

Economy Scrutiny Committee

Minutes of the meeting held on 4 January 2017

Present:

Councillor Shilton Godwin – in the Chair
Councillors Amesbury, Davies, Green, Hacking (ESC/17/01-03 & ESC/17/05-07),
Hitchen, S Judge, H Priest, Razaq, and A Simcock

Councillor Leese, Leader
Councillor Priest, Deputy Leader
Councillor S Murphy, Deputy Leader

Jenny Baxter, The Factory Project Director
Simon Hooton, Regeneris
Emma King, The Factory Capital Director
John Thornhill, Chief Executive Officer, LTE Group

Apologies: Councillors Farrell, Moore, Raikes, Richards, and Smitheman

ESC/17/01 Appointment of Chair

The Committee Support Officer noted the Chair had given her apologies for the meeting. Councillor Shilton Godwin was nominated and seconded to Chair in her absence.

Decision:

To appoint Councillor Shilton Godwin to chair the meeting.

ESC/17/02 Minutes

Councillor Green requested that her attendance be noted in the minutes of the meeting held on 7 December 2016.

Decision:

To approve as a correct record the minutes of the meeting held on 7 December 2016, subject to the above amendment.

ESC/17/03 Manchester Adult Education Service (MAES)

The Director of Education and Skills presented the report to the Committee, he was joined by the Service Performance and Resource Manager and the Area Adult Education Manager. Members welcomed the report, noting its conciseness, as well as praising the work MAES does in the city.

A member queried the financial position of MAES. In response the Service Performance and Resource Manager stated that MAES would maintain the same

level of funding through the 2017-18 financial year it had received through the 2015-16 and 2016-17 financial years.

A member queried how MAES planned to improve results in Maths and English, as well as what was being done by the governors regarding this issue. The Director of Education and Skills responded that the varied membership of the board of Governors allowed for good analysis and self-assessment regarding these issues, and that they intended to invest in further teaching resources and capacity so teaching improved. Following this the Area Adult Education Manager noted the large steps between level one and two courses, as well as larger cohorts as challenges. She stated that increased support for learners, more assessments and more bridging courses were going to be implemented to help improve grades.

A member asked if there was any measure of how learners had positively impacted the communities they live in beyond case studies. In response the Area Adult Education Manager informed the Committee that it was difficult to measure such impacts, but that they were currently part of a project with the Adult Learning and Work Institute looking into ways to effectively do this. Beyond this they have anecdotal data from surveys.

A member queried what training staff were given regarding safeguarding and if staff were trained in Prevent. Prevent is about safeguarding people and communities from the threat of terrorism. Prevent is 1 of the 4 elements of CONTEST, the Government's counter-terrorism strategy. It aims to stop people becoming terrorists or supporting terrorism. In response the Service Performance and Resource Manager informed the Committee that 100% of MAES staff had taken online training sessions, and that they were also currently in the process of developing staff via more specific training sessions.

In response to the Chair's question regarding the level of unmet need in the city, the Area Adult Education Manager said that it was difficult to quantify. He also stated that for many of the courses there were significant waiting lists which included the ESOL courses they provided. The Director of Education and Skills also added that it was important to look at this issue across the whole of Greater Manchester. New Economy had done some work across Greater Manchester and within the ten local authorities to look at the "notional" funding gap. This is the amount of funding needed to close the skills gap in order to drive the economy forward and the amount of provision that is needed.

Finally the chair asked that once the full report on MAES had been finalised that it be circulated to members.

Decision:

To request that the MAES report be circulated to committee members once completed.

ESC/17/04 Manchester College, Curriculum Review

The committee welcomed John Thornhill, Chief Executive Officer, LTE Group who outlined the Manchester College Curriculum Review, and provided an interim update.

A member asked who would be monitoring the impacts of prison based education services provided by Manchester College. In response John Thornhill noted that the project the member was referring to is a collaboration between Manchester College and the Welsh Government to provide education to prisoners in Wrexham, a large contingent of which are Manchester residents. He informed the committee that the aim was to provide education and skills to prisoners whilst in prison, monitor them following release, as well as help them complete qualifications and obtain apprenticeships once released.

