

Economy Scrutiny Committee

Minutes of the meeting held on 20 July 2016

Present:

Councillor Richards – in the Chair

Councillors Amesbury, Appleby, Davies, Farrell, Green, Moore, H Priest, Raikes, Razaq, Shilton Godwin, A Simcock and Smitheman

Councillor S Murphy, Statutory Deputy Leader

Dave Power, One Manchester

Tim Haworth, Department for Work and Pensions

Julie Price, Department for Work and Pensions

Karen Coope, Department for Work and Pensions

Apologies:

Councillor Hacking

ESC/16/30 Minutes

Decision

To approve as a correct record the minutes of the meeting held on 22 June 2016.

ESC/16/31 Cumulative Impact of Welfare Reforms

The Committee received a report of the Head of Work and Skills and the Head of Revenues, Benefits and Shared Services which provided an update on the implementation of welfare reform in Manchester since October 2015. The report also provided an overview of the current and future impact of welfare reform specifically on young people. The Committee welcomed Dave Power from One Manchester, an organisation which managed a range of neighbourhoods and homes across south and east Manchester.

The Statutory Deputy Leader informed members about the impact of welfare reform on Manchester residents, particularly women, children and young people. She reported that the changes impacted on many working people, as increasing numbers of people were in low-paid, insecure work.

Mr Power provided the Committee with information on the impact of welfare reforms on the social housing sector. He reported that new social housing tenants were increasingly people in temporary, low-paid work. He advised that the way Universal Credit was set up was problematic and was likely to have a negative impact on some working people. He outlined the challenges facing people aged under 35, reporting that the biggest demand for one-bedroom flats was from this age group but nearly all the available flats had a rent set higher than the local housing allowance. He outlined some of the challenges around accommodating jobseekers under the age of 35 year olds and in supporting people leaving homeless hostels and some of the proposed packages to support these groups. He advised that one of the key

challenges for One Manchester and the city was upskilling residents to move them from low-paid, insecure employment into better employment. He outlined the financial impact on housing associations of the 1% cut in rental income and how One Manchester had had to reduce its running costs due to this. He further informed members of the challenges this placed on its ongoing sustainability and how the organisation planned to meet these financial pressures.

Members discussed the impact of welfare reforms and gave examples of the way it was affecting local residents. The Statutory Deputy Leader reported that the Council was currently developing a new Family Poverty Strategy and that this work was being led by the Head of Work and Skills, with a range of partner organisations being involved. She suggested that the strategy incorporate real life stories of the problems being faced by local residents, which members would be aware of from their advice surgeries and other contact with local residents. The Chair recommended that members provide examples of the impact of welfare reform on residents in their ward to contribute to this work. She also requested that the Committee make a recommendation to the Executive that they develop a clear narrative on the impact of welfare reforms on Manchester residents, which presented a strong case to national government.

A member expressed concern that the impact of welfare reforms, particularly the benefits caps, would be exacerbated by the rising cost of living and that this could rise further as a result of the vote to leave the European Union. The Chair requested that information on the potential impact of Brexit on the cost of living be incorporated into the report on the Impact of the European Union (EU) Referendum Outcome on the Economy which was due to be considered at the Committee's October meeting.

A member asked why the Department for Work and Pensions (DWP) was not currently able to share data on Universal Credit claimants who were due to be affected by the revised benefit cap and whether this would change in future. The Technical Manager reported that the DWP adopted a cautious approach to data-sharing and put in place detailed regulations on how it shared data with other organisations such as the Council. He advised that there was currently no legislative basis for the DWP to share this information and, although the DWP was committed to sharing this information, this would not happen until appropriate regulations were in place. He reported that data protection had become more of an issue over last 20 years and was a significant constraint on the use of the data that the public sector held. The Head of Work and Skills reported that data sharing was also an issue for the Reform programme and that work was being done at a Greater Manchester level to address this. The Head of Revenue, Benefits and Shared Services reported that the Council had shared ward-level information on the impact of the benefits cap with local councillors to enable them to understand the impact within their ward and to support their casework. The Chair requested further information on the work taking place at a Greater Manchester level on data protection, particularly in relation to Reform.

Decisions

1. To request that members provide examples of the impact of welfare reform on residents in their ward and to ask that the Committee Support Officer advise members of the appropriate officer to send this information to.
2. To recommend to the Executive that they develop a clear narrative on the impact of welfare reforms on Manchester residents, which presents a strong case to national government.
3. To request that information on the potential impact of Brexit on the cost of living be incorporated into the report on the Impact of the European Union (EU) Referendum Outcome on the Economy which is due to be considered at the 12 October meeting.
4. To request further information on the work taking place at a Greater Manchester level on data protection, particularly in relation to Reform.

ESC/16/32 Universal Credit roll-out and update on Job Centre Plus

The Committee welcomed Tim Haworth, Julie Price and Karen Coope from the Department for Work and Pensions.

