



Economy Scrutiny Committee

Date: Thursday, 23 July 2020

Time: 10.00 am

Venue: Virtual Meeting - Webcast at - https://manchester.public-i.tv/core/portal/webcast_interactive/485340

This is a **Supplementary Agenda** containing additional information about the business of the meeting that was not available when the agenda was published

Advice to the Public

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

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Membership of the Economy Scrutiny Committee

Councillors - H Priest (Chair), Abdullatif, Green, Hacking, Johns, Noor, Raikes, Shilton Godwin, K Simcock and Stanton

Supplementary Agenda

5. Update on COVID-19 activity

3 - 102

Report of the Strategic Director (Growth and Development) attached.

This report is intended to provide the Committee with a very brief overview of the three key documents which are appended to this report. These documents provide an update on the economic recovery work which is underway in response to COVID-19 which is relevant to the remit of the Committee.

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on **Friday, 17 July 2020** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

Manchester City Council Report for Resolution

Report to: Economy Scrutiny Committee - 23 July 2020

Subject: Update on COVID-19 Activity

Report of: Strategic Director (Growth and Development)

Summary

This report is intended to provide the Committee with a very brief overview of the three key documents which are appended to this report. These documents provide an update on the economic recovery work which is underway in response to COVID-19 which is relevant to the remit of the Committee.

Recommendations

It is recommended that the Economy Scrutiny Committee:

1. Note and comment on the latest SitRep document;
 2. Note and comment on the findings and recommendations of the THINK report on skills and labour market;
 3. Note and comment on the Chancellor's Summer Statement in the context of its relevance to the city's economic recovery.
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Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city
<p>There has been a positive short-term impact on the city's carbon emissions, as a result of significantly reduced travel during the lockdown period. Short-term changes to the public realm have been brought in to manage social distancing and support business re-opening, which has included a re-balancing of highway, pedestrian and cycling use in some areas.</p> <p>There are opportunities to accelerate the medium term move towards the low carbon economy through, for example, supporting investment in green technology business opportunities and employment.</p> <p>However, it should be recognised that ongoing social distancing measures could increase the level of car travel in the short-term, as more people return to work and access leisure opportunities as they are gradually unlocked. Short and longer-term travel patterns will continue to be monitored by TfGM and MCC.</p>

Manchester Strategy Outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	This unprecedented national and international crisis impacts on all areas of our city. The 'Our Manchester' approach has underpinned the planning and delivery of our response, working in partnership and identifying innovative ways to continue to deliver services and to establish new services as quickly as possible to support the most vulnerable in our city. A reset of the Our Manchester Strategy is now underway following a meeting of the Our Manchester Forum on 16 June 2020. An extensive engagement exercise will take place to inform a draft document in late 2020 and a final version in February 2021.
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

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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.

Our Manchester Strategy 2016-2025

Our Manchester Industrial Strategy; Towards a more inclusive economy

1.0 Introduction

- 1.1 This report provides the Committee with an update on Manchester's Economic Recovery work and builds on the longer narrative report which was discussed during at the last meeting on 25 June 2020.

2.0 Key updates since the last meeting

- 2.1 **Our Manchester Strategy Reset:** The Our Manchester Forum met on 16 June 2020 to formally agree to start the reset of the Our Manchester Strategy. Since this meeting, a detailed engagement plan has been developed which is structured around a three tiered approach comprising universal citywide engagement; targeted engagement with key groups; and targeted engagement at a neighbourhood level. An online digital engagement platform will also be used to support this process and is expected to be live in late July. The engagement will use a number of questions based on the existing 5 'vertical' themes of the Strategy whilst equality, inclusion and sustainability will be horizontal themes which cut across all of the 5 themes. Engagement sessions with key strategic boards will also be undertaken alongside virtual business roundtables in late August and early September. Further updates will be provided to the Committee once the consultation exercise has concluded and the initial findings are available.
- 2.2 **SitRep (Appendix 1):** Appendix 1 provides the most up to date detailed SitRep for the Economic Recovery work and is structured around the 9 sub-workstreams.
- 2.3 **Recommendations for Skills and Labour Market Recovery - THINK Report (Appendix 2):** As set out in the last update to the Committee on 16 June 2020, data for March to May confirmed the expected increase in unemployment and that 62,200 residents had been furloughed via the Government Coronavirus Job Retention Scheme and 15,900 were receiving self-employment support. Taken together this represents 30% of Manchester's working age population. In anticipation of this, THINK were commissioned to develop a detailed labour market analysis and recommendations for potential interventions. A final copy of the detailed report is attached as appendix 2 but specific slides of interest for the Committee include slide 3 (summary), slide 26 (summary of the data in the graphs and tables), slide 42 (SWOT analysis) and slide 50-60 (priorities and recommendations). The 6 key priorities identified by the report are:
1. Minimise the number of Manchester residents who move from being on furlough to redundancy as the Coronavirus Job Retention Scheme winds down over the coming months;
 2. Support unemployed Manchester residents to re-enter work as quickly as possible - especially young people, the over-50s and Black and Minority Ethnic groups;
 3. Maximise new job creation, increasing overall labour demand in the city;
 4. Minimise the number of young people who become unemployed after leaving education and training in Manchester;

5. Support apprenticeship and other training opportunities to better equip employers with the skills to survive and grow, while helping more residents to upskill and progress in their careers;
6. Improve the support available to long term unemployed/inactive residents, to reduce the risk that they will be 'crowded out' in the jobs market by the influx of new claimants.

2.4 **The Chancellor's Summer Statement briefing (Appendix 3):** The 8 July 2020 Summer Statement was structured around three themes, Supporting Jobs, Protecting Jobs and Creating Jobs. Some announcements such as the Kick Start scheme for 16-24 year olds and investment in housing retrofit addressed issues Manchester has been lobbying on directly and through networks including the UK Core Cities, the Local Economic Recovery Group and the Local Government Association. The announcement was, however, still light on some areas including skills, transport, zero carbon and innovation. The next fiscal event will be the 2020 Comprehensive Spending Review which will be published in autumn.

3.0 Recommendations

3.1 The recommendations are summarised at the beginning of this report.

Covid-19 Sitrep Summary

Economic Recovery Workstream

As at: 17/07/20 (updated fortnightly)

Page 7

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
Sectoral Impact	<p>Overall economic picture ONS Labour market- drop of 649,000 on UK payrolls between March-June. Full effect on employment not expected to be felt until furlough scheme ends in Oct. ONS reports increased numbers previously unemployed have moved to economic inactivity. (see latest Mcr claimant count in Labour Market section). (16/07)</p> <p>Following a contraction of -6.9% in March and a record -20.4% decline in April, monthly GDP grew by +1.8% in May, below market expectations of +5.5%. GDP for the three months to May 2020 declined by -19.1%. (ONS 14/07)</p> <p>60% of businesses have no cash or less than 6 months cash reserves (ONS 09/07)</p> <p>Return to workplace - KPMG weekly national survey- 50% of businesses and organisations expect less than half of staff will be back in the office by the end of 2020. (15/07) Deloitte weekly survey on preferred days in the office on return to work- 2-3 days a week most popular (16/07).</p> <p>ONS statistics show early impacts on UK trade. In the three months ending April 2020, total trade saw falls in both exports and imports of £33.1 billion (19.3%) and £29.9 billion (17.6%) respectively. Largest three-monthly falls since comparable records began in 1997. (13/07)</p> <p>Growth Company report growing volume of enquiries around business planning rather than finance, e.g. break clauses in property leases, supply chain disruption. Anecdotal evidence of insolvency wave ahead. (15/07)</p>	<ul style="list-style-type: none"> Intelligence gathering from sector representatives continues, to understand impact, issues, opportunities and support needed. Used to inform workstream plans and lobbying. Newsletter issued each week- over 7500 businesses with updated guidance and opportunities. Ipsos Mori commissioned to carry out detailed survey work of key sector impact/business needs over next 3 months. Interim top line results end of July. Economic analysis work on major impact and support measures commissioned, which will inform an iterative recovery plan process. It will also assist with business cases for initial priority shovel ready projects. Business Sounding Board meeting fortnightly- 3 areas of focus: 1. Communications/building confidence in city centre 2. Back to work focus with occupiers and owners 3. Venues and events- exploring potential real/part virtual event to build business confidence. (14/07) Involvement in GM Groups, e.g. Economic Resilience Group, GM Tourism Industry Emergency Response Group & Place Directors. Feed into national lobbying work, e.g. Core Cities evidence gathering, Chief Executive meetings with HMT, BEIS etc.

