

## **Economy Scrutiny Committee**

### **Minutes of the meeting held on 28 October 2015**

#### **Present:**

Councillor Richards – in the Chair

Councillors Amesbury [ESC/15/56 - ESC/15/61], Appleby [ESC/15/56 - ESC/15/60], Bridges, Davies, Ellison, Farrell, Green [ESC/15/56 - ESC/15/60], Hacking, Karney, Lone [ESC/15/56 - ESC/15/61], Moore, Peel, Raikes [ESC/15/56 - ESC/15/60], Shilton Godwin, Siddiqi, Simcock, Smitheman [ESC/15/56 - ESC/15/60], Strong and Wilson

Councillor Priest, Deputy Leader

Councillor Andrews, Executive Member for Adult Health and Wellbeing

Councillor Craig, Chair of Health Scrutiny Committee

Councillor Paul, member of Health Scrutiny Committee

Marie Graham, Greater Manchester Centre for Voluntary Organisation

Anthony Vanterpool, Talent Match coach, Manchester College

Leonardo Ambrosio, participant on the Talent Match Programme

Matthew Ainsworth, Greater Manchester Public Service Reform Team

Steve Black, Big Life Group

Fola Agbolaya, Big Life Group

Grace Watson, the Work Company

Naomi Ilagoswa, the Work Company

Nicola Mosley, the Work Company

Alicia, Work Programme customer

#### **ESC/15/56                      Minutes**

#### **Decision**

To approve the minutes of the meeting on 30 September 2015 as a correct record.

#### **ESC/15/57                      Cumulative Impact of Welfare Reforms**

The Chair announced that the order of the agenda had been amended.

The Committee received a report of the Head of Work and Skills and the Head of Revenues and Benefits which provided an overview of the reforms to welfare since 2012 and analysed the impact of welfare reforms on the city so far and what impact could be expected from the recently announced reforms. It also summarised the City Council's proposed response to the reforms due to be implemented over the next two years. The Head of Work and Skills introduced the report across its main themes.

Members commented on the report and expressed concern about a range of issues including residents' ability to access advice on benefit entitlement and the impact of the reforms on disabled people.

A member expressed concern at the impact of the tax credit changes and requested

that the Committee invite the Chancellor of the Exchequer to visit some of the families who would be affected by the changes. Members endorsed these comments.

The Deputy Leader expressed concern at the government's approach to reducing the welfare bill and advised that it should be reduced by providing people with opportunities to earn a living and be independent. He supported the recommendation to explore the idea of inviting the Chancellor to Manchester and recommended that the Committee look at ways to effectively highlight the impact of the changes. Another member reported that a dossier had previously be produced on the impact of welfare reforms and asked that this be updated to reflect the more recent changes.

A member reported that the government's National Living Wage was lower than the Living Wage Foundation's calculation of a living wage and asked what the Council could do to put pressure on local employers to pay this higher living wage. The Head of Work and Skills reported that, following the work of the Living Wage Task and Finish group, the Living Wage Policy, which was submitted to the Committee on 30 September, had included actions to promote the living wage to Manchester employers.

A member asked whether information could be collected on how people became homeless and what part welfare reforms played in this. The Head of Work and Skills reported that a causal link was difficult to establish but welfare reforms could trigger a crisis point. She advised members that the Neighbourhoods Scrutiny Committee was investigating the issue of homelessness and had a received a report on this subject at its 27 October meeting.

A member expressed concern at the disproportionate effect of welfare reforms on young people and requested a further report on the impact of the changes on 18 to 25 year olds.

#### **Decisions:**

1. To invite the Chancellor of the Exchequer to meet with Manchester families affected by the proposed reforms to the Tax Credit system.
2. To update the dossier previously produced on the impact of Welfare Reforms.
3. To receive a report on the impact of welfare reforms on 18 to 25 year olds.
4. To request that the Council continue to encourage Manchester employers to pay the Living Wage, as part of the recommendations made by the Living Wage Task and Finish Group.

**ESC/15/58**

#### **Greater Manchester Combined Authority (GMCA) Strategic Decisions**

The Committee received a report of the Strategic Director (Strategic Development) which provided an overview of the additional freedoms and flexibilities awarded to

Greater Manchester as part of recent Devolution Agreements with government. The Head of Policy, Partnerships and Research introduced the report across its main themes.

A member noted that there was little information in the report on the scrutiny of decisions taken by the Combined Authority and expressed concern about whether the AGMA scrutiny pool was fit for purpose. He recommended that the Interim Mayor be invited to the relevant scrutiny committee to discuss this issue. Members emphasised the importance of accountability at a Greater Manchester level through scrutiny.