A member asked why the new Principal of Trafford College was not going to implement the recommendations of the area based review. In response John Thornhill confirmed that discussions were ongoing to address the issues that the new Principal had been raised.

A member asked how apprentices were going to be promoted to Manchester residents so they make informed decisions and get to the level 4 and 5 qualifications necessary. In response John Thornhill said there are two approaches that were to be implemented. Firstly a new offer was to be taken to all schools in Manchester, with an emphasis on discussing pathways from GCSE to A-Level or vocational activity, as well as a whole suite of apprenticeships. Secondly there was to be more advertising of apprenticeships, as it was essential to make apprenticeships more readily clear to 16-24 year olds when the recruitment period began. Finally he informed the committee that there was a designated team engaging with employers to explain the apprentice levy to them.

A member asked what work was being done to improve collaborative work between colleges and what key leaders in Greater Manchester could do to support this. In response John Thornhill informed the committee that Manchester College had organised a meeting with the Principals across Greater Manchester to obtain their views regarding the Combined Authority's proposals on outcomes for adult education. He added that key Greater Manchester leaders could help by co-producing a clear strategy on skills for Greater Manchester. This would provide for how to deal with the significant resource gap that has been modelled by the New Economy and also include a clear set of implementable recommendations. This would help assist the people whose role it would be to drive this forward and to build on this agenda.

The Deputy Leader commented that whilst the Council would not know for a time if the area based review has had a positive impact, it has shown that there are some issues with how Manchester further education is structured. Following this he stated that there was a clear need for a political response at the Manchester level to prevent outcomes of the area based review weakening the ability to drive further education forward in Manchester.

The Chair stated that the Committee would like to find time early in the new year to discuss these issues again given their fundamental importance to the Committee.

1. That a further update from Manchester College be scheduled early in the new year.
2. That the Curriculum Review report be circulated to committee members once completed.

[Councillor Hacking declared a disclosable pecuniary interest in the Manchester College and left the room for the duration of this item]

ESC/17/05 English for Speakers of Other Languages (ESOL)

The Director of Education and Skills presented the report to the Committee. He was joined by John Thornhill and the Area Adult Education Manager.

The Report sets out some information about ESOL, why it is important to our city, what we know about the need for ESOL in Manchester and the different situations and motivations of the residents in Manchester who want to improve their English. It includes an overview of the current picture of provision of ESOL in Manchester for adults, actions and progress and impact to date.

Members welcomed the report, and one member commented that it was a strategy they could support. Following this a member asked how the packages referenced in the strategy are going to be paid for. In response the Director of Education and Skills stated that once Greater Manchester devolution powers are in place, the adult education budget would be managed at this level, through which the Greater Manchester budget for adult education could be prioritised. He also stated that despite this the Council is going to have to find ways to acquire additional funding. The Area Adult Education Manager stated that whilst employers had been approached about funding the scheme, there were still challenges to securing commitment from employers.

A member queried how the Council was trying to let those hardest to reach know about the courses they offer. The Area Adult Education Manager stated that it was difficult as they wanted resources to go to provision given their already long waiting lists for courses.

A member raised the issue of highly skilled medical professionals including refugees who require certain English Language qualifications to practice in the UK, but who have no access to the appropriate level courses through ESOL. The member asked if the Council had any data on where such individuals were getting their English education from and what could be done to improve this type of specialist provision provided by the Council, including in collaboration with the health sector. The Area Adult Education Manager stated that whilst these individuals can access general provision they must take private courses for anything more, and that it is a gap they were hoping to address. The Director of Education and Skills stated that he would begin conversations with the health sector regarding health professionals and advance English provision.

A member queried why Manchester College was not mentioned in the report until page 12, despite being a partner in the project. In response the Director of Education and Skills reassured the panel that it was still a joint project despite this.