EU Exit transition- GM Chamber and others recognise greater work required for preparation. Economists advising businesses and organisations to prepare for what is regarded as a second economic shock, particularly more exposed sectors ie through supply chains and regulations.

Key issues raised by **Manchester Business Sounding Board** (14/07):

- city centre remains very quiet during weekdays
- concern re continued guidance to work at home- some employers now encouraging staff to return ie one day a week/ collaboration sessions- looking at working with larger employers to move towards more positive messaging
- smaller companies making decisions to return- concern larger companies not planning to return sooner ie Sept at earliest.
- more intel needed on city centre residential market and workplace link
- importance of stressing safety measures in place to provide reassurance and increase confidence

O2 Business study- Manchester named **Entrepreneur capital** between March-June. Over 4,000 companies launched (analysis of Companies House data). Driven by demand for tech expertise- (growth in construction, hairdressing and beauty) (Business Live 15/07)

EU Exit Transition (15/07)- MHCLG and LG Delivery Board met and discussed importance of local govt role in transition. Discussed local govt priorities for transition, new border operating model and update on govt comms for transition period. GMCA to re-start Brexit group.

Chancellor's Summer Statement (08/07) Many headlines previously announced. Further detail expected over coming weeks. Omissions on public sector funding, support for struggling sectors incl retail and aviation. Budget in Autumn alongside expected National Infrastructure Strategy.

- *Job retention bonus scheme- Employers to be paid £1k per furloughed worker brought back by Jan 21*
- *Job Retention Scheme will end 31/10 as previously announced.*
- *Kick-start scheme- 6 mth work placements 16-24 yr olds at risk of long term unemployment (gap in announcements for support for over 50s, long term unemployed and graduates)*
- *Employer apprenticeship scheme*
- *Funding for employers to provide work experience to trainees*
- *Funding for young people and unemployed support incl work coaches, Flexible Support Fund, expansion for Work and Health programme, online job finding support.*
- *Support for education sector incl more Level 2 and 3 courses, funding for National Careers Service and extension of sector-based work academy placements.*
- *Stamp duty changes- first £500k price paid- exemption*
- *Green homes grants*
- *Local infrastructure projects*
- *Affordable homes programme*
- *Brownfield housing fund*
- *Planning reform*
- *Public sector decarbonisation programme- energy efficiency programme*
- *Green jobs challenge fund*
- *Standard rate of VAT reduced from 20% to 5% for hospitality and tourism sectors*

	<p>Retail/Leisure- Major retail chains announcing redundancies include Boots (4,000) and John Lewis (1,300 at risk) 09/07.</p> <p>Since re-opening of retail and night time economy there has been a steady recovery. Majority of retailers open now- a few more to open early Aug. City centre footfall continues to run at around 50% of the same time last year--seeing the continued impact of lack of office workers. Footfall at the weekend is down 30%, reflecting the lack of tourists and major events in the city centre. Retailers continue to report increased basket spend, but there is a real need for a return to events and attractions. (16/07)</p> <p>Latest national week on week footfall overall +10.6% (-42.6% year on year) +15.6% high streets. (Springboard- 13/07)</p> <p>City centre- Gradual uptick in footfall continue, with some improved weather, and overall more shops, cafes and restaurants trading again. Last week, city centre footfall cameras recorded a total level of -56% year on year, an increase of +21% week on week. Market Street, was 30% down year-on-year over the weekend. This was in line with other UK High Street locations which averaged -52% year on year, but still behind the trends in retail parks across the UK which have recovered to an average of -20% year on year, reflecting their easy access by car and proximity to large supermarkets. Early signs on footfall so far this week do indicate further gradual improvement. More businesses reopening: Paperchase 17/07, and Harvey Nichols 01/08. Retailers in administration: Bella Italia, Cath Kidston, Victoria Secret, Accessorize, Quiz and Oasis (all closed UK wide), Carphone Warehouse (standalone closed), TMLewin (online), Lunya (closed), Debenhams (open and trading).</p> <p>Buzz Bingo hall closures announced Wythenshawe and Harpurhey.</p>	<ul style="list-style-type: none"> • <i>Eat out to help out discount scheme for August- 50% discount for every diner, up to £10 per head, Mon- Weds</i> <p>Comprehensive Spending Review (process still unclear) and White Paper on Devolution and Recovery planned for Autumn.</p> <p>Retail- Communications being developed re mandatory wearing of face masks (mixed message about where masks are required).</p> <p>Plans for <i>Reopening High Street Safely Fund</i> being submitted for grant approval as part of ERDF requirements - focus on 1) pedestrianisation and changes to public realm and 2) communications across district centres.</p>
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Footfall in district centres (Springboard w/c 29/06). Overall drop by 16.2% compared to previous week. Still well down on previous year. Weather big impact. Chorlton only area to see increase (6.9%) (09/07) Monthly figures for June show big differences between district centres- overall monthly increase of 10.7% (Chorlton + 25.8%, Withington +22.7%, Levenshulme -5.7%, Gorton -22.4%) (13/07)

Beauty salons, nail bars, tattoo and massage studios, physical therapy businesses and spas able to open from 13/07.

Face masks mandatory in shops from 24/07

Hospitality- The reopening on the 4th was positive overall. The majority of outdoor seating plans were granted with those that weren't are being amended for reconsideration. Northern Quarter (Thomas St, Edge St, Stephenson Sq) and the Village worked particularly well. Around 60% of bars opened over weekend of 4th July. Second weekend saw more venues open doors and welcome back customers. Better weather helped the outside spaces- NQ and Village plus districts such as Didsbury and Chorlton popular. No issues re track and trace reporting. (13/07)

The F& B sectors continue to open. The picture is mixed, but those with outside space are doing better than those without. A number of businesses are reporting increased takings year-on-year as result of the outside space, particularly on weekdays,

Eat out to help out campaign very much welcomed. Concerns by NBRManchester that it misses too many operators (ie wet-led bars or pubs) Take up has been slow this week but most venues that sell food are looking into signing up.

Mixed reaction to **VAT cut**- The Guardian 15/07 *"With Manchester city centre still missing the usual throngs of office workers and many of its museums and other attractions still closed, few people were around to take advantage of reductions over Wednesday lunchtime."*

Hospitality- Growing number of schemes being approved for outside space. Positive social media response overall.

Plans for longer term use of outdoor space and design brief coming to fruition with support of external expertise to support hospitality and culture by increasing visitor footfall.

Marketing Manchester supporting #NOMORESHOWS campaign- launching this week to curtail devastating effects of customers not turning up to bookings. (15/07)

Eat Out to Help Out Scheme- Guidance issued. Registration open and promotional materials issued 13/07. Starts 1/8

Temporary reduced rate of VAT for hospitality, holiday accommodation and attractions- HMRC guidance on the temporary reduced rate of VAT for hospitality, holiday accommodation and attractions from 15/07.