Members expressed concern about the lack of communication with local politicians and residents regarding the Communities and Local Government Select Committee's recent meeting in Manchester on devolution. Members further emphasised the importance of engaging with the public on devolution. The Deputy Leader reported that he had not been aware of the Communities and Local Government Select Committee's meeting. However, he advised that there would inevitably be a lack of transparency during the early stages of devolution while detailed negotiations were taking place. He reported that the Council needed to recognise when it was appropriate to start engaging with local residents and to start addressing this. The Head of Policy, Partnerships and Research reported that devolution was an incremental process and that the devolution agreement aligned with the themes within the Manchester Strategy which residents were being consulted on.

A member asked how decisions were made on what powers the region asked to be devolved, highlighting the differing degree of control and influence the Council had over different sectors within education and skills. Another member requested clarity on the expected outcomes for the areas under the Committee's remit to enable the Committee to scrutinise these effectively. She also reported that a Greater Manchester area review of colleges was taking place and requested that this be added to the work programme.

## **Decisions**

1. To recommend that the Finance Scrutiny Committee consider scrutiny arrangements across Greater Manchester and invite the interim Mayor for Greater Manchester to a future meeting.
2. To receive a further report on devolution, including consideration of what powers Greater Manchester councils were asking to be devolved and consideration of how residents would be engaged.
3. To receive a report on the area review of colleges
4. To circulate the minutes for this item to Finance Scrutiny Committee.

## **ESC/15/59**

### **Greater Manchester Talent Match**

The Committee received a presentation from Greater Manchester Centre for Voluntary Organisation which provided an update on the Talent Match programme.

The Committee welcomed Marie Graham, Programme Manager for Greater Manchester Talent Match, Leonardo Ambrosio a participant of the Talent Match Programme and Anthony Vanterpool, a Talent Match coach at Manchester College.

Marie Graham provided an overview of the presentation. Leonardo Ambrosio described his experiences of participating in the Talent Match programme. He described how he had arrived in the UK with a low level of English and lacking confidence and, after participating in the programme, could speak English, was continuing to study and was working at the National Football Museum, linking in with his interests and aspiration of working in the football industry. He also informed the Committee of the range of voluntary work he had undertaken. Anthony Vanterpool informed the Committee about his work as a Talent Match coach with Manchester College, working with hard to reach 'hidden' young people, and some of the challenges and successes of this work.

A member asked for further information on how Talent Match identified hidden young people. Marie Graham reported that, unlike other programmes, Talent Match did not receive referrals from Job Centre Plus and mainly worked through community organisations which enabled them to identify and engage with young people who might not otherwise have been known to them.

A member welcomed the holistic approach taken by the Talent Match programme in supporting all the young person's needs. He asked whether the programme held data on the participation and progress of different groups of young people. Marie Graham confirmed that they did hold this information, although there were some limitations to the data held, and agreed to circulate this to members.

A member asked whether their work was evaluated and compared with the outcomes for other programmes. Marie Graham informed the Committee that the programme had funded an Evaluation Officer, based with New Economy, who would be undertaking a comparison between this programme and others such as the youth contract, Working Well and the youth programme.

The Chair expressed concern that the programme only engaged with young people who had not been in employment, education or training (NEET) for 12 months or more. Marie Graham advised members that the parameters of the programme were set by the National Lottery but that they were currently considering options which might enable them to work with young people sooner or to expand the age group that they worked with.

## **Decision**

1. To ask Marie Graham to circulate information on the participation and progress of different groups of young people in the Talent Match Programme.
2. To thank the guests for their presentations and Leonardo for sharing his experiences.

[Councillor Peel declared a personal interest as the Chair of the Board of Greater

Manchester Youth Network]

[Councillor Hacking declared a personal interest as a governor at Manchester College.]

[Councillor Appleby declared a personal interest as an employee of Manchester College]

**ESC/15/60                      Devolution- expansion of working well and co-commissioning of the Work Programme  
Working Well**

The Committee received a report of the Greater Manchester Lead for Employment Initiatives which provided a progress update on the expansion of working well and co-commissioning of the Work Programme. The Committee also received a report of the Head of Work and Skills which provided an update on the Working Well programme since the Committee last considered it in March 2015.

The Chair announced that these two items would be considered together.

The Committee welcomed Matthew Ainsworth from the Greater Manchester Public Service Reform Team and Steve Black and Fola Agbolaya from the Big Life Group. The Committee also welcomed Councillor Craig, Chair of Health Scrutiny Committee.

