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**Manchester City Council  
Report for Resolution**

**Report to:** Economy Scrutiny Committee – 9 November 2016  
**Subject:** Job Creation through the City's large investments  
**Report of:** Head of Work and Skills

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**Summary**

The purpose of this report is to provide an overview of the activities that Manchester City Council and our partners are delivering to support Manchester residents to access and benefit from the jobs created, as a result of the economic growth of the city. The report details the strategies in place across the Council to support this work and provides examples of delivery vehicles by which we do this work. It also provides information on large developments that have taken place across the City in the last 5 years and an overview of jobs created which have been filled by Manchester residents.

Contained in this report is some background information on developments delivered by Wates and as well as developments around the Etihad Stadium. There are separate reports issued containing more detail on these developments at this scrutiny committee.

**Recommendations**

Members of the Committee are requested to note and comment on this 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**

The purpose of this report is to provide an overview of the Manchester jobs market, a review of new developments that have taken place in the last five years and provide an explanation of how Manchester City Council (MCC) and its partners have maximised job opportunities arising from these developments for Manchester residents.

The ability to capture actual jobs created and monitor how many of those jobs are filled by Manchester residents is variable across the large scale developments outlined later on in this report. However there is sufficient information on most to estimate local benefit.

## **2.0 Background**

### **2.1 Manchester's Economy and Job Market**

The Our Manchester Strategy sets out a vision for Manchester to be in the top flight of world-class cities by 2025. This vision aims to open up new opportunities for our residents in the fields of education, work, leisure and family life. Central to this will be delivering a different employment offer for our residents, in order to connect them to the city's growth and opportunities.

Manchester's economy has grown substantially in recent years and there are now approximately 374,700 people working in the city, with an estimated 236,000 Manchester residents in employment at the end of 2015. This growth has been driven by key high-growth sectors, increasing numbers of international visitors, a rising and changing population, an expanding business base, a buoyant city-centre commercial market, internationally renowned cultural and sporting sectors and major investments in transport and infrastructure.

Manchester's population has grown rapidly over the past decade, with the number of people living in the city increasing by over 80,200 (nearly 20%) to 540,000 between 2001 and 2011 - the highest percentage growth of any town or city in the UK. Population growth has occurred across the whole city but has been concentrated in the city centre and surrounding wards, with the number of people living in the city centre growing from 6,975 in 2001 to 20,171 in 2014.

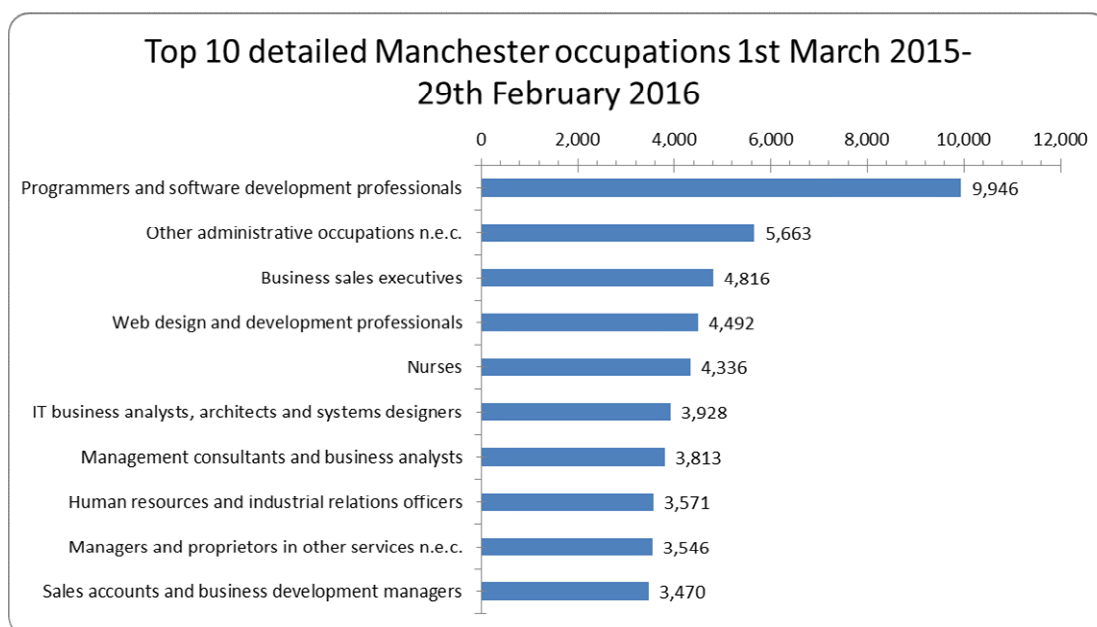
The working-age population in the city has also increased (from 66% to 71% between 2001 and 2011) with the largest increase again recorded in the city centre, where 94.4% of people were of working age in 2011. Between November 2006 and November 2015, the number of Manchester residents claiming out-of-work benefits fell by 11,829 (19.4%) from 61,070 (19% of residents) to 49,241 (13.2% of residents).

However the demand for workers in the City has outstripped population growth. Based on 2011 Census data, analysis from the Greater Manchester Forecasting Model (GMFM) 2015, indicates an expansion demand of 34,800 workers in Manchester between 2015 – 2025 and a replacement demand of 32,900, giving a net requirement of an additional 67,700 workers over this period.

Analysis of Labour Insight data for job advertisements located in Manchester between March 2015 and February 2016 indicates that the occupation group with the highest number of advertised vacancies was ‘Professional occupations’, with over 60,000 jobs advertised. These generally require Level 3 and above qualifications.