	<p>Reduction does not apply to alcohol- Peveril on Peak quoted in The Guardian 15/07) unfeasible to offer discount as do not serve food. Others not in position to pass on reduction.</p> <p>Visitor economy- The effects of the lockdown continue to be severe and far-reaching on both tourism operators, their employees and the wider supply chain. The sector is now starting to reopen: a key concern is how viable business operating models will be under the Government guidelines. Marketing Manchester estimate projected £4.2 bn (-47%) loss by end of next month to GM £9bn visitor economy. (15/07)</p> <p>Hoteliers Assn: Some hotels performing relatively well at weekends and attracting regional audience. (14/07) Operators looking at impact of lost revenue on staffing levels post furlough period. Next 9 months expected to be a tough trading environment. Concerns re scale of potential job losses.</p> <p>Manchester Central- Awaiting guidance on events. Sept/Oct openings are unlikely. MC won't be open until next year with the Nightingale facility remaining in situ. (08/7)</p> <p><i>'We're good to go kitemark'</i> Visit England accreditation- 30 partners have signed up. Work ongoing to increase uptake and provide public with reassurance. (09/07)</p> <p>Culture, Leisure and Sport- Conflicting govt advice re opening of venues. 5 stage roadmap does not contain dates or conditions. Biggest issue is de-risking- due to fragile nature of organisations, many are not in position to take risk on large events/productions.</p> <p>Clarity on guidance re cinemas needed- campaign required to build confidence. Issues with product availability, hence staggered re-openings. (14/07)</p> <p>Re-opening of galleries, museums & libraries Update on planned reopening dates:</p> <ul style="list-style-type: none"> ● Museum of Science & Industry - 14th August ● Manchester Central Library (in addition to the City Library open 4th July) - 20th August ● Manchester Art Gallery - 20th August ● National Football Museum - 23th July 	<p>Visitor economy- #FindYourSpaceMCR recovery and confidence consumer campaign launched 08/07 by Marketing Manchester- aims to restore confidence in tourism, hospitality, leisure and cultural sectors. Focused on local audiences to re-discover and explore local green spaces. Sub campaigns- Space to Meet and Space to Learn will launch in Autumn, encouraging confidence and safety in business meetings and conference industry and ability for students to live, study and have full student experience.</p> <p>Tourism and Hospitality Talent Hub- free webinar to businesses 5/08</p> <p>Culture Recovery Board 01/07- Proposing a recovery plan with outline costs (£71m) for interventions designed to:</p> <ol style="list-style-type: none"> stabilise the sector ensuring venues and cultural companies can survive, especially where extended closures are likely and stimulate recovery with targeted interventions for parts of the sector including employment programmes. <p>Consultation with sector task groups is underway and a consultation document is being designed by the comms team for circulation.</p> <p>Following Cllr Rahman's open letter on 19 June, two further letters:</p>
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	<ul style="list-style-type: none"> • People's History Museum - 1st September • HOME - 4th September (cinemas, bars and restaurant) • The Whitworth - September (date to be confirmed) <p>Libraries - Eight of the city's libraries were successfully opened 4th July. Total visits for the first 4 days of operation- 3,159 (with 20% of visitors accessing PC resources)</p> <p>Redundancies- Four organisations have begun redundancy procedures with staff (totalling 150+ staff between those companies so far). Those in the public domain include the Royal Exchange Theatre (up to 65% of staff) and Stoller Hall.</p> <p>Phased return of sport and recreation-. Indoor gyms, swimming pools and sports facilities to reopen from 25/07.</p> <p>Outdoor performances (with social distancing can resume from 11/07).</p> <p>Aviation- T2 reopened 15/07- all three terminals now open. Still 95% down on normal volumes, average 50% capacity on re-launched flights. MAG considering potential for recovery to be softer in FY22, particularly in Manchester, which has a higher proportion of full-service and long-haul carriers, but still recovering to pre-crisis</p>	<ul style="list-style-type: none"> • 2 July urging urgent financial investment in the sector following news of redundancies at the the Royal Exchange • 8 July with outline costs for Manchester's call for investment in the cultural sector of £71m. <p>Govt announced £1.57 billion investment to protect cultural, arts and heritage institutions. £1.15 billion support pot for orgs in England delivered through a mix of grants and loans. Made up of £270 million of repayable finance and £880 million grants. £100 million of targeted support for the national cultural institutions in England and the English Heritage Trust. £120 million capital investment to restart construction on cultural infrastructure and for heritage construction projects in England which was paused due to the coronavirus pandemic. Guidance for phased return of performing arts to be published shortly. (05/07). Call with chair of Arts Council- ACE to administer fund- will run until 31/03/21- place based and individual org bids welcome. Open to all from freelance to large orgs. Awaiting detailed guidance.(14/07)</p> <p>Arts Council England's Emergency funding grant awards National Portfolio Companies* has now been announced. Specifically targeted to support companies' survival until 09/20. Total of £1,060,317 awarded to Manchester companies. Several disappointed by the outcome of applications.</p> <p><i>*NPO Companies are funded over a 4 year agreement and as part of the Covid response, ACE announced existing annual funding agreements will be extended to a 5th year</i></p> <p>Discretionary Grant and other Business Grants for Small Businesses- Companies continue to be supported to apply for business rate related grants. (15/07)</p> <p>Labour market- Work to link employers to the local training and employment support offer ongoing. (15/07)</p> <p>Aviation- Engagement with MAG to understand the impact on Manchester Airport. MAG working on recovery plans and tracking confidence to fly over the next few weeks. MA aim is to protect</p>
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	<p>levels by FY24. This does not assume a resurgence of COVID-19 resulting extended restrictions on air travel. Over the last few weeks more flights have started to resume. This week sees the return of Jet2.com, Etihad, plus TUI, Ryanair and easyJet have all increased services. Latest airlines to re-launch: Etihad to Abu Dhabi 18/07 Air Transat to Toronto 23/07, Biman Bangladesh to Dhaka 31/07 Cathay to Hong Kong 01/08.</p> <p>Removal of quarantine requirements on many routes positive but need to track confidence in weeks ahead.</p> <p>Piece in MEN re potential redundancies misleading as referred to national numbers in the sector- no public announcements made yet and focus has been on MAG doing all they can to preserve employment. (03/07)</p> <p>Higher Education Institutions- Concerns re potential deferrals, significant potential loss of income in relation to international students (account for half of tuition fee revenues), loss of income re conferencing and events. Uncertainty re student numbers next academic year. Volume of applications from home students appears to be in a good position. 60-70% booking of residencies compared to normal levels. Demand from Chinese students remains positive though depends on travel. Significant uncertainty re India and North America. No large lectures- will be blended learning with online and use of large space for small groups. (30/06)</p> <p>No specific institutional announcements re rescue package. Universities expected to apply for the funding- appears to be a mix of grant/loan – linked to nature of research projects, and proportion of international students. (10/07)</p> <p>R&D roadmap- start of a conversation- significant opportunity to rebalance R&D spend to the regions, and UoM particularly will be well placed to benefit from this. (10/07)</p>	<p>jobs wherever possible. MCC supporting lobbying by MAG to call for an aviation support strategy to aid recovery.</p> <p>Higher Education Institutions- Regular dialogue with universities to discuss potential loss of income and support required. Work and skills team in regular discussion. 10,000 expected to graduate- support needed to be in place to ensure city does not lose talent. China is the biggest student demographic for the UoM, so the university is focusing activity and dialogue. MCC working with UoM on support to welcome international students. (23/06)</p> <p>Two universities planning for Sept opening and looking at strategies to manage first 2 weeks when students arrive.</p> <p>Support announced for research universities-: new research funding scheme in Autumn to cover up to 80% of income losses from decline in international students. Around £280 million to enable universities to continue their cutting-edge work, such as research into antibiotics resistance and the effects of coronavirus on society. (27/06)</p>
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	<p>Institute of Sport at MMU- refurb to commence 13/07- due to open 2022</p> <p>ID Manchester- partners selection process to resume- final selection to be made Spring 2021. (15/07)</p> <p>Real Estate Focus Group (sub group of Sounding Board)- Key issues re returning to workplace- travel/public transport and childcare. Occupiers looking at Sept as return date and some not considering until Christmas. Transactions picking up and long term confidence in cit remains. Survey of occupiers- sentiment that the city is the right location, home working just a temporary measure. Difficult to encourage people back when govt guidance is to work from home. Those who are back in office are smaller, agile companies. General view that larger companies will look to a hybrid model, split between home, office, other locations. Key issues for occupiers: active travel/cycle parks/ cycle facilities and green/pedestrian spaces. (07/07)</p> <p>Inward investment update- MIDAS has a strong pipeline of enquiries forecast to close in FY20/21 though yet to fully understand full impact. Over 30% of companies have said that the ongoing situation will not affect investment plans. Mancr enquiries by sector: creative, digital and tech (39%), life sciences (27%), advanced manufacturing (18%), financial, prof bus services (12%). (13/07)</p>	<p>R&D Road Map announced- to 'cement the UK as a world-leading science superpower'. £300 m to upgrade scientific infrastructure across the UK. New Office for Talent set up to make it easier for leading global scientists, researchers and innovators to come to the UK. (01/07)</p> <p>**Joined-up response that is Mcr led needed with Corridor partners- Online survey- closes 12/08.</p> <p>Property Sector- Real Estate Focus Group convened to support MCC understanding on commercial property market, guidance on issues and develop an action plan to support recovery. (07/07)</p> <p>Investment- Leader written to Minister of Investment offering mtg to discuss how Mancr can help support national efforts re investment, FDI and exports. (03/07)</p> <p>Ongoing contact with local account managed/large employers tp understand challenges and future plans. MIDAS exploring opportunities around: north shoring and re-shoring of business critical functions (esp food manufacturing & life sciences. Planning underway looking at target markets and sectors ie in ecommerce, cyber security, digital technologies, healthcare and biotech). From September onwards- digital campaigns will be deployed incl schedule of webinars across each sub-sector aimed</p>
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		<p>at key locales within target markets (eg medtech in Boston; ecommerce in Bangalore; advanced materials in Seattle).</p> <p>Investment Taskforce met 16/07- plan to develop an Innovation GM proposal to submit as part of Comprehensive Spending Review.</p>
Development	<p>Stimulating development & investor confidence, including:</p> <ul style="list-style-type: none"> • Understanding current impact through intelligence gathering. • Assessing sources and levels of investment, and any obstacles (access to debt). • Seeking financial and other support needed to enable early start of key projects • Understanding supply chain issues and identifying appropriate support measures. It is becoming increasingly apparent that the appetite of contractors to bid for apartment led residential schemes has been significantly impacted in the short term due to issues in the supply chain (i.e. loss of subcontractors and access to materials). This concern has also been raised by developers of commercial schemes. • Developing guidance/share good practice for safe operation of sites • Expediting design & planning phases of projects. • Productivity increased across most major sites- 97% of infrastructure and construction sites now operating. Social distancing measures impacting on programmes. Issues re supply chain/access to materials. Infrastructure sites are now achieving 89% of pre-Covid productivity. Housing sites 93% of sites now open. Reports that contractors are planning to reduce workforce by 11 % within the next 3 months. 	<ul style="list-style-type: none"> • Planning reform proposals- (13/07) MHCLG published draft guidance on extension of certain planning applications and the Additional Environmental Approval process introduced in the Business and Planning Bill. Planning policy paper due later this month. RTP1 sent open letter (02/07) re <i>Plan the world we need</i> campaign- concerned recent rhetoric about reputation of planners. <i>"Planners need to be at centre of sustainable and resilient recovery. By-passing system for speed and to cut costs risks sub-standard homes and removes democratic rights of communities to input into local development."</i> (see separate note) • Final list of 'shovel ready' schemes for the Get Building Fund (announced on 30/06, with £54m awarded to GM) expected to be agreed with Government on 17/07. Four Manchester projects were previously submitted for consideration - BASE Manchester Innovation Activities Hub at MSP, Mayfield, Alan Turing AI Centre & Manchester Engineering Campus Development at the University of Manchester. • Criteria still awaited on the £81m Brownfield Land Fund also announced by the PM on 30/06 and being administered by GMCA. Initial discussions held with GMCA (03/07) on potential round 1 schemes (to be on site by March 2021, dependent upon detailed funding criteria. • Shovel ready project list submitted to Core Cities, for an informal submission to the Economic Recovery Working Group (ERWG) on 24 June. The members of the group, which includes senior civil servants from MHCLG, BEIS and HMT, were asked to share the information widely within the Government. No feedback to date. • Manchester prioritised shovel ready projects list submitted to key Ministers (including the Chancellor) and