A member asked for clarification on the funding for the Working Well expansion. Matthew Ainsworth reported that there were two separate budgets, one to pay for the programmes and one to pay for benefits. He advised that negotiations had taken place with national government as part of the Working Well expansion which ensured that money provided by central government was no greater than the amount saved on benefit expenditure and, therefore, this represented a cap on the amount of money available. He advised members that three funding streams were paying for the expansion of the programme – the Transformation Challenge award, the European Social Fund and the Department for Work and Pensions (DWP) and that it had been calculated that the funding could accommodate a 50% over-performance or a 30% underperformance on the programme. He advised that, if over-performance was likely, further negotiation would take place with the Treasury. He reported that if Greater Manchester was going to take further control over welfare to work provision, a financial risk and reward agreement with national government would be required.

A member expressed concern about the implications for the Work Programme, in light of the narrow definition of co-commissioning within the Sheffield Deal and the potential outcomes of the Comprehensive Spending Review. Matthew Ainsworth reported that it had been difficult to agree a definition of co-commissioning with the DWP but that, from a Greater Manchester perspective, it had been argued that this meant being a joint partner who should be able to influence all stages of programme development and delivery. He advised that that this had not yet been agreed with the DWP and discussions were still ongoing.

A member requested that information on targets and results be more clearly set out

in future reports. She also noted that the report submitted to the Committee in March had referred to expanding Working Well to work with different cohorts and asked for an update on this. Matthew Ainsworth informed the Committee that the Working Well pilot worked with Employment Support Allowance (ESA) claimants but that the expansion would work with a broader cohort including Job Seekers' Allowance (JSA), Universal Credit and Income Support claimants. He advised that benefits type did not characterise the needs of the individual but that this was the way the current system was structured. He informed the Committee that a large number of people could benefit from the support provided through the Working Well programme and at an earlier stage. However, he reported that they were restricted in the cohort they could work with as the government was concerned about providing costly support to some people who might not need that level of support and about the risk of legal action for breach of contract due to other providers already being commissioned to work with some cohorts, for example, through the Work Programme. He informed the Committee that Working Well could support clients who had participated in the other programmes but not successfully moved into employment. He further advised that co-commissioning presented an opportunity to replace the current system with a new way of delivering welfare to work in Greater Manchester from 2017. Members expressed interest in future developments.

Councillor Craig welcomed the recognition of health as a significant barrier to employment. She noted the reference in the report to the creation of a new employment and skills 'eco-system' which would bring together personalised support, skills provision and mental health therapeutic interventions, and requested further information on this. Matthew Ainsworth reported that the intention for the Working Well expansion was to incorporate support related to employment, skills and health. He reported that Greater Manchester had successfully bid to become a Mental Health and Employment Trailblazer and was now commissioning a personalised support service, mental health therapeutic interventions and skills for employment provision. He advised members that, as part of the Working Well expansion, an assessment would be made of whether these three funded services working together could achieve better outcomes for customers. Steve Black reported that obtaining sustainable, suitable employment had a positive effect on people's mental health, well-being and lives as a whole and that his organisation adopted a person-centred approach.

A member asked for an update on the progress of the intermediate labour market offer pilot to give people work experience and whether there were plans to expand this. Fola Agbolaya reported that, for some clients who had been out of the labour market for a long time, lack of work experience was their main barrier to employment. She informed members that Big Life was piloting work placements within their own organisation to provide work experience for clients from which they could then be supported into finding employment. She reported that it was intended to expand the provision of work placements, working with other major employers in Manchester.

A member asked how underperformance and over performance was measured. Matthew Ainsworth informed members that this related to the Working Well expansion which would not go live until February 2016. He reported that an assessment had been made of the cash value of the programme and also an analysis of the implications if more or fewer people moved into work through the

programme than anticipated. He reported that overachievement could hamper the programme as there was limited funding for welfare to work provision and significant numbers of people in Greater Manchester needing this support. However, he advised that devolution presented an opportunity to maximise the benefit from the money available by reducing duplication and ensuring services complemented each other.

A member asked whether Big Life would consider recording the smoking status of individuals and refer them to services to stop smoking. Steve Black reported that smoking, drinking and drug use were addressed during counselling sessions and that, where the individual indicated that they were considering giving up smoking, they were referred to smoking cessation services.

### **Decisions**

1. To request that future updates include detailed, clearly set out information on targets and results.
2. To request a further report at an appropriate time to include information on plans for delivering welfare to work programmes in Greater Manchester from 2017.

### **ESC/15/61                      Update on the Work Programme**

The Committee received a report of the Head of Work and Skills which provided an update on the delivery of the Work Programme in Manchester.