Detailed analysis of occupation vacancies is summarised in **Figure 1** below. ‘Programmers and software development professionals’ made up the largest proportion of advertised vacancies by some margin. Other digital roles such as ‘Web design and development professionals’ and ‘IT business analysts, architects and system designers’ are also inside the top ten. This demonstrates the high demand for digital skills within the Manchester labour market.

**Figure 1: Top 10 detailed occupations listed in Manchester vacancies 1<sup>st</sup> March 2015 – 29<sup>th</sup> February 2016**



It should be noted, however, that Labour Market Insight data does not provide a complete picture of the jobs being created in Manchester, as it only considers advertised vacancies. Roles are also filled via word-of-mouth recommendations, online networks such as LinkedIn and recruitment agencies which are not captured in the figure above. It is estimated that over 50% of vacancies are filled this way.

## 2.2 Current and future demand for skills

Analysis of the demand for skills is not an exact science but a range of data sets can be used to develop Labour Market Intelligence (LMI) as an evidence base to inform strategies and for use in schools and colleges to inform careers advice and guidance. 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 the Labour Insight tool which analyses advertised vacancies.

At present, approximately 27% of all jobs in Greater Manchester (GM) are located in Manchester. Between 2015 and 2025, Manchester is projected to create an

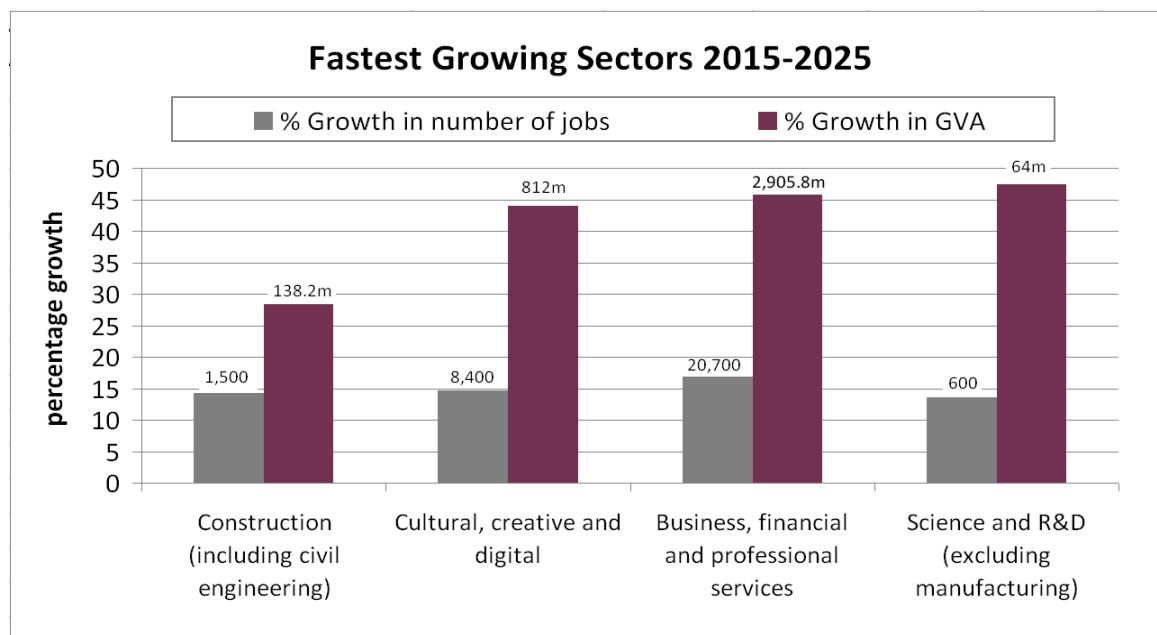
additional 39,000 jobs, which equates to 43% of the 91,000 new jobs to be created in GM.

**Figure 2** (below) shows that the city’s fastest growing sectors over the next decade will be:

- Business, financial and professional services (103,700 jobs now, 20,700 additional jobs by 2025)
- Science, research and development (4,100 jobs now, 600 additional jobs by 2025)
- Cultural creative and digital (63,200 jobs now, 8,400 additional jobs by 2025)
- Construction (9,000 jobs now, 600 additional jobs by 2025)

Business, financial and professional services is Manchester’s largest sector by scale and is also forecast to grow at a significant rate. This growth is largely driven by the regional centre and, in particular, roles in business services. The other three sectors shown in Figure 2 below are growing from a much smaller base but are still growing at a significant rate.

**Figure 2: Manchester’s fastest growing sectors 2015-2025**



Source: GMFM 2014

Despite this encouraging picture, Manchester’s economy faces a significant challenge in relation to low pay. The growth of the city has also seen a rise in employment levels in retail, hospitality and logistics; sectors which have low pay levels and relatively flat structures, which make progression more challenging.

Analysis by New Economy has demonstrated that the Greater Manchester labour market has shifted to an ‘hourglass’ shape, something which is common in many post-industrial cities. The hollowing out of many intermediate skilled blue collar roles

has led to a two tier economy, with a clear distinction between high skilled, high paid workers and lower skilled, low paid workers.

New Economy has found that low wages are slightly more prevalent in Greater Manchester than the rest of the UK. In 2014, 22.5% of jobs in GM were below the low pay threshold (defined as two thirds of national median income) compared to 21.2% nationally.

Between 2004 and 2014, the number of low paid workers in GM as a proportion remained stable at 22.4%. Low paid sectors, such as hospitality, retail and residential care (where at least 30% of jobs are paid below the low pay threshold) account for approximately one third of all jobs in GM. The largest low paying sector is retail with 121,700 employees, where 10% of employees receive a low wage.