		<p>local MP's on 2nd July. Included as an addendum to Executive report on 3 July.</p> <ul style="list-style-type: none"> • Pre contract discussions have been held with Homes England on Northern Gateway, with a view to entering in a contract in September, securing £51.6m in Housing Investment Fund grant that must be fully expended by March 2024. • Pre-planning consultation on the first phases of Collyhurst redevelopment being planned with local Members, which will deliver 270 homes (including 130 new Council properties). Planning application anticipated in summer, following consultation with Collyhurst residents (we have developed a virtual consultation methodology but this may delay submission of planning as we are at a 'hearts and minds stage' with the community whose confidence has been dented due to previous false dawns). • Prioritisation of land transactions or contractual arrangements that are close to completion to preserve delivery arrangements. • New Victoria residential scheme expected to start on site during Summer. • Reports to 3 July Executive on SRFs agreed: revisions to NOMA Strategic Regeneration Framework, detailing next phase of development, including additional commercial space; revised Framework for First St, with proposals on sites on Medlock Street; and a new Framework for St Mary's Parsonage, including new commercial, retail and public realm proposals.
Affordable Housing	<p>Risk to developer and investor confidence.</p> <ul style="list-style-type: none"> • Working with RP's and other developers to understand current impact and forward plans. • Assessing sources and levels of investment, and any obstacles • Investigating grant funding, financial and other support needed to enable early start of key projects • Understanding supply chain issues and identifying appropriate support measures. • Developing guidance/share good practice for safe operation of sites • Expediting design & planning phases of projects. • Risk of registered providers slowing down or pausing programmes to consolidate finances/liquidity 	<ul style="list-style-type: none"> • Regulator for Social Housing (RSH) has called for RP's to provide revisions of their business plans by September. This will identify any viability risks but should also identify progress on development programmes. • Managing existing onsite, pipeline and planned development with RP's. These were referenced in the June Executive report. <ul style="list-style-type: none"> ○ 398 homes under construction and anticipated in the 2020/21 year. Re-mobilization of sites now underway. ○ 252 homes currently in the programme for 2021/22. ○ New projects emerging. • Silk Street tenders returned <ul style="list-style-type: none"> ○ Submissions now evaluated.

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| | <ul style="list-style-type: none"> • Ensure Zero Carbon and Fire safety provision are part of the programmes. • Potential flooding of the PRS sector as the short term let market shrinks. | <ul style="list-style-type: none"> ◦ Working on the affordability of the scheme with Homes England. Rents are significantly below LHA but will need additional grant or other investment to make viable. • Progressing the establishment of a Local delivery vehicle. Looking to start on site with key projects and novate across. <ul style="list-style-type: none"> ◦ Approval at Exec 3 June. Detailed work programme now underway to accelerate progress. ◦ £1.5m from Housing Investment Reserve secured ◦ External support being commissioned. ◦ 5-year supply of land to develop 2000-2500 rented homes through the delivery model. Land assembly workshop scheduled for 8 July. ◦ Professional support for site master planning and massing will be appointed by the end of July • Project 500 progressing. Will deliver 500-600 homes. <ul style="list-style-type: none"> ◦ Sites being reviewed by RP group and are due to report back week commencing 13th July ◦ Standard documentation being drafted by MCC legal and development to speed up disposal process ◦ Legal are putting together an internal team to deal with the increase in title searches relating to both the LDV and P500 • Entering into formal agreement with Homes England and signing an MOU to take a partnership approach to accelerated development. Complements similar arrangements with GMCA. (see development) <ul style="list-style-type: none"> ◦ Action Plan in development following 3 workshops ◦ Working towards a September Executive for formal approval to enter into formal agreement with HE • Pre-planning consultation on the first phases of Collyhurst redevelopment being planned with local Members, which will deliver 270 homes (including 130 new Council properties). Planning application anticipated in summer, following consultation. • Ongoing intelligence gathering with developers to understand status of projects and support needed. |
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		<ul style="list-style-type: none"> ○ MHPP Growth workstream capturing current position and plans. ● Prioritisation of land assembly and due diligence to allow acceleration of build programme. ● Dialogue with RP's on Monday 22nd in regard to a mix of development. (Action point from 5 June meeting). Mix of tenures should reflect Housing Strategy. ● Working with Your Housing Group to bring forward a 200+ newbuild scheme in East Manchester with 60% planned for affordable housing
Transport and Infrastructure	Work with TfGM to agree a broad overall transport plan to support gradual opening up of the city with a focus on pedestrian movement and safe use of public transport linked to an agreed package of measures to support safe pedestrian access.	<ul style="list-style-type: none"> ● Transport consultant working with highways, city centre regeneration and TfGM to develop a strategic medium term plan to support city centre business re- opening, safe pedestrian movement and public transport connections. This will draw on national and international best practice. Initial outputs due to be discussed at the City Centre Infrastructure Working Group on 23/7/20. ● Analysis of predicted transport requirements- TfGM undertaken a 'Future Travel' Survey" to gather the public's views on using public transport after lockdown. 14,000 responses received and initial findings have been shared with members of this group and the Business Reopening Analysis group (including MCC reps). A summary of the complete results from the survey is attached for members' information. ● Data from this Tuesday (14/7) shows the following differences with the position on Monday 9th March and 29/6 showing a gradual but slow increase in public transport usage across Greater Manchester with car travel still reduced but much closer to pre lockdown levels. <ul style="list-style-type: none"> ○ Metrolink patronage 9/3/20 = 122,613 “ 29/6/20=19,668 14/7/20 = 31,884