Mr Haworth provided the Committee with an update and overview of Job Centre Plus (JCP) services. He informed the Committee about work to address gaps in provision and support for jobseekers and outlined some of the programmes and support that had been put in place, using the Flexible Support Fund. He highlighted issues jobseekers encountered such as the need for work experience and for IT skills to apply for jobs online and reported that the JCP was working with jobseekers to address this. He informed members that the 1000 people had moved into work through the Manchester Employer Suite, which provided a recruitment service for employers and a channel through which Manchester residents could access these job opportunities. He advised members that the JCP had moved to a work coach delivery model, where jobseekers were supported by the same work coach, even if the type of benefit they were receiving changed. He reported that the 'Jobseeker's Agreement' had been replaced by the 'Claimant Commitment' which was tailored to the individual and could be amended, as appropriate.

The Committee also received a presentation from Mr Haworth on Universal Credit. Mr Haworth provided a short overview of the information in the presentation.

A member requested further information on the 1000 people who had found work through the Employer Suite, including the time period this covered, how many were north Manchester residents and how long they remained in the job. The Chair requested that further data on Manchester residents obtaining work through the Manchester Employer Suite be circulated to members.

A member commented that the presentation did not provide information on the impact of Universal Credit in Manchester. Mr Haworth reported that nationally more people were moving into work more quickly and staying in work longer. He reported that, when information was available at a Manchester level, he would share this. The Chair requested that the Committee receive a report on the impact of Universal Credit in Manchester, when this information was available.

The Committee discussed residents' experiences of and issues with JCP. A member commented that the perception that councillors and residents differed from what the Committee was being told by Mr Haworth. She asked whether members could visit JCP and meet with staff and jobseekers. Mr Haworth reported that JCPs had changed and he would welcome a visit from members. The Chair requested that members be provided with the details of the relevant contact person so that individual members who were interested could arrange a convenient time to visit. Ms Price informed members that partnership forums were now taking place on a bi-monthly basis to enable a range of partners including caseworkers and MPs to talk through issues. She reported that councillors were welcome to attend and to discuss any cases they wanted to resolve. The Chair requested that members be invited to future partnership forum meetings.

Decisions

1. To request that the Committee receive a report on the impact of Universal Credit in Manchester at an appropriate time.
2. To note the offer to visit Job Centre Plus and to request that the Committee Support Officer circulate the details of the relevant contact person so that individual members who are interested can arrange a convenient time to visit.
3. To request that further data on Manchester residents obtaining work through the Manchester Employer Suite be circulated to members.
4. To request that members be invited to future partnership forum meetings.

ESC/16/34 Welfare to Work Programmes

The Committee received a report of the Head of Work and Skills which provided an overview of welfare to work schemes to support Manchester residents into work. The Head of Work and Skills introduced the report across its main themes.

A member requested further information on the outcomes for the 24,820 claimants who had been referred to the Work Programme in the city. She advised that the Committee needed more detailed information to enable members to effectively scrutinise the information and compare outcomes with other cities. The Chair requested that the Committee receive a report on the Work Programme at a future meeting, to include further information on the outcomes for Work Programme participants and that Work Programme providers be invited to this meeting.

A member reported that some GPs were more proactive than others in referring patients for support, such as the Working Well Programme. He asked whether any information was being gathered on GP referrals to Working Well, comparing different practices and different areas of the city. The Head of Work and Skills reported that a lot of work had been done with GPs on this and that many had engaged with the Working Well programme and had provided positive feedback. However, she acknowledged that many other GP practices had not yet engaged with this and further work was needed to support its roll-out across GP practices in Manchester. The Chair requested that the Committee receive an update report at a future meeting on the expansion of the Working Well project, including information on the referral process.

The Committee discussed the impact of funding cuts, including the reduction in DWP funded provision. A member highlighted that the European Social Fund had also contributed financially to programmes to help people into work and to help them gain the skills to get better paid, more secure work. She expressed concern that this funding would no longer be available. The Chair requested that information on the impact of Brexit on funding from the European Social Fund (ESF) for skills be incorporated into the report on the Impact of the European Union (EU) Referendum Outcome on the Economy which was due to be considered at a future meeting.

Decisions

1. To receive a report on the Work Programme at a future meeting, to include further information on the outcomes for Work Programme participants, and to invite Work Programme providers to this meeting .
2. To receive an update report on the expansion of the Working Well project, including information on the referral process.
3. To request that information on the impact of Brexit on funding from the European Social Fund (ESF) for skills be incorporated into the report on the Impact of the European Union (EU) Referendum Outcome on the Economy which is due to be considered at the 12 October meeting.

ESC/16/35 Overview Report

A report of the Governance and Scrutiny Support Unit was submitted. The overview report contained key decisions within the Committee's remit, responses to previous recommendations and the Committee's work programme. The Committee was asked to approve the work programme.

Decision

To note the report.