However, many of the growth sectors that pre-dominate in the city centre will create employment opportunities that require skills and qualification at level 3 and above. It is important that the city's young people and working age adults are equipped with the qualifications and skills to succeed in this labour market. There will also be entry level employment opportunities for Manchester residents in, for example, a strong and growing service sector. One of the challenges for the city is to ensure that this work is sustainable and pays a sufficient wage to enable residents to live full and healthy lives. Working with employers and building on the success of current Reform programmes, there is a need to ensure that those furthest from the labour market are supported to access those opportunities.

### **3.0 Maximising the Benefits of Economic Growth for Manchester Residents**

The Manchester Work and Skills Strategy 2015-20 sets out the priorities and provides a framework to drive changes within the work and skills system. The Strategy outlines a new, more demand-led approach to work and skills, which will create a system to meet the growth needs of businesses and enable residents from all backgrounds to obtain the skills and attributes employers require. The Strategy recognises that residents furthest from work and those in low paid employment will be priority groups for public funding. A more demand led skills system with less public funding will put more emphasis on employers investing in the skills of their current and future workforce. The introduction of the Apprenticeship Levy for large employers from April 2017 will secure investment in apprenticeships for their existing and future workforce.

This section provides an overview of the activities that Manchester City Council and our partners are delivering to support Manchester residents to access and benefit from the economic growth of the city. It details the strategies in place across the Council to support this work and provides examples of delivery vehicles by which we do this work.

#### **3.1 MCC as Employer**

##### **3.1.1 Current Employment Breakdown**

As of 31st March 2016, Manchester City Council employs 6,978 people of whom 3,537 are Manchester residents. In comparison, in December 2010 our Full Time Equivalent count was 9849 which is a drop of 3951 FTE or 40%. The last 5 years have seen an emphasis on internal recruitment in order to absorb the budget cuts which had to be made, however the City Council has maintained our commitment to ring fencing entry level opportunities and apprenticeships for unemployed Manchester residents.

### **3.1.2 Apprenticeships**

In September 2015 MCC recruited Manchester residents to a further 51 apprentice positions (50 Intermediate and 1 advanced) bringing the total number of apprentices recruited since 2011 to 290. A further 3 apprentices were recruited in March 2016 from the My Future Intermediate Labour Market Scheme, with 38 more apprentices, recruited in April 2016. (35 intermediate and 3 Degree level apprentices).

MCC is working with other GM Authorities and New Economy on developing the GM Public Sector Apprenticeship Programme in response to the Apprenticeship Levy and the Public Sector Apprenticeship Target outlined in the Enterprise Bill. The intention is to build on the devolution agreement between Government and GM to collaborate around the Levy, with an expected outcome of a wider range and quantity of apprenticeship offered across GM boroughs and this work is ongoing.

### **3.1.3 My Future Intermediate Labour Market Scheme**

The My Future Intermediate Labour Market Scheme is a service commissioned by Manchester City Council and delivered by The Manchester College, to support NEET young people into work. The scheme supports 16 to 24 year olds who are not yet ready to access an apprenticeship or full-time employment, to provide experience within the world of work, to develop skills and gain work related qualifications, with a view to moving into work.

Young people are offered a three months paid work experience placement in a business environment in the public, private and voluntary sectors. The placement is accompanied by training and educational opportunities prior, throughout and after the work placement. Businesses providing work experience opportunities include: Manchester City Council, Greenwich Leisure, Wythenshawe Housing Trust, Britannia Hotels, Kids Around the Clock, Emerge and Laing O'Rourke

Between February 2015 and August 2016, 111 young people started a placement, 82 of whom completed the programme. Out of the 82 young people who completed the programme, 46 went on to start work/an apprenticeship or move into training.

### **3.1.4 Supported Internships**

As part of the roll out of the scheme from Central Manchester Foundation Trust, MCC continues to work collaboratively with Pure Innovations on a Supported Internship Scheme offering placements for Manchester young people with learning difficulties/disabilities. We actively work with a range of businesses to provide

employment opportunities for those who have successfully completed the internship. The scheme was nominated for and won a prestigious 'Skills for Business Award' in 2015. A cohort of ten young people per year was supported in 2014/15 and 2015/16. A further cohort of ten has been recruited for 2016/17.

### **2014/15**

- 6 gained employment in the private sector
- 1 gained employment with MCC
- 1 returned to Further Education
- 2 left the programme for personal reasons

### **2015/16**

- 4 gained employment in the private sector
- 2 are on a working interview in the private sector
- 1 is on a working interview with MCC
- 3 are continuing on placement (it is likely that at least 2 of these will return to further education)

### **3.1.5 Graduate Trainees**

In 2015 MCC recruited eight Graduate Trainees (Manchester residents or Graduates from Manchester Universities) into specialist roles in services including HR, Manchester Markets, Finance, Reform and Innovation and Environmental Health.

In 2016 we have recruited ten Graduate Trainees, six have gone into specialist roles in Highways, Capital Programmes and Finance and four are generalist management trainees based in Children's Services and the Corporate Core.

### **3.1.6 Work Experience**

MCC continued to offer work experience opportunities to Manchester pupils throughout 2015. However it was recognised that our work experience offer needed to be reviewed to ensure we were more effectively marketing the scheme to our priority groups. It was also recognised that it was necessary to simplify and streamline the process and to improve data capture. As a result we are currently developing a new approach based on an on-line application process which is currently being piloted in Growth and Neighbourhoods Directorate. Evaluation of the pilot will take place by the end of the year with a view to rolling out to the rest of the Council at the start of 2017.

## **4.0 MCC role in Procurement**

The council spends around £600 million in revenue and around £300 million in capital a year on procurement. It is therefore one of the key mechanisms through which we can deliver a different employment offer for our residents through increased social value in our procurement practices.

