

**Manchester City Council
Report for Resolution**

Report to: Executive – 6 January 2016

Subject: Work and Skills Strategy 2016 - 2021

Report of: Deputy Chief Executive (Growth and Neighbourhoods)

Summary

This report provides an overview of the Manchester Work and Skills Strategy 2016-2021 which supports delivery of the Manchester Strategy 2016-2025. The Strategy has been developed with significant input from stakeholders including businesses and is designed to be concise with clear priorities. The draft Strategy has been subject to consultation with residents, businesses and partner organisations and the relevant responses from the wider Manchester Strategy consultation have also been reviewed and considered in preparing the final draft. The Work and Skills Strategy will provide the overarching framework and priorities for action by the Work and Skills Board over the next 5 years. This report provides a brief overview of the Strategy, a summary of the consultation and outlines how the Strategy will be implemented.

Recommendation

Executive are invited to approve the Strategy.

Wards Affected All

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	Developing a demand led skills system which is reflective of the city's current and future economy. Creating the growth conditions businesses in the city need including business support.
Reaching full potential in education and employment	The Strategy will maximise employment opportunities for Manchester residents and will improve post-16 education and training outcomes. The number of graduates living and working in the city will also be increased.
Individual and collective self esteem – mutual respect	The Strategy will address inequality by supporting those furthest from the labour market into employment.
Neighbourhoods of Choice	The Strategy focuses on improving outcomes for all Manchester residents regardless of geography.

Environmental and Climate Change Impacts

Consider, and describe if applicable, how the recommendations in the report will impact on the environment, on carbon reductions goals for the city, and on the Council's climate change strategies.

Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
 - Risk Management
 - Legal Considerations
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Financial Consequences – Revenue

None.

Financial Consequences – Capital

None.

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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.

- Draft Manchester Work and Skills Strategy, Report to Economy Scrutiny Committee, 22 July 2015

1. Introduction

- 1.1 The Work and Skills Strategy has been developed in parallel with the Manchester Strategy 2016-25 and will help to deliver the city's strategic work and skills objectives. Employers, providers and other partners have provided their input from the outset and throughout the process and previous versions of this document have been discussed by the Economy Scrutiny Committee and Manchester's Work and Skills Board and Partnership. Their comments have been taken on board in the preparation of the final draft.
- 1.2 The central pillar of the Strategy is the development of a simplified demand led work and skills system which meets the needs of businesses and residents in the city. The Strategy aims to deliver for all residents of the city and as such seeks to maximise higher level skills and graduate retention, whilst also ensuring that those furthest from the labour market can progress into sustainable work.
- 1.3 The Strategy is divided into three clear themes, each of which aligns to a theme in the Manchester Strategy. These are:
- Business and Enterprise;
 - Resident Skills; and
 - Addressing Inequality.
- 1.4 The draft Manchester Work and Skills Strategy 2016-2021 is attached at Appendix 1. As well as driving Manchester's work and skills agenda, the Strategy will be used to articulate Manchester's priorities within the context of Greater Manchester Devolution of employment and skills and focus resources and services from GM commissioned programmes.

2. Consultation and engagement

- 2.1 Consultation and engagement has been important in the development of the Strategy. Workshops have taken place at the Manchester Work and Skills Partnership and at a session with the City Council's Wider Leadership Team. The views of businesses, schools, colleges and private providers were sought throughout the development of the Strategy.
- 2.2 A formal consultation was launched in September 2015 via an online survey on the City Council's website. This was promoted to members of the Work and Skills Board, via social media and also to local partners in the city. The survey was also open for residents to complete. Thirty formal responses were received, which strongly supported the priorities and objectives contained within the draft strategy. Respondents also provided more general comments about work and skills and some of these quotes have been incorporated into the final version of the Strategy.
- 2.3 The Manchester Strategy consultation also concluded at the end of October 2015 and engaged with an unprecedented number of people in the city. Any comments relating to themes contained within the work and skills were

extracted from the consultation and were reviewed against the content of the draft strategy. Some of these comments from residents and businesses have also been included in the final version of the Strategy.

3. Delivery of the Strategy

- 3.1 The Work and Skills Board will oversee delivery of the Strategy, with Board Members taking a lead for key priorities. The Board includes key providers such as Jobcentre Plus, the Greater Manchester Chamber of Commerce, the Growth Company, the Manchester College and MAES. A detailed implementation plan is being developed and will be agreed by the Work and Skills Board.

