

Economy Scrutiny Committee

Minutes of the meeting held on 22 July 2015

Present:

Councillor Richards – in the Chair

Councillors Amesbury, Appleby, Bridges, Davies, Ellison, Farrell, Green, Karney, Moore, Raikes, Razaq, Shilton Godwin, Simcock, Smitheman, Strong and Peel

Councillor Sue Murphy, Statutory Deputy Leader

Councillor Bernard Priest, Deputy Leader

Councillor Andrews, Executive Member for Adult Health and Wellbeing

Councillor Flanagan, Executive Member for Finance and HR

Councillor Reid, member of the Joint Health Scrutiny Committee for Manchester and Trafford

Apologies: Councillors Hacking and Siddiqui

ESC/15/35

Urgent Business – Healthier Together decision and its impact on the MediPark development

The Chair introduced this item of urgent business following the decision of the 15 July 2015 taken by the Committee in Common not to designate University Hospital South Manchester (UHSM) as a specialist hospital. She informed members that she had requested that officers attend this meeting to provide a verbal response to the impact of this decision on the MediPark development. She informed members that a substantive report will be submitted for consideration at the September meeting of the Committee.

The Executive Member for Adult Health and Wellbeing thanked the Committee for discussing this issue and requested that members of the Health Scrutiny Committee are invited to the September meeting when this item is to be discussed again. The Chair said that members of Health Scrutiny Committee had been invited to both meetings.

The Strategic Director of Strategic Development addressed the Committee. He said that despite the decision of 15 July 2015 he was confident that following statements issued by UHSM the MediPark development would not be undermined. He said that the partnership agreement announced between UHSM and Central Manchester Foundation Trust (CMFT) will open up huge opportunities for UHSM, including growth within the medical research sector by creating links between MediPark and Citylabs which in turn will attract partner health and research organisations to invest in the area.

Members of the Committee welcomed this however questioned the Healthier Together decision making process. The Committee welcomed Councillor Judge, ward member for Sharston. He said that the Healthier Together decision was not based on clinical factors but instead on geographical reasons for the benefit of the

population of the High Peak. A number of members commented that they could not understand how the decision had been reached as it was contrary to the findings of the public consultation exercise. A member asked whether the Healthier Together decision making process had looked at economic factors in its decision making process. The Strategic Director (Strategic Development) advised he would investigate this and provide a response to the September meeting.

Members welcomed the opportunity to discuss this item in further detail at the September meeting.

Decision

To note the verbal response provided and to request that a substantive report be submitted for consideration at the September meeting.

ESC/15/36 Minutes

The Chair informed the Committee that apologies had been received from Councillor Smitheman and requested that this be recorded in the minute.

Decision

To agree the minutes of the meeting held on 24 June 2015 as a correct record subject to the above amendment.

ESC/15/37 Skills Devolution – Re-shaping the Further Education System in Greater Manchester – Presentation

The Committee welcomed Alison Gordon and Mark Lovell from New Economy who were in attendance to deliver a presentation on Skills Devolution- Re-shaping the Further Education System in Greater Manchester (GM). The presentation is published on the Council's website. Members were informed that the ambition was to create an integrated employment and skills eco-system, which has the individual and employer at its heart, and that better responds to the needs of residents, business and contributes to the growth and productivity of the GM economy.

Members broadly welcomed the report. The Chair noted the importance of scrutiny being involved in decision making processes for devolution at an early stage and advised that further progress updates would be requested. Members expressed concern regarding budget constraints and the upcoming Comprehensive Spending Review (CSR). Mark Lovell advised that there was a risk that budgets that had already been devolved would be caught up in the CSR process, but assured members that he was submitting further proposals following the first stage of devolution which took place in November 2014. Careers information advice and guidance (CIAG) was one area that had been identified as requiring review; and the Adult Skills Budget (ASB) was currently being reviewed with more importance given to employability and CIAG. He confirmed that in 2017, full responsibility for commissioning the ASB would be devolved. Mark Lovell and the Head of Work and Skills described ways they were currently engaged with business representative

examples within the city. These included the Chamber of Commerce, Focus Groups, and the Work and Skills Board and Partnership which the Deputy Leaders attended. It was explained that the 3 main providers of Further Education in the city included Manchester College, Manchester Adult Education Service (MAES) and the Skills Company and they worked collaboratively very well.

A member enquired about the opportunities available for those in employment but who were under-skilled and with limited potential for progression. She added that supporting these people to progress would improve their skills and could also create entry level vacancies for the unemployed. A member wanted to know about the supply of skills in a broader sense, and how that may affect inward investment into Greater Manchester. She said that priority skills for Manchester included cultural, creative and digital, science, and research and development which all required a high level of education in addition to specific skills. She noted the importance of a joined up approach. Mark Lovell assured members that they were committed to developing the lower skilled. He said that was part of the rationale of joining up the employment and skills budgets and described some of the ways this was being tackled for example, apprenticeships and loans for Further Education. He explained the 'Age Grant' had some incentives to move people into higher level training.