A key focus for our social value, relates to employment or skills and training opportunities for groups facing economic or social barriers. Early engagement with suppliers, internal stakeholders and residents is now a core part of our pre-



procurement processes. At procurement stage all contracts are evaluated on a combination of price, quality and social value, which has traditionally been set at a minimum 10% of the overall score, recently increased to 20% as a result of the introduction of the City's Fair and Ethical Procurement Policy. At post-procurement stage the Work and Skills Team provide a tailored service for providers post-contract that supports them to maximise social value as part of their contract delivery.

There have also been a range of improvements made to our tendering processes to encourage participation from Small to Medium Enterprises (SMEs) and the Voluntary and Community Sector (VCS), which tend to employ locally, as reported to this Committee 12<sup>th</sup> Oct 2016.

Research into the impacts of Manchester's policies has been conducted by the Centre for Local Economic Strategies (CLEES) since 2009. This research that 5,500 residents employed as a direct result of MCC's spend with its top 300 suppliers with well over 200 apprentices recruited

## **5.0 MCC Role in Planning**

The Work and Skills Team is working closely with MCC Planning Department to implement a process whereby employment and skills outcomes are considered as a condition to planning approval, which aims to ensure that we maximise local benefit for residents. Whilst this in itself is not contractual, it places an emphasis on the developer or client to consider social value and allows the Council to negotiate a number of measures to achieve more local outcomes.

### **5.1 Case Study: Amazon at Airport City: Planning process and local Employment Planning Condition**

#### **5.1.1 Background**

As part of the Greater Manchester Enterprise Zone, there are clear objectives to ensure that there is local benefit from the employment opportunities created as a result of companies locating in Airport City. Amazon is the first new company investing in Airport City, with large scale job opportunities: 1,500 permanent positions and a further 1000 casual peak time roles.

To ensure that the local benefit was captured, MCC attached local employment as a planning condition to the planning approval for the site. The planning condition set out the principles and the approach that the City Council and partners working with Amazon, would take to promote the opportunities and provide targeted support to residents who needed it to access employment. The approach was based on best practice and lessons learned from previous large-scale recruitments.

#### **5.1.2 Supported Recruitment**

Working with the Skills Company (part of the Manchester Growth Company) and Jobcentre Plus to ensure that we were able to offer a comprehensive and streamlined approach to Amazon that complemented their own recruitment activities.

The opportunities were promoted across GM with more intensive recruitment closest to the site, as Amazon work on the basis that the majority of their employees come from a short commute time.

To achieve our objective of targeting the opportunities for unemployed residents, we devised a clear approach to providing pre-employment support to Greater Manchester residents wishing to apply for a “Fulfilment Associate” (Warehouse Operator) role with Amazon. The Skills Company took the lead as the single point of contact for Amazon and in engaging other GM colleges and providers. Together with Manchester College, Stockport College, Trafford College, the Airport Academy and DWP, in June/July our partnership delivered a series of twelve pre-recruitment support events over four days at the Wythenshawe Forum. Approximately 900 people attended these events and from these circa 530 candidates were put forward to attend supported employability courses.

Following completion of the courses, 420 candidates supported through the pre-employment process progressed on to Amazon’s ‘Big and Bold’ recruitment events at the airport. This process included three hours of assessments, in addition to drug and alcohol testing. From this process, 280 candidates supported by GM partners received an Amazon job offer. This is a 66% candidate to job conversion rate which is substantially higher than the 25% conversion rate for general direct recruitment.

### **5.1.3 Direct Recruitment**

As well as the targeted pre-recruitment, we also supported Amazon for their direct recruitment for a range of roles including, fulfilment associate, management and technical positions. This involved linking Amazon to our universities, colleges and learning providers, as well as our local networks, work clubs and Voluntary and Community Sector (VCS) organisations. We also provided assistance with promoting opportunities through the media, social media and other channels. The City’s Work and Skills team promoted the general vacancies and pre-recruitment opportunities more intensely in the City, particularly in Wythenshawe.

### **5.1.4 Recruitment Breakdown / Analysis**

Amazon is now fully operational in their new ‘Fulfilment Centre’ (warehouse) within the Airport Enterprise Zone, employing 1,500 permanent staff across a range of roles. Of those 1,500 permanent staff members Amazon recruited 887 employees from within Manchester City Council boundaries. This figure includes both supported and directly hired staff.

## **6.0 MCC Relationship with Developers**

MCC has developed strong links with key developers across the City and has used these relationships to influence local benefit outcomes for local residents. Examples include Wates Living Space and Etihad Campus and a representative from Wates and MCFC will be in attendance to report in more detail to this committee the approach and partnership work we have done in this area.

## 6.1 Construction – Local Benefit

**Table 1** illustrates how Manchester construction projects which were commissioned through the North West Construction Hub (NWCH) have added value and produced significant employment and training outcomes for Manchester residents:

**Table 1**

	Added Value Measures				
	Complete projects	Employability & Learning	Employment/ Apprenticeships	Development, Upskilling & Community Involvement	Special Added Value Projects
2012/13	4	38	10	28	0
2013/14	5	50	5	25	2
2014/15	16	727	161	117	39
Total	25	815	176	170	41

## 7.0 MCC and the Manchester Employers Suite

The Manchester Employers Suite, based in the ground floor of the Town Hall extension is a partnership project between Manchester City Council and Jobcentre Plus. It is an employer facing services that provides a facility and a pre-recruitment service to match more of the City's residents to the jobs being created in the City Centre. The Staff have built relationships with some of the major employers in the City Centre and through its network with job centres across the City can offer job ready candidates for employers to interview, thereby reducing cost and time pressures for employers while securing opportunities for the City's unemployed residents. Where residents need specific skills, pre-recruitment training is offered. As the Suite is located in the Town Hall extension, unemployed residents can access a wider range of support if needed.