4. Governance and reporting

- 4.1 The delivery of the Work & Skills Strategy will be overseen by the Work and Skills Board and reports will be submitted to Economy Scrutiny Committee on progress and impact. A draft outcomes framework has been developed to monitor progress on an annual basis. This will be updated with key baseline data and reported to the Work & Skills Board and to Economy Scrutiny Committee.

Appendix 1: Manchester Work and Skills Strategy 2016-2021

Vision:

“Manchester’s vision is to be in the top flight of world class cities, a thriving and sustainable city, as competitive as the best with an internationalised, dynamic and sustainable economy comprising highly skilled, enterprising and industrious people.”

Purpose:

To develop a work and skills system which meets the growth needs of all businesses and enables residents from all backgrounds to obtain the skills and attributes employers require. New and existing businesses will benefit from a growing pool of local talent, whilst residents will be much better equipped to compete within the local labour market. Increasing numbers of residents will be able to access sustainable and healthy work with opportunities for in work progression, resulting in a fairer and more equal city.

Introduction:

This Strategy has been developed to meet the specific needs of Manchester residents, businesses and organisations. It will also help to achieve the broader strategic priorities contained within the emerging Manchester Strategy 2016-2025. A consultation on the draft Strategy took place during September 2015 alongside the more comprehensive Manchester Strategy consultation. Relevant direct quotes from residents, businesses and providers who responded to both these consultations are included under each of the themes.

Successful delivery will require a collaborative cross-sector approach with available resources being invested in well evidenced early intervention initiatives. Although the Strategy is intended to be as inclusive as possible, there is a recognition that limited public resources mean that residents furthest from work and those in low paid work will be priority cohorts. The move to a more demand led skills system will also put more emphasis on employers to invest in the skills of their current and future workforce. The city’s Work and Skills Board will oversee the delivery of the Strategy.

Themes:

The Strategy has 3 clear themes, which each align to one of the 5 Manchester Strategy themes. The objectives and priorities within the Strategy will make a significant contribution towards the delivery of the Manchester Strategy. The quotations in the document come from the feedback on the consultation on the Work and Skills Strategy and Manchester Strategy.

1. Business and Enterprise

This is aligned with the ‘A thriving and sustainable city’ theme in the Manchester Strategy. It seeks to ensure that national and Greater Manchester (GM) commissioned and delivered business support and growth services provide a

comprehensive, expert and accessible service for all Manchester businesses, particularly core and growth businesses. It aims to establish a more productive relationship between employers and the education and skills system in the city. At the heart of this is the challenge of creating a genuinely demand led skills system that reflects the city's current and future economy; one that businesses will actively shape whilst investing in their current and future workforce. Addressing this challenge will help to create the growth conditions businesses in the city need, whilst maximising employment opportunities for local residents.

'A thriving industrious city where people who work hard can see the benefits rather than the disadvantages.'

'Let's put Manchester on the map for new business and employment.'

'Support for business start-ups and to help grow businesses in the districts of Manchester.'

'Encourages local business growth and an inclusive society.'

Objectives:

- Develop a business support system focussed on the city's existing and growing sectors which provides start-up support and enterprise skills
- Create a demand led skills system which is reflective of the city's current and future economy
- Ensure businesses are at the heart of the skills system, influencing the design and delivery of provision and investing in their current workforce and the workforce of tomorrow
- Make connecting employment opportunities to Manchester residents a priority for businesses
- Develop an education and skills system with meaningful business engagement, which promotes enterprise and fosters an entrepreneurial culture

Outcomes:

- An increase in enterprise within the city evidenced by an increase in the number of business starts and survivals, especially in high growth sectors
- An increase in the number of businesses investing in their workforce and planning for future recruitment via schools and colleges
- More businesses able to grow through recruitment and development of staff that meet their skills needs
- Decrease in the number of businesses citing skills as a barrier to growth or productivity
- Manchester based businesses able to retain local talent
- A simplified skills system influenced by businesses and more responsive to their needs

Priorities:

- Develop an effective framework for employer engagement
- Create a simplified skills offer which employers understand, can engage with and are able to invest in

- Ensure employers in the city maximise employment opportunities for Manchester residents
- Build enterprise skills into education and skills provision to support flexibility and resilience, create a more enterprising workforce and increase business start-ups
- Increase the number of apprenticeships in the city, particularly in growth sectors
- Maximise GM resources within the city to develop a quality business start-up and growth service

2. Resident Skills

This is aligned with the 'A highly skilled city' theme in the Manchester Strategy. To support higher level skills there is a need to retain more graduates in the city and significantly increase the number of young people completing advanced and higher level apprenticeships. More of the city's residents need to leave post-16 education and training with a level 3 qualification and a positive employment outcome or clear education progression.