		<ul style="list-style-type: none"> ○ Bus 9/3/20 515,309 “ 29/6/20 143,795 14/7/20 191,093 Rail 9/3/20 104,795 “ 29/6/20 21,859 14/7/20 28,759 GM Highway 9/3/20 5,082,000 29/6/20 3,700,000 14/7/20 4,032,000 <p>Data has also been made available from NCP on year on year changes in car park usage for the period until the end of June which is attached. More up to date data for the last week has been requested.</p> <p>Facemasks- Week of action TFGM comms campaign from 16/07- a step-up in operational response and a more visible and proactive manner to enforcement. 60-80% current usage.</p>
	Analysis of businesses' plans for reopening, working with TfGM, CA, Chamber, Growth Company	<ul style="list-style-type: none"> ○ TfGM linked into Day Time Economy recovery group work especially re Social Distancing
	Identify and implement interventions that support social distancing and procure necessary equipment to facilitate this.	<ul style="list-style-type: none"> ● Deansgate temporary closure to motor vehicles implemented on 16th May. ● Thomas Street temporary closure was implemented on 31st May. ● Temporary closure of Ducie Street and Stevenson Square and one way system on Withy Grove were introduced from Friday 3rd July to create safer conditions for pedestrians and support business reopening. ● Temporarily widening pavements in a number of locations across the city to support safe pedestrian movement and social distancing. Measures and have already been

		<p>introduced on London Road and Princess Street learning lessons as we progress. Other schemes delivered: Cheetham Hill Road, Chorlton- Manchester Road- Claridge Road and Warwick Road, Wilmslow Road in Rusholme, Withington Village (Wilmslow Road), Openshaw- Ashton Old Road. Sites being discussed at Hulme High Street and Ashton New Road Phase 2 in Openshaw.</p> <ul style="list-style-type: none"> • Tasked our CCTV monitoring staff to monitor how the public act on returning to work to support reacting to events and that is supported by the TfGM control room. • Decluttering pavements where we can using a new find and fix team to carry out audits, bearing in mind need to support businesses reopening who may need to use pavements (eg for tables and chairs) • Welcome Back Manchester campaign launched on 12 June, to provide confidence to encourage people back into the city centre and district centres. • Emergency Active Travel Fund - GM awarded £3.1 million as part of the first phase of funding. It supports pedestrian and cycling measures and which take pressure off the public transport network. Work underway with GM to determine which schemes are to be delivered. • Guidance has just been received regarding bidding for resources for phase 2. A bid needs to be submitted by the combined authority by 7/8/20..
	Continue with highway works that can be undertaken during lockdown	<ul style="list-style-type: none"> • Continuing with all our major projects that are on site and continuously monitoring government guidance about construction

		<ul style="list-style-type: none"> • Finding ways to accelerate all our programme of walking and cycling schemes aiming to have early starts on all our programmed projects • Maintaining our roads at business as usual levels by inspecting them and making repairs • Resurfacing and treating many more main roads than originally planned to take advantage of lower traffic levels • Working with TfGM to review bus stops and increase pedestrian phasing at signalised crossings.
Skills, Labour Market and Business Support	<p>Significant growth in the number of Manchester residents claiming Universal Credit. Evidence base for THINK work shows:</p> <ul style="list-style-type: none"> • 89% rise in claimant count in Manchester during April & May - 33,825 claimants; • affects every LSOA in the City & all age ranges; • particular impact on young people which has seen an increase of 98% (national fig 109%) & over 50s (73%); • concentrations in areas with large Black, Asian and ethnic minority communities e.g. Longsight, Moss Side, Cheetham • 32% of Manchester residents are either furloughed (62,200) or receiving self-employment support (15,900); • Job losses compounded by significant drop in levels of vacancies; • 800 16-18 year olds who would normally pursue apprenticeships or move into employment at risk; • 74% national decline in apprenticeships • circa 10,000 graduates who would normally stay in the City will struggle to get graduate level work. <p>ONS release 16 July - June figs for Manchester:</p> <ul style="list-style-type: none"> • Claimant count : 34,140 overall; 6,695 - aged 18-24; 21,145 -aged 25 to 49 and 6,220 aged over 50. • There are 42,490 Manchester residents claiming out of work benefits: ESA claimants -30,750; Jobseekers - 5320, Disabled 2610 and Lone Parents 5420. <p>GM vacancy data (to the week ending 4 July 2020) shows a slight dip in the numbers of vacancies from the week before to approx 4000. Vacancies are about 1000 postings a week below the level in the equivalent period in 2019. The data reflects drop in the numbers</p>	<ul style="list-style-type: none"> • THINK have produced their report on skills & labour market recommendations with 6 key priorities: <ol style="list-style-type: none"> (1) minimise the number of Manchester residents moving from furlough to redundancy as the job retention scheme winds down; (2) support unemployed Manchester residents to re-enter work as quickly as possible especially young people, those aged over 50 and BAME; (3) maximise new job creation, increasing overall labour demand in the City; (4) minimise the number of young people who become unemployed after leaving education and training in Manchester; (5) support apprenticeships & other training opportunities to better equip employers with the skills to survive & grow, while helping more residents to progress & upskill in their careers; (6) improve the support available to unemployed, long-term inactive residents to reduce the risk that they are “crowded out” of the jobs market with the influx of new claimants

	<p>of jobs vacancies as the pandemic has unfolded. Education and professional jobs both appear to have grown recently (albeit with some more recent plateauing in the trend). (08/07) Within digital skills- shortages of software developers/programmers and in cyber security. Work on going to develop talent pipeline through various digital initiatives.</p> <p>Data on estimated percentage of residents furloughed through Job Retention Scheme: 24 % in Mancr (same rate at GM) June figures. (08/07)</p> <p>Businesses in the City significantly affected by Covid-19 with access to markets & cash flow the most significant issues</p>	<ul style="list-style-type: none"> • Chancellor announcements on Kickstart, traineeships and apprenticeship grants will provide support for young people in particular although we are still awaiting the details. The announcement was light on skills but some modest additional investment in FE level 2 & 3 for 18 to 19 year olds. The Work & Health programme has been expanded with an additional £5.5m investment in Working Well in GM. In terms of the priorities listed above, there was nothing in the announcements to specifically provide support for BAME residents & those over 50s or skills investment for adults with low skills who have become unemployed or at risk of doing so. • 4185 young people which is 73.8% of the Year 11 cohort have a September guarantee, as compared with 2643 (48%) in 2019. Post-16 education and training providers in the City are working hard and have summer programmes to engage young people e.g. TMC's from Couch to College. • Working with GMCA to influence and take advantage of opportunities, e.g. Skills for Growth, and develop responses for different labour market sector • Working with the Cultural Team to pull together support for cultural organisations and employees & identifying existing provision that can be adapted to suit their needs; • More broadly working with AEB providers to identify education & training provision currently on offer or being planned to meet the needs of residents who become unemployed or under-employed as a result of Covid • The discretionary business grants scheme to support small & micro businesses received 1261 applications by 10 June closing date. 925 businesses have been awarded grants with £4.6m of the £5.4m, paid out to date.
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		<p>232 businesses have been rejected, Working through the more complex applications.</p> <ul style="list-style-type: none"> • Future Fund- Criteria changes- more start-ups and innovative firms will be able to apply for investment from the Government's Future Fund (30/06). Loan of between £125,000 and £5 million. Officers to promote this via networks.
Funding	<p>No specific known impacts on current external funding bids caused by C19 as yet. Known bids progressing through funding approval processes as expected.</p> <p>Team in City Policy developing a funding action plan based on C19 recovery and Corporate priorities</p>	<p>Shared Prosperity Fund- Consultation still awaited. Institute of Fiscal Studies report calling on govt to consult on Shared Prosperity Fund (replaces EU structural funds next year)- calling on flexibility and tailored to local priorities. Needs to also take into account long term effects of C19.(13/07)</p> <p>Chancellor's Summer Statement</p> <p>£1bn for Public Sector Decarbonisation Scheme, offering grants to public sector bodies for energy efficiency and low carbon heat upgrades. - will include schools. Being picked up by the Buildings and Energy Workstream in Zero Carbon Coordination Group.</p> <p>Other announcements of interest to our partners are:</p> <ul style="list-style-type: none"> • £100m of new funding for researching and developing Direct Air Capture, a new clean technology which captures carbon dioxide from the air. • Electric Vehicles As part of £1bn announced last year for automotive technologies, £10m is available immediately to scale up manufacturing of the latest technology in batteries, motors, electronics and fuel cells. • Social Housing Decarbonisation fund, starting with a £50m project in 2020-21 to decarbonise social housing. <p><u>Reactivating High Streets Fund</u></p> <p>MCC have been allocated £488,668. Strict ERDF eligibility criteria (e.g. temporary nature, exclusion of certain types of activity) mean we need to identify where best to spend this without risk of grant clawback.</p>

