltered.

In response to a query Ms Hutchins explained that entry onto a level 1 apprenticeship did not require a C in English and Mathematics GCSEs, or equivalent, but should be provided as part of the course. If this was included as an entry requirement for an apprenticeship it could be a sign of a poor quality apprenticeship. She said that it was a requirement for entry onto a Level 3 apprenticeship, so if it was not being provided some young people could not be able to access that level. The Chair added that further education providers were judged by outcomes, so were under pressure to only admit students who already had a C in English and Mathematics or equivalent and there was a risk of young people missing out. The Committee acknowledged this was a difficult area.

A member asked for more detail on the gender balance between apprenticeships. Ms Hutchins confirmed the balance seemed to fall along traditional gender roles, but said that this needed to be addressed primary school level in order to raise aspirations long before young people were thinking about apprenticeships, in gender and all inequalities. The Deputy Leader added that the national gender gap in apprenticeship wages was 40%, so it was national problem. She agreed that schools fundamental to raising aspirations, and the loss of independent careers advice was a barrier to their ability to do so. She said that she had heard of a new plan for apprenticeships which would be funded at £300 per placement, with no plan in place, which was not a good idea. She added that the recent announcement on devolution of powers to Greater Manchester included skills funding, which would enable greater local control in this.

A member noted that a cost benefit analysis on the Greater Manchester Commitment had been carried out, and asked if any of the other schemes had been assessed in a similar way. Ms Hutchins said they had not, but agreed it was a good idea. Ms Hutchins also informed the Committee that the retention rates for the Greater Manchester Commitment were good, although it was early on in the programme.

On the advice of Ms Hutchins, the Committee agreed to return to this subject in early 2016 and to give it more time on the agenda. At the Deputy Leader's suggestion, the Committee also agreed to request that the validated data on apprenticeships is circulated to the Committee when it is available.

Decision

1. To recommend that New Economy consider carrying out cost benefit analyses of other Greater Manchester programmes in place, in addition to the Greater Manchester Commitment.
2. To add an item to the agenda for early 2016 to consider progress in apprenticeships and youth initiatives in Greater Manchester. To provide more time on the agenda for the item.
3. To request that the validated data on apprenticeships is circulated to the Committee when it is available.

ESC/14/54 Apprenticeship Activities Update

The Committee considered a report of the Head of Regeneration which gave an update on activities undertaken and planned by the Council and partners to support apprenticeships. The Committee welcomed Robin Pye, from FC United and Gavin Healy, an apprentice at FC United.

A member welcomed the involvement of FC United as they were an organisation with excellent values. He noted that employers which did not treat their apprenticeships well were often retail or catering companies, and asked what the Council could do to address this. The Principal Regeneration Officer said that the introduction of new standards for apprenticeships, which included no zero hour contracts and that the apprenticeship should be a minimum of 12 months, prevented some of the exploitation. He also reassured members that the Council challenged employers through the Greater Manchester employers' network. The Head of Regeneration added that the Council did not open its own programmes to employers who exploited employees. The Committee asked for more information on poor quality apprenticeships and what sectors they were in.

A member asked if any data was available on a city wide or ward basis. The Principal Regeneration Officer explained that it depended on which organisation collected the data, but some, such as Connexions, did share it with the Council. The Committee asked for available data to be circulated to members. The Head of Regeneration said that data from the National Apprenticeship Service (NAS) could not be broken down, but reassured members that anything the Council did receive was fed into ward based services through the regeneration teams.

A member asked if there was any data on sustained employment after apprenticeships finished. The Head of Regeneration explained this was extremely difficult to get and that further education providers were closer to having it than the Council. She added that Universal Credit may make it easier to track people.

A member noted the importance of informal networks and contacts in securing apprenticeship, but noted that these were difficult for the Council to track. The Head of Regeneration agreed but reassured members that the Council promoted them and tracked them when it could. She said FC United was a good example.

Mr Pye told the Committee about the experiences of FC United as an employer taking on an apprentice. He explained that it was a risk, in terms of whether the organisation, as a social enterprise, had enough income to pay the salary it wanted to pay. The Council put apprenticeships on the agenda for FC United. He explained Gavin got the apprenticeship through persistence. He had been a volunteer and when Job Centre Plus asked for work experience, FC United felt they could offer it because they knew him. Mr Healy told the Committee that when playing football he had been approached by a youth worker suggesting he join a scheme with FC United which provided training as a coach and volunteering. After the scheme he asked for a job, but they had no work. He was persistent and asked for volunteering and work experience. Eventually he got work experience, which led to the apprenticeship.