The Chair thanked officers for their report and that the Committee would consider the issue of the funding gap further.

Decision

To request a future report at an appropriate time.

ESC/17/06 Broadband Delivery UK

Simon Hooton of Regeneris introduced the report to the Committee and gave a presentation on its contents. The purpose of the report was to provide an overview of the specific activities that Manchester City Council and its partners have delivered to develop the city's digital infrastructure with support from funding programmes administered by Broadband Delivery UK (BDUK) on behalf of the Government.

The report provided the highlights of the digital infrastructure development activities delivered and is to be considered alongside the separate report by Regeneris, which provides an independent evaluation of the economic impact of the BDUK Broadband Connection Voucher Scheme.

A member asked what Regeneris's advice to government would have been if a second round of funding was given for the scheme, highlighting the lack of ICT skills training as a point of concern. In response the Leader stated that it was not a perfect scheme and that in an ideal world they would simply increase the amount of fibre-optic enabled premises, but such actions are banned by competition laws. Simon Hooton suggested they would liaise with businesses to explore how they were going to take advantage of broadband, and that proper diagnostics be done to ensure businesses know what they are doing when they install broadband.

A member queried if there had been any practical problems with small businesses in shared properties, or in residential apartment blocks. The Leader stated that certain areas of the city were far better connected than others in this regard, such as Media City and the Science Park. Simon Hooton suggested that the Council needed to work with landlords but that this is difficult, although there were opportunities with large commercial landlords.

A member mentioned that the report stated that 44% of those who took part in the scheme had not upgraded before as it was too expensive, and asked what the barriers were to those who didn't take up the scheme. In response Simon Hooton stated that there may be a problem with awareness, with many companies not recognising their broadband is an issue until a problem had arisen. He also added that more work could be done to promote awareness of the benefits of broadband as not only an investment, but which will enable businesses to operate more efficiently. This would also expand their market horizons so they can trade outside their local markets and bring wealth back into the city.

A member asked what the position of British Telecom (BT) was in regards to fibre-optic broadband, and how the Greater Manchester Combined Authority should engage with providers to encourage further investment. The Leader responded that most providers recognised that installing fibre-optic broadband was a priority, and that he expected BT would soon change its policy towards installing it into new developments.

A member asked where Manchester ranked compared to other global cities in terms of connectivity and speed. In response Simon Hooton stated that Manchester was currently ranked 16th as a European Digital City and 2nd in the United Kingdom.

A member asked what the implications of Brexit were in regards to further state intervention in the broadband market, and if Brexit allows for an opportunity to further invest. In response Simon Hooton said it was hard to tell if Brexit would make receiving further investment easier or harder.

The Chair thanked those presenting for the report.

Decision

To note the report.

ESC/17/05 The Factory Project and its Impact on the Development of the Creative and Media Sector

The Committee received a report of the Chief Executive presented by the Development Manger, The Leader, Jenny Baxter – Factory Project Director and Emma King – The Factory Capital Director. This report informs the Executive of the outcome of a public consultation exercise with local residents, businesses and stakeholders on the revised St. John’s Strategic Regeneration Framework (SRF) and responds to issues raised. It seeks the Executive’s approval and endorsement of the framework.

The report also advises Members on the continued progress in taking forward proposals for Factory Manchester, which is located in the heart of St John’s and which is planned to open at the beginning of 2020. The project has reached a key stage and this report provides information on the proposals and the economic and social impact of the Factory.

Members welcomed the report, and a member queried how The Factory was unique from other arts venues in Manchester. They also asked how it was intended to keep the Manchester International Festival fresh. In response Jenny Baxter discussed how the architectural design of the building allowed for multiple configurations of its space, utilising both the large warehouse space and auditorium in a variety of formations. The Leader commented that because of the venues ability to be configured in multiple formations it was unique not only in Manchester, but possibly the world and they were unaware of any other venue like it. Following this she highlighted that the Factory will be the home of the Manchester International Festival and help drive their focus of premiering world class art and performance.

