

**Manchester City Council  
Report for Information**

**Report to:** Economy Scrutiny Committee – 22 July 2015  
**Subject:** Skills Demand and Supply in Manchester  
**Report of:** Head of Work and Skills

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**Summary**

This report accompanies the 'Skills Demand and Supply in Manchester' presentation which has also been submitted to the Committee. It provides some more detail on the purpose of this work, the sources of data and intelligence, some caveats when using this information and also how the analysis is being used in Manchester.

**Recommendations**

The Committee are invited to note the report.

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**Wards Affected:** All

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

None

## **1.0 Introduction**

- 1.1 The analysis of skills supply and demand included within this report has been developed by officers at the City Council, under the direction of the Manchester Work and Skills Board. This has allowed Board members to gain a much fuller understanding of the existing demands of the economy, projected demands over the next decade and how this relates to the skills system with which the city's residents are engaging. In the past, a lack of available data has prevented detailed analysis from being undertaken. The data sharing agreement with the Skills Funding Agency secured through the City Deal and the collaborative working approach initiated by the New Economy, MCC and the city's key adult skills providers, the Manchester College, Economic Solutions (now known as The Skills Company) and Manchester Adult Education Service (MAES), has resulted in a much fuller understanding of activity.
- 1.2 Matching demand and supply is not an exact science and economies such as Manchester's operate on a sub-regional and regional footprint. The analysis does not present the system as a defined set of inputs and outputs, but instead seeks to understand whether Manchester residents are broadly accessing the courses and qualifications that will equip them to succeed within the labour market. It should also be noted that the analysis does not include privately/employer funded provision.
- 1.3 The analysis has been shared with the Manchester Work and Skills Board and has also formed the basis of discussions with the main providers in the city to help guide decisions on future delivery with the aim of avoiding duplication and ensuring progression for residents. It is also increasingly supporting a collaborative approach to ensuring that provision is better planned across the city to meet learner and employer needs, within a context of Adult Skills Budget reductions.
- 1.4 The analysis has been used to develop Labour Market Intelligence (LMI) for use in schools and has also been shared with the city's Work and Skills Partnership which consists of a range of youth and adult skills and employment providers and Post-16 Reference Group. The partnership and Work and Skills Board has used the analysis to inform Manchester's emerging Work and Skills Strategy.

## **2.0 Background**

- 2.1 The demand data is largely based on the annual Greater Manchester Forecasting Model (GMFM) which is commissioned by New Economy and undertaken by Oxford Economics and on the Labour Insight tool which analyses advertised vacancies. This LMI is important for schools, providers, local authorities and employers to understand the pattern of skills demand in the labour market. However, there are limitations to LMI e.g. it will never be able to provide exact data on the specific jobs that will be created, skill requirements and geographical locations. Also, many employers recruit through agencies or by word of mouth. As ever, with economic data and

projections, there needs to be local interpretation and discussion to sense check the data and determine the appropriate policy responses.

- 2.2 Supply side data is from the Skills Funding Agency (SFA) Datacube which the City Council now has permanent access to via a data sharing agreement. The Datacube contains all Education Funding Agency (EFA) and SFA data and enables analysis of activity during an academic year to be undertaken by learner location or institution location. The analysis within the accompanying presentation has been undertaken for all learners living within the city, regardless of where they study and the data has also been cross checked with the main providers' own databases to ensure accuracy. The latest data is for the 2013/14 academic year and is based on the release providers returned to the SFA in October 2014. The data was not released on the Datacube until March 2015 which has not been early enough to support full curriculum planning by providers. Representations have been made to the SFA on behalf of GM local authorities, by the New Economy, to speed up the data release in future. Data on Manchester residents studying Level 4 and above qualifications at any university, or data on all students studying at a Manchester based university are not included in this report. However, it is anticipated that this data will become available in the near future and will be analysed in a separate graduate retention report.
- 2.3 Like the demand information, the supply data needs to be read with some caveats. The available information from the Datacube focuses on course starts which tell us more about qualifications started rather than the actual skills or even previous qualifications that residents possess. Other caveats are that learners may be counted more than once if they enrol on multiple courses within the academic year. Some of the descriptions of training are fairly broad so it is difficult to understand how well they match employer demand e.g. Entry Level Employability. Also enrolments can not be linked to attainment of qualifications within the current system, although this is information which individual learning providers collect.
- 2.4 Qualifications are important to employers but they also value softer skills such as attitude, communication and workplace behaviour and the importance of these to employers should not be underestimated. Ultimately, we need to ensure that learners are flexible and resilient and develop enterprising skills to compete within the workplace and are able to adapt and change to progress their careers.
- 2.5 It is worth noting that the shape of the City's economy means that while the majority of the new jobs created require qualifications at level 3 (equivalent to A-levels) and above, there are large numbers of jobs that continue to be created in the hospitality, customer service & retail sectors. These are also the sectors that have high levels of turnover, creating entry level occupations for residents with lower skill levels. The case studies within Appendix 1 are examples of how the Manchester Employer Suite which has been in place since late 2010 and is now housed within the Town Hall Extension Customer Service Centre has supported the matching of residents to jobs within the city centre.