Over 4,500 residents use the employer suite every year, 60% of residents who used the Employer Suite have secured employment and 70% of those residents are Manchester residents. Some of the larger companies who work with the Employer Suite on a regular basis include: Royal Bank of Scotland, Premier Inn, Debenhams, McDonald's, Marks and Spencer, ADT, Aegis, John Lewis, Quality Save, NHS and Manchester Airport Group

The Employer Suite also works with organisations such as the Princes' Trust as part of their 'Get into' programmes to support recruitment to specific sectors and employers. The Princes Trust target their programmes at young people between the ages of 16-25, who face multiple barriers to employment. Between April and December 2015, 177 18-25 year olds started the Prince's Trust training via the Employer Suite and 82 young people were offered positions.

**Table 2** shows a breakdown of volume employer recruitments (50 jobs or more) over the last 5 years and how many were filled by Manchester residents.

**Table 2**

**Employer Suite – Employer Activity Job Outcomes**

<b>Employer Accounts</b>	<b>Total Outcomes</b>	<b>Manchester Residents</b>
Aegis	171	122
B2W (Call Centre Training)	167	92
Blue arrow	167	136
Co-op	179	144
Compass	55	50
Creative Employment Project	50	50
Debenhams	67	57
ICM (Contact Centre)	228	216
Jamie Oliver	73	50
John Lewis (including Mantra)	64	40
Marks and Spencer	151	91
Premier Inn	167	143
Princes Trust	407	269
Sainsbury's	46	46
Tesco	126	83
Travelodge	74	67
TJI Fridays	21	21
TNT/Remploy	5	5
TNT/Aventa	66	66
TNT	251	251
	<b>2535</b>	<b>1999</b>

**7.0 MIDAS: Manchester's Inward Investment Agency**

MIDAS act on behalf of the ten local authorities of Greater Manchester and work to attract inward investment into the City Region by promoting Manchester as a leading European business location as well as a complementary proposition to the UK's capital, London, as reported to this Committee 12<sup>th</sup> October 2016.

**Appendix 1** is a list of companies that MIDAS have worked with in the last five years that have resulted in 100 + new jobs coming to the City. Unfortunately we are unable to break the figures down to identify numbers who are Manchester residents as this is not information collected by MIDAS. However, MIDAS refer employers to the Employer Suite when appropriate and those in **bold** are businesses that the Employer Suite supported with direct recruitments. The Manchester residents figure for those recruitments will be included in the Employer Suite figures above.

**8.0 Job Outcomes from Housing Developments**

**8.1 Miles Platting Private Finance Initiative (PFI)**

As part of the PFI contract Adactus are obliged to provide 4 trainee posts, for people who live in one of the wards in North or East Manchester. Adactus currently have 5

Trainees, one of whom is office based, with four on the maintenance team. During the course of the works, Lovell also employed an additional 7 trainees to carry out property refurbishments. Again these were targeted to people who lived in North and East Manchester wards. They were all full time posts on fixed term contracts. The Lovell trainees were contracted until the service works period ended. The Adactus trainees have a 3 year placement with the aim of obtaining a permanent post during that time.

## 8.2 Brunswick PFI

The Brunswick Regeneration PFI is a combination of government funding and private investment to revitalise Brunswick. S4B, the consortium managing the scheme has provided the following information regarding local labour from April 2015 – March 2016. A total of 144 employees came from Manchester with a split of employment opportunities as follows:

Construction	80
Refurbishment	33
Housing Management	31

(N.B. these figures are still subject to Scrutiny and City Council agreement.)

## 9.0 The Economic Impact of Manchester's Cultural Organisations

When the economic roles of the sector are considered collectively, Manchester's cultural organisations emerge as key assets that support economic development, as well as providing wider social and cultural benefits. A detailed report will be brought to a future Economy Scrutiny, on research commissioned by 16 of Manchester's key cultural partners, with support from the Council, which shows an upward trend in the number of visitors to cultural attractions, with culture playing a growing role in attracting national and international visitors.

The report found that during 2014/15 the cultural organisations participating in the study:

- Directly employed 934 Full-Time Equivalent (FTE) staff and supported a further 2,909 FTEs in the wider economy, equating to a total employment impact of 3,843 FTEs
- Generated £37.2million direct GVA and supported the generation of a further £91.3million indirect GVA, equating to a total GVA impact of £128.5million.
- The CEP programme has enabled Manchester residents who would not normally access the opportunities, into apprenticeship roles within the sector.

1. Ekosgen, The Impact of Manchester's Cultural Organisations, 2014 and 2015)

## 10.0 Key Developments

Outlined below the key commercial and residential developments that have taken place in the last 5 years where it was planned that 100 + jobs would be created through either construction or end use jobs.

Where it has been possible these figures have been broken down to identify the level of job, whether they are full time or part time and whether they were occupied by Manchester residents. However, depending on the nature and level of the roles, the relationships the end employers has had with City Council or one its partners, this data is not readily available in all cases, particularly where MCC is not the client.

### **10.1 Caveats**

It is worth noting that the number of projected jobs is based on employment density. Employment density refers to the average floor space (in m<sup>2</sup>) per full-time equivalent (FTE) member of staff. Calculating the jobs generated by a particular use or building, using employment densities, relies upon a consistent understanding of floor space and the convention of applying a specific formula dependent on end use e.g. employment densities for office developments is significantly greater than warehousing. Some developments have resulted in job retention or re-location e.g. NOMA.