A member asked how many people were employed currently by the Factory and what number this would reach when the venue was fully operational. In response Emma King outlined that the factory will employ 125 individuals in core jobs, as well as create a further 265 jobs with associated employers via sub-contracted services like security and catering. Jenny Baxter also noted that the Factory is committed to employing 15 full time apprentices each year, as well as supporting a further 35 apprentices in collaboration with others across the city. This she noted was part of a strategy to create career paths for individuals to get into the arts industry without requiring them to move to London for relevant training and experience.

A member asked what the position of the project was in relation to fundraising. In response Jenny Baxter informed the committee that a fundraising strategy had been developed, that meetings with the heads of key trusts and foundations had been set up, and that following this the process of approaching high net worth individuals would begin. The Leader also clarified with members that the Council's Chief Executive would continue his fundraising role following his resignation from the Council in April 2017.

A member asked if any of the residential units in the St. John's development would be subsidised or sold at a reduced cost for key workers. In response the Development Manager said that there would be a broad mix of housing in terms of the size of units and costing. The Leader also noted that the Council's policy towards affordable housing can be viewed in the Affordable Housing Strategy.

The Chair thanked the group for their attendance and wished them luck with the project, as well as noting that they would like to meet with them again in the next few months to see how the project was developing.

Decision

1. That Committee request they be briefed again in the next municipal year regarding the development of the project.
2. The Committee endorsed the recommendations to the Executive that

The Executive is recommended to;

1. Note the consultation comments and responses to the draft St. John's SRF as set out in section 2 and approve the final version of the updated SRF to guide and coordinate the future development of the area with the intention that it will be a material consideration in the Council's decision making as a Local Planning Authority.
2. Delegate authority to the Chief Executive, City Treasurer and the City Solicitor, in consultation with the Leader and the Executive Member for Finance and Human Resources, to agree amendments to the Manchester Quays Limited (MQL) agreements in order to support the delivery of the Factory development and associated public realm.

3. Approve an increase to the Capital budget by £4.45M to fund land acquisitions and public realm costs associated with the Factory and the wider site, funded by identified capital receipts.
4. Delegate authority to the Chief Executive, City Treasurer and the City Solicitor in consultation with the Leader and the Executive Member for Finance and Human Resources to finalise the leasing arrangements with Allied London Properties for both Lower and Upper Campfield Markets and authorise the City Solicitor to complete and execute the necessary legal documentation.
5. Welcome the progress of DCMS, HM Treasury and Arts Council England (ACE) in recommending the approval of the award of the remainder of the grant of £78M (£10.6M development funding previously approved), following the Government Gateway Review in November 2016.
6. Approve the Council contribution to the project of up to £20M to be funded from identified capital and non-recurring revenue receipts.
7. Note the progress made in identifying the additional project funding, including the submission of stage one application for a £7M grant to the ACE Capital Lottery Fund, with a decision expected in the summer of 2017.
8. Note the progress made with the £5M fundraising target that will be raised by an external fundraising charitable trust. Approve the Council underwriting of this amount to allow the project to move forward, recognizing that any Council contribution that is required will be funded from Capital Fund.
9. Note the progress to date in bringing forward revisions to the Manchester International Festival (MIF) organisational structure to enable it to become the Factory Operator. Approve a grant to MIF of £141,000 to be funded by a virement from the agreed capital budget to revenue budget in respect of the implementation and development of the Factory project in the period 2016/17 and 2017/18.
10. Delegate authority to the Chief Executive, City Treasurer and the City Solicitor in consultation with the Leader and the Executive Member for Finance and Human Resources, to finalise the form of the building contract, and to negotiate and complete all necessary contractual arrangements, subject to the final receipt of Government and ACE funding. Further reports on a twice yearly basis will be brought back to the Executive to update on progress generally.

ESC/17/08 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

1. To approve the Work Programme subject to the additions agreed at today's meeting"