### **3.0 Conclusion**

- 3.1 The Work and Skills Board will continue to utilise the Datacube to understand what has been delivered each year so that we increase our intelligence about the skills levels of residents. It will also be used to support the collaborative approach being developed in the city and Greater Manchester and can help focus on where there are gaps in provision and opportunities to build pathways between providers.
- 3.2 Further Devolution of employment and skills, increases the need for quality intelligence and to plan the commissioning of skills funding. On adult skills, the City's priority is that funding is utilised to support more of our residents into well paid work which supports progression. It should however be noted that the large scale cuts to the Adult Skills Budget seen this year and expected in future years, will make it extremely challenging to support both technical skills at level 3 and above required for the growth sectors, as well as the basic level 2 skills needed to enter into and sustain work with public funding. Employer investment in skills and greater availability of FE loans will be needed to fill the gap.
- 3.2 The Skills demand and supply information is useful to support the work with schools, training providers, Careers Education Information Advice and Guidance leads across the city and the National Careers Service to ensure that key messages about employment opportunities and the skills and attributes required by employers are understood and built into employment and skills pathways. To be meaningful, this needs to be underpinned by quality employer engagement. However, the City also needs a longer-term view of its labour market requirements to ensure that skills commissioning can reflect employers' future needs. Further work including "sector deep dives", being undertaken by the New Economy, can inform our intelligence and approach.

## Appendix 1 Case Studies

The Hospitality 'Have A Go' model has been developed by MCC to give mainly young, unemployed people the opportunity to get hands on experience of work within the hospitality sector. Employers with live vacancies, including some of the city's largest hotels, support the delivery of the one day events. They give attendees an overview of the available jobs and the opportunity to 'have a go' at doing some of the tasks required within the roles e.g. bed-making, catering, bar and reception work. This gives both attendees and employers the chance to see who might be suited to the work.

Thirty four people referred by the Manchester Employer Suite and other employment support providers attended the most recent event in March 2015. Of those, 13 were offered jobs by Premier Inn. This included a North Manchester resident who was on a work experience placement within the Employer Suite. His work experience placement involved supporting the Suite's Twitter account and signposting clients within the Town Hall Extension Rates Hall and Customer Service Centre.

A further 5 attendees were offered work experience by Premier Inn. This included a Troubled Families client who had previously been on the Family Intervention Project caseload. She was a lone parent of three children who was long-term unemployed, with limited work history. She had been claiming income support but her youngest child had reached 5 years old, which changed her benefit situation. The Troubled Families Employment Advisor worked with her to create a CV and Universal Job-match account. She was also supported to get DWP vouchers for interview clothes.

She performed so well during the first week of her work experience placement that she was offered a job at 20 hours per week, backdated to the start of the placement (meaning that client was paid for work placement hours worked)

The Employer Suite also coordinates the delivery of a number of Sector-based Work Academies to help meet employers' immediate recruitment needs. They can last up to six weeks and have three main components:

- Pre-employment training relevant to the needs of the business and sector
- A work experience placement
- A guaranteed job interview

The Employer Suite recently worked with the Central Manchester University Hospital Foundation Trust using this model to recruit to Clinical health worker posts. The initial briefing within the Employer Suite was attended by 39 people of whom 12 were accepted onto the Sector Based Work Academy, which was a four week model delivered by Skills for Health, a specialist health training provider. Of those attendees, 10 people were offered work as Clinical Health workers. The other two attendees will remain on the Employer Suite caseload and be matched to other suitable vacancies.