A further point to note is that where we have recorded job/ apprenticeship outcomes on North West Construction Hub schemes, there is additional social value activity that takes place, including the upskilling and training of local residents, vocational and short courses, career talks and HE and FE Research Projects to name a few. These should enhance the employment prospects of those participating and may result in job outcomes for local people, at a later date but will not be captured in the final NWCH figures.

### **10.2 Large Scale Developments**

#### 1) MCC Town Hall Extension and Library Complex

Both construction jobs and new entry level jobs within MCC were targeted to Manchester residents. During the refurbishment phase Laing o Rourke worked closely with MCC and were proactive in proving a large number of apprenticeships. 74 New apprenticeship opportunities were achieved and 67 apprentices were sustained on this project. Across the Town Hall and Central Library complex a number of entry level jobs were promoted externally, most of which were apprenticeships, with 85 apprentices moved into permanent vacancies.,

#### 2) Spinningfields

This is the largest centre for business, financial & professional services outside London & the South East. Grade A office space in high demand and has attracted a range of local, national and international companies. Above and beyond jobs that were relocated from elsewhere, a number of companies created new jobs, many requiring graduate and higher level skills, helping improve graduate retention. For volume recruitment to 150 customer service roles, RBS approached the Employer Suite for support. These figures are included in the Employer Suite figures with 70% of those securing employment being Manchester residents. In the current construction of One Spinningfields, 25% of construction jobs were filled by Manchester and Salford residents.

#### 3) The Corridor Manchester

This is a partnership between the City Council, universities, Science Park and Central Manchester Hospital Trust. Already home to a significant number of

knowledge based jobs; there is a projected net increase of 14,000 jobs over the next ten years as a result of ongoing investment. Entry level and intermediate roles are promoted to Manchester residents in nearby wards via local organisations and networks and via The Works, which is a University of Manchester led partnership. To date 180 apprentices have been recruited across Central Manchester University Hospitals Foundation Trust, Manchester University and other partners with local recruitment to a further 180 nursing posts. As of September 2015 The Works had supported 3,601 local people into work, with 1,567 roles at the University of Manchester.

#### 4) NOMA.

NOMA is on its way to becoming a new city centre neighbourhood that combines a vibrant mix of commercial activity, residential, recreational amenities and cultural facilities. The subsequent developments that will form the collective NOMA neighbourhood will be phased over the next 10 years. The latest stage to be delivered, starting in 2015, includes new residential apartments, a 4 star boutique hotel and restaurant and a retail destination, in addition to refurbished office space and public realm. Further living accommodation, leisure, retail and office space will follow these developments. It is expected that in total approximately 15,000 new jobs will be created as a result. To date new jobs created have been mainly in construction from the development of One Angel Square which formed the HQ for the Coop, with the vast majority of jobs being relocated from other sites. In total 33 apprentices were employed and in addition, 10 local disadvantaged residents progressed in to employment through the main contractor.

#### 5) First Street

Continued development of First St has provided the area with an innovative blend of culture (HOME), leisure, retail and office space, becoming a visitor destination. Further development will see the addition of further commercial space at First Street Central and a residential mixed use neighbourhood at First Street South, complemented by high quality public realm. The overall development will result in over 10,000 jobs although some of these include relocations from other sites. Auto Trader relocated from several sites into one at First Street and have an impressive record of working with schools to promote career opportunities, they have an active CSR offer and used the Employer Suite to recruit to vacancies as a result of their move.

Based on information provided by HOME, there are 226 employees. This figure also covers people working on part-time or casual basis. Converting the initial employment figure into a full-time equivalent (assuming a typical FTE is 37.5 hours a week), the number of direct FTEs currently supported by activities at HOME is 108.5. Of these, 90.3 FTEs reside in Greater Manchester (GM), of whom 55.6 FTEs reside in Manchester local authority. During the construction of its £25m new facility, HOME supported 208 FTE jobs per year.

For its part of the construction activity in First Street, Carillion delivered: 25 apprentices; 5 university placements, 20 adult work placements with 6 jobs offered from those placements and 761 hours donated to the local community.

6) Civic Quarter/ St. Peter's Square

This includes two major new Grade A office developments in St Peter's Square along with a new Metrolink Tram station and significant public realm work. KPMG, the largest tenant in One St Peter's Square relocated there and therefore saw no net increase in jobs, however there have been a number of job opportunities in construction,

7) Airport City/ Amazon Recruitment

Refer to 5.1 for further details on this. Of the 1,500 permanent staff recruited 887 of these are Manchester residents

8) Beswick Hub

This includes the Connell 6th Form College and Leisure Centre and Institute of Health and Performance. Although in some circumstances, for example with the leisure centre, jobs were relocated from other sites, in total 7 under 16 and 15 post 16 placements were created, 51 apprentices have been sustained and 2 additional jobs created. In total 16% of all employees are Manchester residents, with 57% of all employees living in Greater Manchester.

9) The Sharp Project

Over the two sites it is home to over 60 digital entrepreneurs and production companies specialising in digital content production, digital media and TV and film production. Highlighted earlier in this report is the fact that digital is one of the fastest growing sectors in Manchester. The sector attracts and retains skilled talent in the city and it is very likely a large number of these digital entrepreneurs are living in Manchester however the figures to confirm this are not available. At Sharp Futures, 20 apprentices have been recruited with 15 of these being Manchester residents, 9 FT jobs recruited to, filled by 4 Manchester residents and 2 PT jobs created, one filled by a Manchester resident.