Good quality careers advice and information underpinned by current labour market intelligence and meaningful engagement with the world of work should be available for adults entering the labour market and to all young people through their secondary school and post-16 education and training. Embedding enterprise skills at all levels of education (but particularly at post-16 level) is important to support flexibility and resilience of individuals and for the creation of a more enterprising workforce.

There needs to be a transparent skills offer for residents from all backgrounds with a number of clearer pathways through to sustainable jobs and career progression. Investment in employee development should result in a greater utilisation of skills and greater staff productivity for industries with volume recruitment for relatively low-skilled occupations, often with high turnover.

'A buoyant and inclusive city, with a world-class education and skills system, providing opportunity for all.'

'Support the development of closer links between business and primary and secondary schools'

'Plenty of good jobs for people. Proper jobs with apprenticeships and decent wages. Not just for school leavers.'

Objectives:

- Improve pathways for young people and adults (especially technical and vocational) via good quality and impartial careers advice underpinned by labour market intelligence
- Influence the GM Further Education redesign to ensure it is realigned to the city's needs

- Retain more highly skilled graduates in the city and increase the number of young people accessing advanced and higher level apprenticeships
- Work with the Manchester Strategic Education Partnership to ensure best possible outcomes for secondary school leavers
- Embed the teaching of skills required for emerging sectors within core education provision e.g. coding on the curriculum in schools for the digital sector
- More young people in education, employment or training

Outcomes:

- Increase post-training/education destinations to key growth sectors
- More Manchester residents qualified to Level 3+
- More Manchester residents receiving quality and impartial careers advice incorporating real time labour market intelligence
- Increase in the number of graduates living and working in the city particularly STEM (science, technology, engineering and maths) graduates
- More advanced and higher level apprenticeships
- Increase in the number of secondary school and college leavers obtaining the skills and qualifications which are valued by emerging sectors such as STEM subjects

Priorities:

- Prioritise the allocation of resources into those higher level and technical skills that meet the demand of core and growing sectors
- Create opportunities for the city's young people and unemployed residents to experience the world of work and develop their employability and enterprise skills
- Use Devolution powers to develop an effective work and skills offer aligned to the city's priorities which maximises the impact of available resources
- Simplify the skills offer and pathways for residents from all backgrounds, leading to sustainable jobs and career progression
- Improved careers advice with better use of real time labour market intelligence
- Establish and maintain productive relationships between higher education institutes, other providers and businesses to maximise the number of graduate level opportunities in the city

3. Addressing Inequality

This is aligned with the 'A progressive and equitable city' theme in the Manchester Strategy. It aims to ensure that residents who are furthest from the labour market or those who are cycling in and out of low paid and insecure work are supported into sustained and healthy work with opportunities for in work progression. A more integrated employment support and skills offer is needed for this cohort which includes meaningful work experience.

For the most complex residents, the employment support and skills offer needs to be embedded in wider public service reform programmes, including where appropriate providing a co-located offer. Residents who are dependent on benefits as their main

source of income will continue to see their living standards reduced by ongoing welfare reform. An intelligence led approach to prioritising and targeting services at specific neighbourhoods and those families and households adversely affected by welfare reforms will be increasingly important. Support from employers towards healthy work and ensuring that there are opportunities for employees to upskill and progress their careers is critical to ensuring that out-of work poverty is not replaced by in-work poverty.

'That all children truly have equal opportunity in education and enrichment opportunities, regardless of socio-economic status.'

'More individual support for residents who are furthest from the job market to build confidence and basic skills.'

'To have a world city which provides everyone with employment, education and leisure activity in all areas.'

'Improving skills and prospects for those with no or fewer skills.'