		<p>Proposal to be submitted to govt by 17/07.</p> <p>£50,000 in place communications for district centres. (Supporting on street signage, one way routing etc. as well as supporting retail and hospitality in those areas).</p> <p>North - Ancoats, Harpurhey, Openshaw, Cheetham, Newton Heath, Moston Lane</p> <p>Central - Rusholme, Longsight, Levenshulme, Gorton, Plus commercial patches in Moss Side and Ardwick.</p> <p>South - Didsbury, Chorlton, Withington Northenden, Burton Road.</p> <p>Work with Highways to build on the successful reopening of the city through public realm changes. (£438,000)</p> <ul style="list-style-type: none"> • vehicle mitigation to maintain social distancing including traffic management and pedestrianisation. • widening of footpaths • temporary barriers • Hand sanitiser stations <p><u>Digital Innovation Fund</u></p> <p>MHCLG have launched a new Digital Innovation Fund for Covid-19.</p> <p>Fund opens 1st July and closes 15th July. We can apply for £80,000. MCC are looking to put in a bid from Neighbourhoods and PRI on data sharing around people shielding / in need which has been piloted in Old Moat and Withington, taking best practice from this local data sharing and developing an emergency response toolkit. PRI working on proposal for submission.</p> <p>Application submitted on 15th July for £80,000. This application focuses on how we get intelligence into the hands of our 'Team Around a Neighbourhood (TANs)' functions, taking data from processes developed during Covid (i.e. data on vulnerable and those in need of support) and providing this as actionable intelligence for TANs to resource plan and deliver direct support..</p> <p><u>EU Funding for Climate Action</u></p>
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		<p>£340k bid supported by MCC being submitted by Corridor partners this week to produce an energy systems model and map of the Corridor area which will support wider planning around delivery of CCAPs within the 2020-25 Manchester Climate Change Framework. This model will be used by partners along the Corridor to explore how to deliver the change in carbon performance required within the Oxford Road Corridor estate to meet Corridor partners' 2025 Zero carbon targets.</p> <p><u>Potential Smart Cities Bidding Opportunity</u></p> <p>Dave Carter who has been leading on digital strategy and City Policy have put together an early stage proposal looking to leverage existing digital assets across the city to develop a proposal to support digital ecology, to increase digital inclusion, to pump-prime digital innovation, and improve digital connectivity. With a focus on using digital capacity in the city centre as a "hub" to support districts and local area needs. The programme would use existing staff seconded from different organisations, be led by MCC, and have a recovery focused work programme that could quickly commission digital pilots, and support new ideas.</p> <p>Looking at a potential bid of £4-£6 million, with 15% on set up and programme management costs. Chief Exec and Angela Harrington supportive of this approach. Bid and potential consortium to be developed over the summer ready for potential bid into forthcoming DCMS / UKRI Smart City programme expected to launch in August 2020.</p> <p><u>Electric Vehicle Funding for New Smithfield / Hamerstone</u></p> <p>MCC actively seeking to develop a consortium bid for this funding with MMU, Cadent, GMP and ENW. MCC support from City Policy (Mark Duncan) and Neighbourhoods (Matt Bennett). Focus is on solar PV generation with hydrogen production and storage for vehicle fueling (MCC fleet and possible GMP fleet also).</p> <p>Application to be made to European City Facility (EUCF) (Horizon 2020) - deadline 02/10</p> <p><u>Innovate UK Sustainable Innovation Fund</u></p> <p>New fund from Innovate UK announced this week for £200m in 3 strands to support sustainable recovery. SME led fund. First strand open now.</p>
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		<ul style="list-style-type: none"> • decarbonisation, circular economy and/or biodiversity • climate change, environmental sustainability • geographic or regionally-targeted innovation • innovation aimed at commercial, residential users • innovations working across 1+ sector • follow-on international opportunities that help the UK lead the world <p>Main focus will be on supporting the green and environmental business sectors.(See sector support above).</p> <p><u>Green Recovery Challenge Fund</u></p> <p>The £40 million Green Recovery Challenge Fund has been launched this week. The fund will bring forward funding to help charities and environmental organisations start work on projects across England to restore nature and tackle climate change.</p> <p>The fund will help conservation organisations and their suppliers create up to 3,000 jobs and safeguard up to 2,000 others in areas such as protecting species, finding nature-based solutions to tackling climate change, conservation rangers and connecting people with the outdoors.</p> <p>This funding could support wider partners in the City (Groundwork, City of Trees, Lancashire Wildlife Trust) and could potentially support delivery of our Manchester Tree Action Plan objectives within our Climate Change Action Plan. Officers in City Policy looking at options and will speak with relevant city partners.</p>
Strategy & Economic Narrative Review	C19 has necessitated a review of existing strategies to understand whether they are fit for purpose given the predicted exacerbation of existing inequalities. This will inform the Economic Recovery Plan & Our Manchester Strategy reset. Formal refreshes would not take place until 2021 when the Our Manchester Strategy has been reset and the full impact of C19 is known.	<p>Kick off meetings on economic analysis work have have taken place. Initial report to be completed by the end of July with the final report available by mid September to submit to Government.</p> <p>Our Manchester Strategy Reset engagement underway with consultation taking place in July, August and September. Economic narrative will be shaped by the Our Manchester Industrial Strategy, Ekosgen/Metrodynamics report, Ipsos Mori survey, Business Sounding Board, specific business engagement session and a themed 'Thriving & Sustainable' session of the Our Manchester Forum..</p>
External Influencing & Lobbying	The Government's economic response to C19 has been fast moving and feeding in Manchester's priorities has required a coordinated approach.	Three letters have been sent to the Secretary of State for Digital, Culture, Media and Sport by the Executive Member for Skills, Culture and Leisure lobbying for representation from Manchester

		<p>or the North of England and more diversity on the Cultural Renewal Taskforce and financial support for city's cultural sector. Government has now announced a £1.57bn financial package for the arts and culture sector.</p> <p>The Executive Member for Environment, Planning and Transport participated in the first meeting of the Resilient Recovery Taskforce on 3 July (a coalition of 24 Mayors and Leaders convened by UK100) and a letter has now been sent to the Prime Minister and Chancellor requesting a meeting.</p> <p>The Chancellor's Summer Statement including some announcements on areas Manchester has lobbied on to Government directly and via the Local Economic Recovery Group and UK Core Cities. This includes the kickstart scheme for 16-24 year olds, further support for apprenticeships, housing retrofit and investments in 'shovel ready' and other job creation projects.</p> <p>The next major opportunity for influencing Government is the Spending Review in autumn. Manchester's submission needs to be submitted by mid September at the latest. The submission will be developed with the conomic analysis work as per the update above.</p>
Economic Intelligence	<ol style="list-style-type: none"> 1. Need to engage with Manchester Businesses and Key sectors to understand current status re Covid related impacts 2. Understanding of businesses in rented spaces and analysis to support the Business Rates Discretionary Grants 3. Need to understand status of development pipeline across the city 4. Need to update population modelling (MCCFM), reflecting both the impacts on and from the economy 5. Demand appraisal for residential lettings market in Manchester post pandemic 6. Challenge re the scale of analytical capacity required to support this, other Covid-19 workstreams and Business as Usual activities 	<ol style="list-style-type: none"> 1. Market research company appointed to undertake business survey work - looking at cross sector economic impact and sector specific issues - progress to date: Final script with Ipsos surveying team for telephone testing / launch - 16.07.20 Online launch 17.07.20. Comms plan agreed and underway - website text in draft - MEN publicity start of next week 2. Working with Leeds Council and Data City to commission / create a dataset to support allocation work in Manchester - dataset arrived informing initial Business Rates Grants work, further analysis of the dataset taking place currently to draw out wider insights. 3. Tracking underway - pipeline used to support Financial Resilience work - including forecasting potential council tax & business rates revenues - drafts for forecast CT / BR revenues from new development with Finance colleagues for comment