The Committee welcomed Grace Watson, Naomi Ilagoswa and Nicola Mosley from the Work Company and Alicia, who had participated in the Work Programme. Alicia shared her experience of participating in the Work Programme which she reported finding useful and geared to finding employment which was well-matched to her skills and aspirations. Grace Watson advised that support was matched to different cohorts depending on the benefits they were claiming. She advised that support available to participants could include work experience, help with job searching, training courses and access to a self-employment advisor.

A member thanked Alicia for sharing her experience.

A member expressed concern that people over the age of 50 were less likely to successfully move into work through the Work Programme. He requested further information on the number of people within this cohort and any lessons that could be learnt on working with this age group. The Head of Work and Skills reported that people in this age group would be supported through the expansion of Working Well and through Age Friendly in the City, which already successfully ran a number of programmes supporting over 50s into work and was involved in research on the economic impact of getting more people in this age group back into employment. Naomi Ilagoswa reported that changes to Working Tax Credits had made it more difficult for over 50s to return to employment as they could no longer work up to 16 hours and claim Working Tax Credit. She informed the Committee that many people in this age group were highly skilled in industries which were in decline or no longer

existed so they needed support in developing other skills which were needed in the current economy. A member requested that the Committee receive a report on the work of Age Friendly in the City and the economic impact of getting more people over the age of 50 back into employment

In response to a member's question, Naomi Ilagoswa reported that the proposed changes to Working Tax Credits would have a significant impact on customers on ESA as they would no longer be able to start working 16 hours and claim the disability element of Working Tax Credits, which helped them ease into work.

A member asked whether targets had been set for numbers moving into work. The Head of Work and Skills informed the Committee that national minimum performance targets for the Work Programme had been set by the DWP. She reported that the targets had been met for participants on JSA and almost met for other categories but that they were not a particularly useful measure of the success of the programme. Grace Watson reported that providers sometimes experienced problems in claiming for successful performance due to missing or incorrect information in the DWP's systems.

In response to a member's question, Grace Watson reported that smoking cessation services were available in some of their centres and customers who indicated that they wanted to stop smoking would be signposted to these services.

## **Decision**

To request that the Committee receive a report on the work of Age Friendly in the City and the economic impact of getting more people over the age of 50 back into employment

## **ESC/15/62                      Worklessness and Health**

The Committee received a report of the Head of Work and Skills and the Director of Public Health which outlined the measures in place to address long term worklessness for those who had health conditions and were furthest away from the labour market.

Councillor Craig emphasised the importance of mental health and asked how this strand of work linked with the Greater Manchester Mental Health Strategy. She reported that some people were having to leave work due to an inability to access appropriate support at that stage and highlighted the need to consider general service provision rather than one-off interventions aimed at particular cohorts.

The Committee welcomed Councillor Paul, a member of Health Scrutiny Committee. Councillor Paul reported that Greater Manchester devolution offered an opportunity to adopt a holistic approach, joining up services. He drew members' attention to the World Health Organisation's (WHO) analysis of health impact which included a wide range of factors including income, physical environment and social support.

The Strategic Lead (Adults Public Health) acknowledged that timely access to the right mental health support to help people to stay in or return to work was needed but



was not currently in place. She advised that it was important to ensure that the Health and Social Care and Work and Skills elements of devolution were not considered in isolation. She reported that mental health issues could not be addressed through a purely clinical approach and needed a more holistic approach and that the Council needed to persuade its health partners to commission differently in order to improve health outcomes.

The Committee discussed the importance of employers supporting employees with mental health issues to prevent them from leaving work and asked what the Council was doing to lead on this issue. The Strategic Lead (Adults Public Health) reported that the Health and Wellbeing Board was commissioning a piece of work to audit board member organisations and identify good practice including employment of people with mental health problems and workplace health practice. She further reported that she and the Head of Work and Skills were undertaking a piece of work on how to embed good workplace health practices with Greater Manchester employers. The Head of Work and Skills reported that some private sector employers were already leading in good practice in this area and were clear on the benefits to the organisation so the Council and other public sector organisations could learn from them.

### **Decision**

To note the report.

### **ESC/15/63 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 Strategic Director (Strategic Development) informed the Committee that a report was due to go to the 2 December meeting of the Executive regarding a bid to government for resources to invest in the highway network, based on an economic argument. He requested that this report be brought to the 25 November meeting of the Economy Scrutiny Committee. The Chair agreed to this addition to the work programme and reported that the item on Manchester College, which was due to be considered at the November meeting, had been deferred.

### **Decision**

To note the report and agree the work programme, subject to the above amendments.