Objectives:

- Develop a clear and coherent work and skills offer for people who are furthest from obtaining work and those cycling between unemployment and low paid work
- Embed work as an outcome in commissioning and reform programmes, especially for those that are at some distance from the labour market
- Reduce the gap between resident and workplace wages
- Support more Manchester residents into work which provides a good standard of living via the real Living Wage and Healthy Work principles
- Promote opportunities for in work progression which will increase wages for existing employees and will also generate opportunities for new entrants to the labour market

Outcomes:

- More residents moving into and sustaining work (reduction in the number of out of work benefit claimants)
- Increased income/wages for those in work and career progression opportunities in lower paid roles (less reliance on in work benefits)
- Create a more equitable city by ensuring all residents have access to the same opportunities regardless of geography e.g. access to Higher Education
- Less people out of work because of poor or unhealthy working conditions
- More out of work residents progressing into work following public service reform programme interventions
- More residents with basic skills achieving at least a Level 2 qualification to ensure they are able to achieve sustainable employment

Priorities:

- Develop an intelligence led approach to prioritising and targeting services at specific neighbourhoods and those families and households adversely affected by welfare reforms

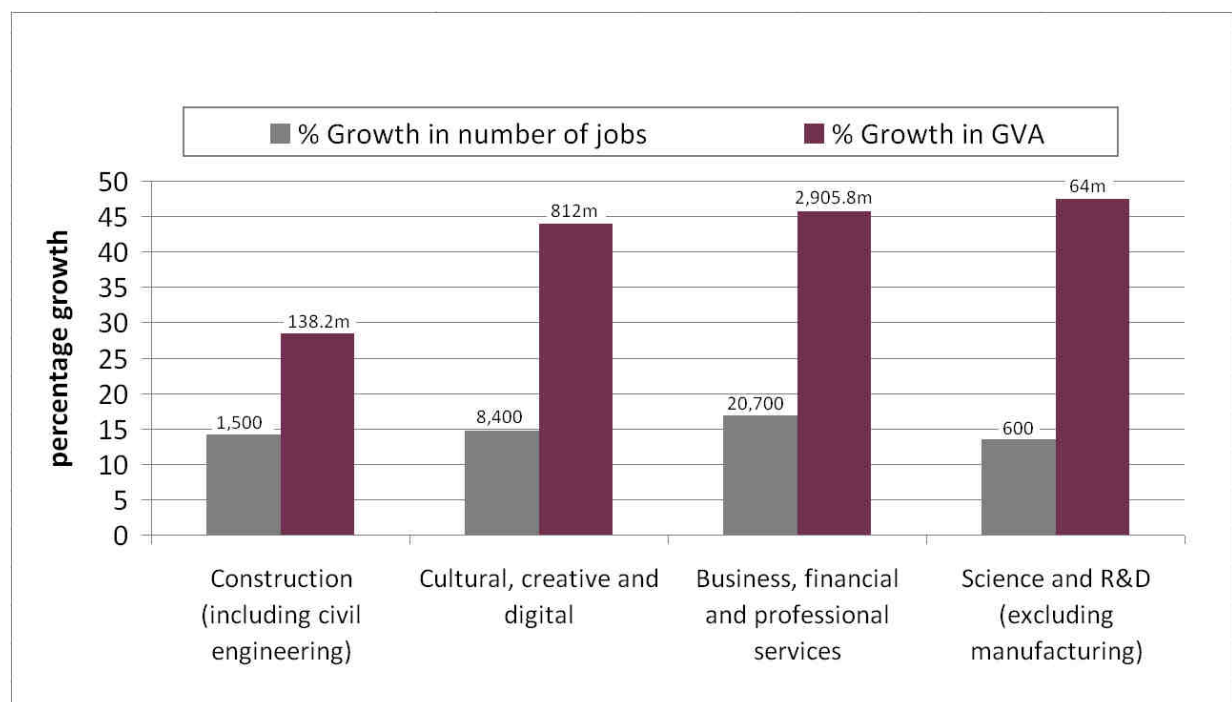
- Develop early intervention/prevention of NEET (not in employment, education and training) and embed work and skills within public service reform programmes
- Target reform programme interventions at residents who are furthest from the labour market and need most support to move into work
- Use the GM Devolution deal as a lever to prioritise and incentivise wage progression over job placement within welfare to work interventions
- Gain a greater understanding of employment agencies in the city and specifically whether their activities are contributing to perpetual and cyclical low paid work
- Promote healthy work via the Manchester Health and Wellbeing Board and GM Health Devolution
- Collectively promote the real Living Wage to Manchester employers from all sectors
- Tackle digital exclusion by facilitating improved access to online applications for residents

Opportunities:

Growth Sectors

Manchester has four clear projected growth sectors over the next decade as demonstrated by the graph and table below.