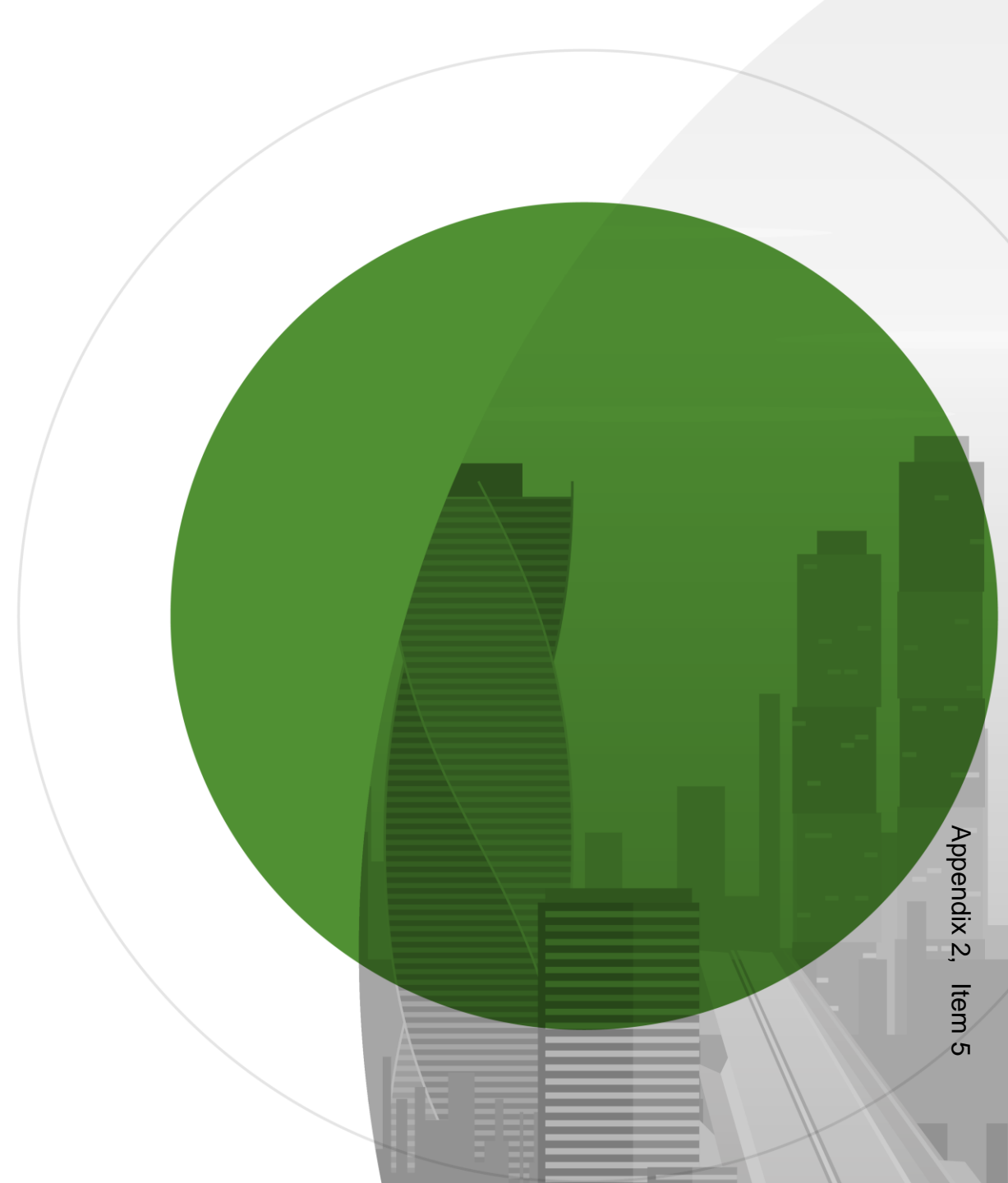
		<div>4. Update of the MCCFM is in progress, more difficult and time consuming than normal due to macro uncertainties. ONS Mid Year Estimates released recently to support this work.</div> <div>5. Data sweep complete - work now underway to collate trends across sub-sectors (mainstream, students, short term lets) to contribute to overall appraisal</div> <div>6. Ongoing discussions to re-prioritise work areas and understand where the gaps may be. Risk we could run out of internal capacity.</div>

THINK...

Manchester City Council

Page 29
Planning for the Economic
Recovery: Work and Skills

June 2020



Contents

1. Summary	Page 3
2. Context, method and scope	Page 5
3. Labour market intelligence	Page 9
4. Findings	Page 28
5. Analysis	Page 46
6. Recommendations	Page 51
7. Annexes	Page 61

1. Summary

The Coronavirus pandemic and lockdown has impacted Manchester's labour market at a pace and scale that is unprecedented in living memory. Between March and May 2020, the number of people in the city who are unemployed and claiming benefits rose by 91%. Youth unemployment doubled. The number of advertised vacancies halved. When analysed by neighbourhood, the highest rises in unemployment are in deprived areas with largely BAME populations. In addition, almost a third of the city's resident workforce is currently either on furlough or in receipt of self-employment income support – both schemes are set to close in the coming months.

Forecasts vary considerably about the likely shape of the recovery. Employers are very uncertain about the future, though there are indications that most firms currently expect to make some staff redundant. The outlook for some parts of the economy is very challenging however prospects in other sectors that are already a strength of the city – such as health and care, digital and construction – appear positive. This work also found an exceptional level of employer goodwill towards working with MCC to support the city's recovery.

Current plans by Government to respond to the crisis in our labour market are unclear. A 'fiscal event' in mid-July will put in place emergency measures, while the autumn 3-year Comprehensive Spending Review promise more medium to long term action. Recommendations will be reviewed in light of these announcements.

Summary

Following detailed labour market analysis, a review of best practice and interviews with over 50 local stakeholders, six key priorities for MCC's work and skills recovery have been identified. They focus upon minimising redundancies, maximising job creation, supporting more unemployed residents to re-enter work, preventing young people from becoming unemployed, growing apprenticeship and training opportunities, and improving the support to individuals who are already long term unemployed or inactive in the labour market.

A total of 24 recommendations are made, priorities for implementation over the next few months include:

- Seeking the rapid roll out of a programme of employer-led training to reskill and redeploy staff returning from furlough, to minimise the rise in unemployment, working with HMG, Core Cities and GMCA
- Commitment from HMG to an expansive intermediate labour market programme to address the unfolding youth unemployment crisis, which risks deepening further as we move into the new academic year
- Flexibilities and incentives – such as Programme-Led Apprenticeships, extending NI relief and a new AGE grant – to sustain apprenticeships and support job retention through the critical summer/autumn period

This report also makes practical recommendations for the medium/long term, including:

- Building Manchester's digital skills base to unlock FDI and 'north shoring' potential in a key growth sector
- Work with Siemens and the Growth Hub to initiate an employer-led programme focused on harnessing the economic benefits of moves by business to improve supply chain resilience
- Review the retraining offer available to working people to support job security and career progression