A member asked Mr Pye if he would advocate taking on an apprentice. He said it was a good opportunity for apprentices to demonstrate what they could do and could work well, but the employer needed to consider the long term sustainability and that they would be tied into the arrangement for a significant period of time.

The Committee agreed to request an update on progress in approximately a year, and to consider dedicating a meeting to apprenticeships.

Decision

1. To request information on poor quality apprenticeship and what sectors they are in is circulated to the Committee.
2. To request that any ward based data on apprenticeships is circulated to the Committee.
3. To add an item to the work programme to receive a progress report on apprenticeships activity in approximately a year and consider dedicating a meeting to apprenticeships.

ESC/14/55 Budget Saving Options for Growth and Neighbourhoods

Budget Saving Options for the Children and Families Directorate

The Committee received two reports which provided information on the draft savings options for the Growth and Neighbourhoods and Children and Families directorates. The Committee was invited to comment on the options prior to the submission of the reports to the Executive on 26 November 2014 and identify areas it wished to look at in more detail on at its December meeting. The Committee considered both reports together and began by discussing the process in general terms.

The Committee felt that it was difficult to form a view on the implications of the options presented or the impact they might have without the wider context of the Council's budget. For example, baselines against which the reduction would be made or what percentage the reduction represented. Members said that this was particularly crucial when they were talking to residents. One member noted that Council should take care over what information residents were getting as the

perception of residents in his ward was that the Council was not using the money it held in its reserves. The Committee noted this was inaccurate as the Council would be using the money in the reserves to invest in services to implement the necessary reductions and to fund employees leaving the Council. Members also emphasised that the budget reductions the Council had to make were appalling and Manchester did not have enough funding for a city of its size, and that drawing up these options had taken a lot of work and none of the suggestions were being made lightly.

The Executive Member for Finance and Human Resources explained that this process for setting the budget was new, involving scrutiny much earlier than usual, to give them a chance to look in detail at different parts of the options.

The Committee noted that its remit crossed all three of the directorates so getting an understanding was difficult so having the contextual information would be helpful. Members also pointed out that the way that the scrutiny committees were organised also lent itself to looking at different areas independently. The Deputy Leader said that receiving all the information pertaining to the budget was not advisable as there was so much available that it was not practical. She advised focusing on certain areas in detail. She agreed that this Committee's role was particularly tricky as there was not a dedicated budget to consider, but funding came from different places across the Council.

The Executive Member for Finance and Human Resources explained in more detail the budget available and the process. The Council's net revenue budget included a number of things that the Council could not legally cut, including school funding, pensions and the housing revenue fund. The reductions would therefore be shared out between the directorates: Growth and Neighbourhoods reduced by approximately £58m; Corporate Core by £50m and Children and Families by £120. The Chief Executive had asked his senior management team to identify reductions of approximately 20%, working with the Executive Members.

The Committee noted that income generation was mentioned, but not in detail. It asked for more detail to be provided for the next meeting on how the Council planned to maximise income generation and invest to make savings.

A member asked whether, if the Committee did not want one of the options to be implemented, it would have to identify another reduction elsewhere to pay for it. The Executive Member for Finance and Human Resources explained that there were various member led policy panels looking at the detail so the relevant one would be tasked with this.

The Committee agreed that a small group of its members would be nominated to look at the three directorate reports and identify which areas the Committee should look at in detail. The committee agreed that this group should meet and feed back as soon as possible in order to give officers time to prepare for the December meeting.

The Strategic Director (Strategic Development) added that members would also see the business plans later in the municipal year which would go into detail about how the resources within directorates would be allocated according to the budget proposals in February 2015. At this point, the scrutiny committee's views would again

be sought to identify their priorities for service provision.

The Executive Member for Finance and Human Resources also suggested that a further paper be provided for all members of the Council which outlined the financial context which the Committee had asked for. The Committee agreed to this and also requested that the Scrutiny Support Officer circulated the Corporate Core directorate report to members.

Decision

1. To request that more detail is brought to the next meeting on income generation and plans to invest to make savings.
2. To nominate Councillors Davies, Hacking, Raikes and Richards to meet to discuss what areas the Committee should look at in more detail across all three of the directorates. To request that the meeting is convened as soon as possible and that feed back is provided as soon as possible to enable December's meeting to consider the identified issues.
3. To support the suggestion of the Executive Member for Finance and Human Resources to provide a further report for all members of the Council which gives the financial context of the budget and the reductions the Council needs to make.
4. To request that the Scrutiny Support Officer circulated the budget options report for the Corporate Core directorate.

ESC/14/56 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 report also included the latest Real Time Economy Dashboard.

Decision

To agree the work programme.