In regards to the Careers information and Guidance area, the National Citizen Service has budgets. Under devolution there is the opportunity to be more flexible in how resources are directed. This is a work in progress but awareness is there on the current problems in the area of careers guidance.

In response to a members query about 'Age Grants' Mark Lovell advised that there was about the same number of starts across the ten local authorities. He advised that further data was required but it was too early to say. He explained that sustainability on these projects tended to be relatively strong. In response to a members query about the impact of cuts to Employment Support Allowance (ESA), Mark Lovell agreed that this would pose a challenge. He explained that the design for the working well expansion would try to mitigate this and he would provide further information at a future meeting.

Decision

1. To look in more detail the impact of the cuts upon the adult skills programme in a future meeting.
2. To invite some of the providers, along with representatives of the business sector to attend a future meeting.

ESC/15/38 European Social Fund (ESF) Programme

Members welcomed Alison Gordon and Mark Lovell from New Economy who delivered a presentation on the European Social Fund. Alison Gordon stressed that the work was driven by the Greater Manchester Strategy, in particular its aims to prevent and reduce youth unemployment, and to develop an employer-led skills system and an integrated skills and employment offer. The presentation is published on the Council's website.

The Statutory Deputy Leader was in attendance as the lead on European Funding for Manchester. She advised there was initially agreement that local areas would be allowed to make decisions on which bids received funding through the ESF. However, the government had retracted this and decided it would be a national programme, contrary to the ideals of devolution. She assured members that she was lobbying directly and through the Local Government Association to change this.

A member asked how the European Exchange Rate will influence the programme. Alison Gordon replied that in terms of the value of the programme the exchange rate is an issue, and we cannot take for granted that the price of Sterling will level out against the Euro over the longer term. She said an exercise was being started to go through the priorities set out in the European Structural and Investment Funds Programme Plan on the basis of Exchange Rate impacts. In response to a query she advised that in terms of Intermediate Body status the expectation was that this would be the Combined Authority if successful.

Members welcomed the report, and asked for comments on 'skills support' for people in work who perhaps worked in smaller, more casual areas of employment where training opportunities maybe more restricted. A member was pleased with the focus on the growing number of young people classed in the 'unknown category', i.e. those who are not employed or undergoing training. A member queried if there would be any gap in the two programmes and if there would be any impact on organisations currently delivering ESF projects. Alison Gordon replied that there was support for individuals in work and for the employer to help them improve employee productivity, and hence drive wage levels upwards. In terms of quality of provision, it was important to provide effective provision at a competitive price, but control over the programme was a lot more limited than originally anticipated.

Alison Gordon explained that performance could not be looked at in a huge amount of detail to be able to make new funding decisions, although this could be looked at in some degree. However, a greater level of control should ensure better monitoring of providers. With regards to 'Unknowns' in the statistics she explained that no information was to hand, but this would be reported back to the Committee at a future date. Alison Gordon explained that the gap between programmes was being managed across Greater Manchester; although it remained a big challenge as funding would not be in place over the summer and autumn period as the new programme began and the old programme ended. The Statutory Deputy Leader advised that Local Authorities had previously been advised to use their reserves to plug the gap and within the LGA there was cross party support against this. She further advised that lobbying had also taken place at a European level to Members of the European Parliament (MEP's) and the European Commission.

Decision

To ask the speaker to report back in writing, with any information or statistics relating to the 'Unknown Category'.

ESC/15/39

Skills Demand and Supply in Manchester

The Committee received a report on skills demand and supply and an accompanying presentation which provided 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. The Head of Work and Skills introduced the report across its main themes and delivered the presentation.

Members requested a summary of where within the wards residents are studying and going to college, and to also include all apprenticeship data. Members asked where the basis of the data had come from, and also commented that the level of Skills Funding Agency (SFA) training courses had dropped in all growth sectors, except for manufacturing and engineering. A member queried how we encouraged more British companies to become established in Manchester.

The Head of Work and Skills advised she would report back on the data available at ward level. Apprenticeship level data has been requested before at ward level from the National Apprenticeship Service previously but not supplied to date. She added that it may be more useful to consider in the future how AGE grants are spent in the City. The Head of Work and Skills advised that the ability in Greater Manchester to commercialise the science base was huge and work was ongoing with Universities on this.

Decision

To note the report

ESC/15/40 Draft Manchester Work and Skills Strategy

The Committee considered the report of the Head of Work and Skills which described the Strategy that had been developed in parallel with the emerging Manchester Strategy, and which would help to deliver the city's main work and skills objectives. The Strategy would also support the delivery of the Greater Manchester Strategy by ensuring that Manchester's businesses have the skills and talents they need to prosper, and that residents are able to contribute to and benefit from sustained prosperity and a good quality of life. It highlighted the priorities, opportunities and challenges which are specific to the city within the Greater Manchester context. Employers, providers and other partners have provided their input throughout the drafting process and previous versions of this document had been discussed by Manchester's Work and Skills Board and Partnership.

Members welcomed the report and requested that any future update report describes any outcomes. The Head of Work and Skills acknowledged this comment.

Decision

To ensure that outcomes are included in a future update

ESC/15/41 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.

Decision

To note the report and agree the work programme.