## 11.0 Future Key Developments in the City

The current and future volume of construction activity in the city centre presents opportunities across a range of construction trades and professions as well as diverse end use jobs. Details of these key developments are provided in the City Centre Strategic Plan which was reported to this Committee in February 2016 and listed in **Table 5** below. Employers are being encouraged to employ local people, and the Construction Group Training Association (GTA) model being managed by the Greater Manchester Chamber of Commerce is coordinating opportunities across the future pipeline of construction projects. Other initiatives such as the Manchester Life /M Futures apprenticeship programme provides higher level opportunities for Manchester young people to develop their careers within the construction sector.



**Table 3**

<b>Development</b>	<b>Expected No. of created jobs</b>
NOMA	Circa 15,000
St John's including Factory	Between 3,500 – 4,000 (Not including construction jobs)
First Street	Circa 10,000
Kampus	To be confirmed
Circle Square	More than 2000
Former Boddingtons Brewery site	Circa 1,850
St Michael's	Circa 1,500
Mayfield	Circa 7,500 (Through construction and end use)
Piccadilly (including Piccadilly Basin)	Circa 4,500
Great Northern Warehouse	To be confirmed
Manchester Life – Ancoats / New Islington	157
Town Hall Refurbishment	To be confirmed

The Work & Skills Team is working more closely with Planning and City Centre Regeneration on developing stronger relationships with developers earlier in the process. For example the Work and Skills Team and City Centre Regeneration Team are working with Allied London and the Manchester International Festival regarding St. Johns to engage in early discussions regarding construction and end use employment, apprenticeships and training opportunities in advance of the procurement of their main contractor. The Factory provides an additional opportunity to provide a focus for enhancing the education, training and apprenticeship opportunities in the cultural sector in the City. A report on the Factory's development is scheduled to come to Scrutiny in 2017.

There are implications for the introduction of the Apprenticeship Levy on main construction contractors and end users. The apprenticeship levy will be introduced in April 2017 and will be set at a rate of 0.5% of a large employer's pay bill. . Based on current Construction Industry Training Board (CITB) data, about 1% of employers registered with CITB (598 companies at group level) will need to pay. Beyond construction the apprenticeship reforms will impact on employers in all sectors. These will provide more apprenticeship opportunities for Manchester residents. We are working with employers, representative organisations and training providers to encourage businesses to prepare for the change and develop more apprenticeship opportunities.

## **12.0 Conclusions**

As a result of investment in the City and the employment created as a result of economic growth, more Manchester residents have moved into work. There is a range of employment support on offer to Manchester residents looking for work e.g. the Employers Suite or through the employer engagement work that training and

welfare to work providers undertake to match the residents they work with to employment opportunities. For programmes such as Working Well, the providers adopt a bespoke approach to meet the needs of particular clients. The City Council can exercise its influence on job outcomes for Manchester residents as an employer; through our procurement processes and supply chains; through our Planning process and our relationships with developers and employers.

There remains a challenge to fully capture the number of Manchester residents gaining employment from large scale developments however improved systems and approaches are now in place to both better capture this but to also promote increased opportunity for Manchester residents.

The Work and Skills Team is now in place and processes are being strengthened with Planning and City Centre Regeneration colleagues to engage with main developers on jobs and training opportunities for residents, earlier in the process. This relates not just to construction but also end use opportunities. Gaining earlier intelligence about what the end use may be and following the relationship through will ensure that we put in place mechanisms of support to meet company requirements and ensure residents are work ready to take advantage of opportunities created.. Improved monitoring systems that better capture employment outcomes for future developments will be put in place where reasonable, providing a better ability to measure the number of Manchester residents gaining employment across a wider range of large scale developments.

Business	Sector	Site Activity	Actual Jobs Created	Reason	S M E	Foreign Owned Companies	Country of Origin	Post code
<b>Aegis Ltd</b>	Business Services		710	Advice for Existing Business		Yes	India	M1 4BT
Freshfields Bruckhaus Deringer	Business Services	Shared services and contact centre	700	Relocation: New to GM Region			UK	M4 3AQ
<b>TNT</b>	Logistics	Distribution	600	Expansion: National (new to GM, additional UK)		Yes	Netherlands	M1 3HP
Trader Media Group	Business Services	Shared services and contact centre	600	Relocation: Within GM Region (to new GM site)			UK	M15 4FN
Towergate	Business Services	Call centre	550	Expansion: National (new to GM, additional UK)			UK	M3 3AW
Project Acorn	Financial and Professional Services		400	Expansion: Local (within the same LA)			UK	TBC
Ford Credit Europe	Business Services	Call centre	350	Expansion: National (new to GM, additional UK)		Yes	US	M15 4FN
Syngenta Crop Protection AG	Business Services	Shared services and contact centre	250	Relocation: Within GM Region (to new GM site)		Yes	Switzerland	M20 2YY
Worldpay	Business Services	Shared services and contact centre	250			Yes	Luxembourg	M3 3EB
Eon Reality	ICT	R&D	241			Yes	US	M40 5BP
Switchmy	ICT	IT	230	Expansion: GM Region			UK	M3

business				(additional site in GM)				3EL
Money Supermarket.com	Financial and Professional Services	R&D	230	Expansion: National (new to GM, additional UK)			UK	M2 2BY
Novo Altum	Business Services	Shared services and contact centre	200	Relocation: Within GM Region (to new GM site)			UK	M40 5BP
Project Sigma	Financial and Professional Services	Shared services and contact centre	200	Expansion: GM Region (additional site in GM)			UK	M17 1LB
Etihad	Aviation	Headquarters	150	Expansion: GM Region (additional site in GM)		Yes	UAE	M90 3AF
<b>John Lewis</b>	Business Services		150	Expansion: GM Region (additional site in GM)			UK	M20 2YY
<b>RBS</b>	Financial and Professional Services		150	Expansion: Local (within the same LA)			UK	M3 3AQ
Berwin Leighton Paisler	Financial and Professional Services		150	Expansion: National (new to GM, additional UK)			UK	M3 3WR
Oak North	Financial and Professional Services		150	Relocation: New to GM Region	Yes		UK	M2 5HX
Factory Games	Creative and Digital	Headquarters	150	Advice for Start Up/New Business	Yes		UK	M40 5BJ
BPP Education	Financial and Professional Services		130	Consolidation		Yes	US	M1 6FQ
BPP Education	Financial and Professional Services		120	Expansion: GM Region (additional site in GM)		Yes	US	M1 6FQ
Clothing Sites	Logistics	Distribution	100	Expansion: National (new to GM, additional UK)			UK	M23 9NX