Figure 1: Fastest growing sectors 2015-2025



Source: Greater Manchester Forecasting Model (Oxford Economic Forecasting, 2014)

Table 1: Fastest growing sectors 2015-2025

Sector	Growth in GVA (£m)			Growth in jobs (000s)		
	2015	2025	Change	2015	2025	Change
Construction (including civil engineering)	487.3	625.5	138.2	10.8	12.4	1.5
Cultural, creative and digital	1843.8	2655.8	812.0	57.5	65.9	8.4
Business, financial and professional services	6365.2	9271.0	2905.8	122.1	142.7	20.7
Science and R&D (excluding manufacturing)	134.8	198.8	64.0	4.2	4.8	0.6

Source: Greater Manchester Forecasting Model (Oxford Economic Forecasting, 2014)

Challenges:

- Ensuring the Strategy is relevant at neighbourhood, Manchester and GM geographies
- Effective communication of the Strategy to Manchester businesses, providers and organisations
- Working with national and GM stakeholders to support delivery of Manchester’s priorities
- Overcoming data sharing limitations between organisations and the inability to accurately track progression
- Using intelligence to project future demographic changes which may influence delivery
- Operating within a period of reduced public funding and possible national policy changes e.g. further welfare reforms

Key Developments:

Future jobs growth will take place at the centre of the conurbation and at strategic locations across the city region. The table below provides a summary of some of the major projects which are planned or underway.

Table 2: Key Developments in the Greater Manchester City Region

Regional Centre Developments	Manchester Developments	GM Developments
<p>Spinningfields & St John’s – Spinningfields is the largest centre for business, financial & professional services outside London & the South East. Grade A office space in high demand. St John’s Quarter will comprise a mixed use redevelopment including three hotels, the Factory theatre & 2,500 apartments.</p>	<p>Airport City Enterprise Zone – Up to 7,000 new jobs in Business Services, Logistics, Advanced Manufacturing, Hotels & Retail. Key development sites including Airport City North, Medipark & Roundthorn Industrial Estate, Airport City South, Wythenshawe Town Centre & Atlas Business Park.</p>	<p>Port Salford – UK’s first tri-modal (road, rail, short-sea shipping) inland port facility. 150 acres & up to 1.5 million sq ft of potential floorspace.</p>

<p>The Corridor – Health, Education, Science, Research & Development hub including world class universities, a hospital, National Graphene Institute, Manchester Science Park and Citylabs.</p>	<p>Manchester Place & Manchester Life – £1 billion of investment in 6,000 new homes. Full range of construction & end use opportunities including apprenticeships & local supply chain.</p>	<p>Salford Quays – Major centre for business, financial & professional services. MediaCityUK is home to over 200 businesses including BBC, ITV, SIS & BUPA.</p>
<p>NOMA – Mixed use development delivering over 4 million sq ft of new & refurbished office space, 15,000 jobs, 1 million sq ft of residential living, 400,000 sq ft of leisure & retail units including a hotel. Particular focus on local labour & apprenticeships within the construction phase.</p>	<p>Etihad Campus – Investment prospectus being created to promote commercial opportunities.</p>	<p>Trafford Park – Home to over 1,300 businesses employing over 35,000 people. New Metrolink line to be opened in 2019/20.</p>
<p>First Street – First Street North includes HOME, a 210 bed 4* hotel, multi-storey car park, Vita residential development & One First St. The overall development can accommodate at least 240,000 sq m of new commercial space & over 11,000 jobs</p>	<p>Strangeways – Resurgent fashion design and manufacturing. Former Boddingtons Brewery SRF which will incorporate a 50/50 residential & commercial split.</p>	<p>Logistics North – 4 million sq ft of floorspace across 250 acres at Junction 4 of the M61. Anchored by Aldi distribution centre which will create 400 jobs.</p>
<p>Civic Quarter – Major new Grade A office developments in St Peter's Square developments will total over 600,000 sq ft. A new Metrolink tram station is also under construction.</p>	<p>Transport Infrastructure – Significant investment including the Metrolink Second City Crossing, Northern Hub rail improvements, Bus Priority Package and future High Speed Rail 2 station at Piccadilly.</p>	<p>Kingsway Business Park – 420 acre site for companies involved in fast moving consumer goods & distribution. Located just off the M62 and served by a Metrolink tram stop which takes 12 minutes from the city centre.</p>