Hologic Gen Probe	Biomedical and Healthcare	Manufacturing site	100	Expansion: Local (within the same LA)	Yes	US	M23 9HZ
Stobart Barristers	Financial and Professional Services	Headquarters	100			UK	M2 6AW
Latham Watkins	Financial and Professional Services	Shared services and contact centre	100	Expansion: National (new to GM, additional UK)	Yes	US	M2 1BB
Qiagen	Biomedical and Healthcare	Headquarters	100	Expansion: Local (within the same LA)	Yes	Germany	M15 6SH
Qiagen	Biomedical and Healthcare	R&D	100	Expansion: Local (within the same LA)	Yes	Germany	M15 6SH

# Wates



## WATES RESIDENTIAL & MANCHESTER CITY COUNCIL **REGENERATING COMMUNITIES THROUGH HOUSING DELIVERY** OCTOBER 2016

# SCHEME OVERVIEW



In April 2014 Manchester City Council and the Greater Manchester Pension Fund (GMPF) set up a Joint Venture, Matrix Homes Ltd, to bring forward a new and innovative partnership model for residential development. This project was a pilot for the model, initially investing £24m across five sites in the City to provide a mix of 240 new low-rise family homes for sale and high quality market rent. The fix main elements of the model are:

- An investor (GMPF) funding the construction costs of the development
- Landowners (the Council and HCA) providing the sites to build and through joint procurement:
- A development contractor designing and building the properties
- A head tenant (management company) to lease and manage the privately rented homes
- A sales and marketing team to market the development and sell the open market homes.



# THE SITES



<p>Darley Avenue Chorlton Park</p> <p>97 homes (58 for sale, 39 market rent)</p>	<p>Hawswick Drive Northern Moor</p> <p>29 homes (14 for sale, 15 market rent)</p>	<p>Off Woodwise Lane Brooklands</p> <p>18 homes (all for sale)</p>	<p>Off Clowes Street West Gorton, Ardwick</p> <p>29 homes (10 for sale, 19 market rent)</p>	<p>Gorton Monastery Off Gorton Lane, Gorton North</p> <p>67 homes (21 for sale, 46 market rent)</p>
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# THE SUCCESS



Working in partnership your regeneration team (now Work & Skills team), we were able to develop place based regeneration priorities, focussing around enhancing the lives of Manchester residents through training and employment opportunities.

## Employment & Training

**45** long term unemployed Manchester residents have benefited from our Building Futures & Apprenticeship programmes

**1,775** training/ employment weeks have been created for local people

**7,182** hours have been invested in supporting these people by Wates staff

**£914,693** is the value of our investment into training local people

## Investing in the Community

**2192** hours have been invested into volunteering in the community by Wates staff

**£141,377** has been invested into community regeneration projects and charitable grants

**£20,550,325** worth of Economic, Environmental and Social Value has been generated on this project

## Supporting the Local Economy

**£11,913,392** has been spent with local small businesses on this project

**£19,418,829** economic benefit has been generated for the local community as a result of this spend\*

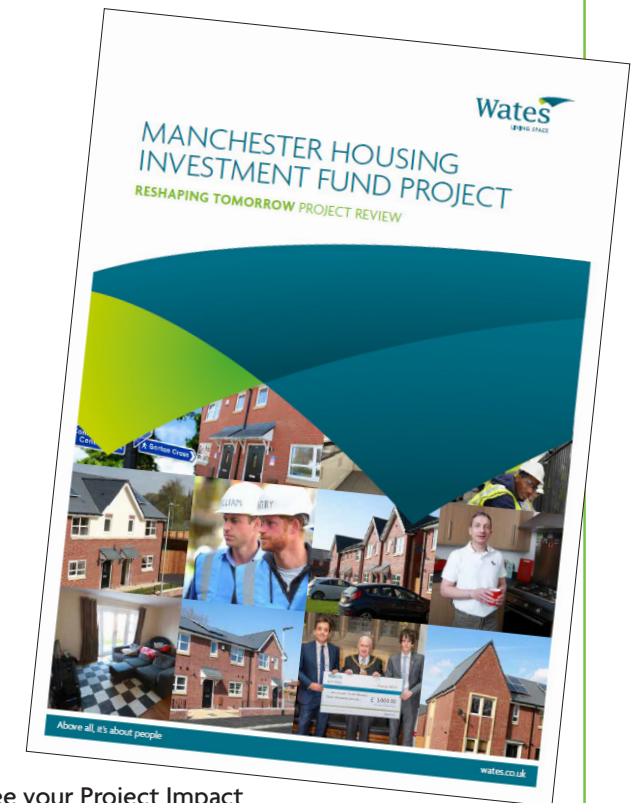
**£45,930** has been invested into Social Enterprises on this project

## Investing in Education

**2,840** students supported by our education activities and programmes on this project

**160** hours have been invested by Wates staff into these activities

**£29,496** is the value of our investment into supporting education on this project



See your Project Impact Report for more details.