2. Context, scope and method

2. Context

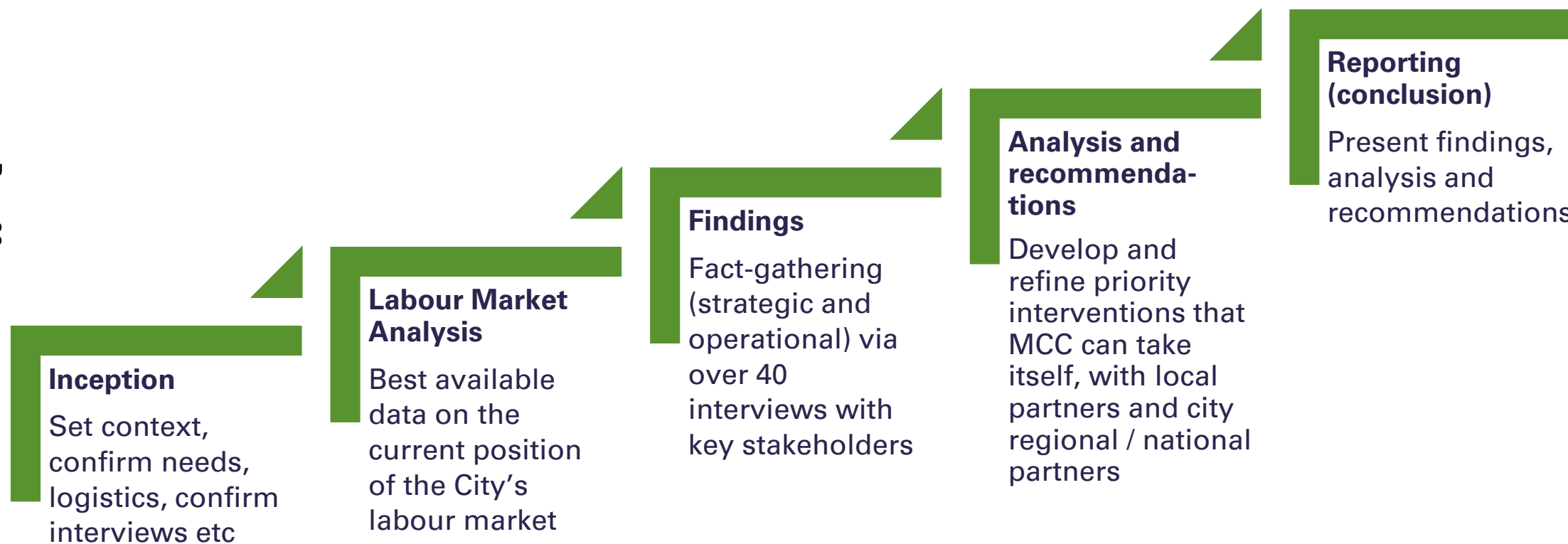
- The Covid-19 pandemic has created set of economic conditions described by the Chancellor recently as a *'..severe recession, the like of which we have not seen.'*
- Manchester City Council (MCC) is leading work to address the immediate challenges created by the pandemic. This leadership role extends to the local labour market, where MCC is committed to working with its partners to improving labour market outcomes in a very difficult environment
- Recent labour market data paints an extremely challenging picture which, unless there is a sharp economic recovery over the summer, is likely to deepen - putting many people and communities in Manchester under significant economic and social stress for a sustained period.
- Despite its good economic performance over recent years, Manchester appears vulnerable to the effects of a downturn. The city centre and Manchester Airport – drivers of growth across the city region – have both seen very sharp falls in activity. The city's residents are disproportionately employed in low paid occupations, likely to be at heightened risk during economic downturns.

Scope

The City Council and its partners already invest in programmes of learning and employment support to address labour market challenges. They have also secured important leverage over central Government “mainstream” funds and programmes. Now, work is required to understand how this capacity (and new resource, if required) can be best deployed to respond to labour market challenges and opportunities. This will require:

- Analysis of labour market issues, risks and opportunities across key sectors and geographies (City Centre, Airport and other existing and emerging employment hubs)
- Identification of interventions to reduce unemployment built on understood labour market need and an analysis of existing mainstream and GM programmes, lessons learned, etc
- Exploration of options for enhancing employer demand for labour in the city
- Feedback on how post-16 classroom-based provision can best support young people and adults in the current labour market
- Advice on how local residents can be best supported to access opportunities now being created in sectors that are growing, or are set to grow through the recovery
- Guidance on how MCC can best work with GMCA and Core Cities to maximise impact
- Strong commitment to low carbon with a strategy and action plan for the city that is actionable around retrofit of housing and de-carbonised local transport

High level project method



3. Labour market intelligence

How has Manchester's labour market responded so far?

Macroeconomic outlook

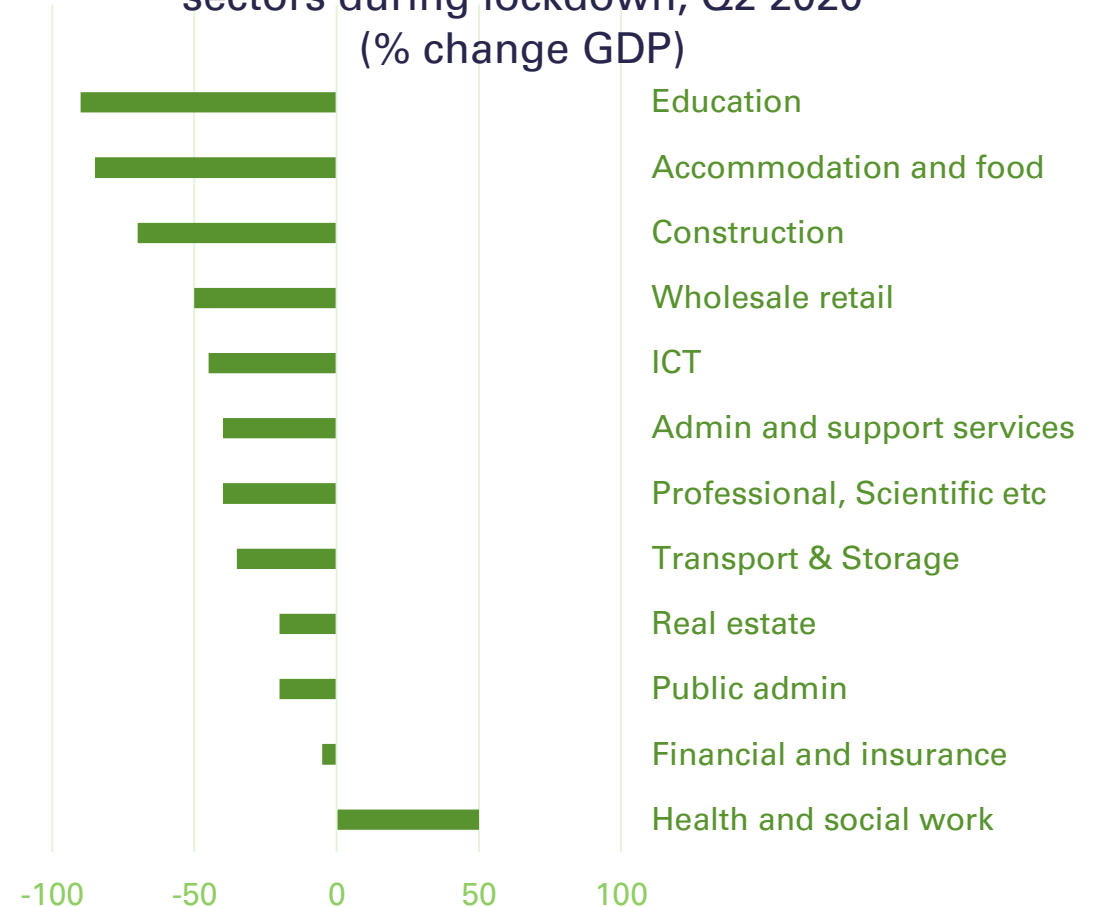
The economic shock resulting from Covid-19 and the lockdown exceeds anything in living memory.

The UK's GDP fell by 20.4% in April 2020, following a 6.9% contraction in March. However the Bank of England remains optimistic that a 'V' shaped recovery - whereby the economy quickly returns to pre-Covid levels of activity – is possible, despite the gradual move out of lockdown. But the Bank of England acknowledge that even this best-case growth scenario still runs a serious risk that high levels of unemployment will persist for the long term.

The effects of Covid-19 are being felt globally. The IMF recently forecast that global growth would fall by 5% in 2020, with UK GDP dropping by 6.5%.

Analysis by KPMG forecasts that the North West will experience the fourth most severe economic impact of the UK's regions resulting from the Covid-19 crisis. It forecasts a contraction in regional GVA of 9.5% in 2020 followed by a return to growth of 10.6% in 2021.

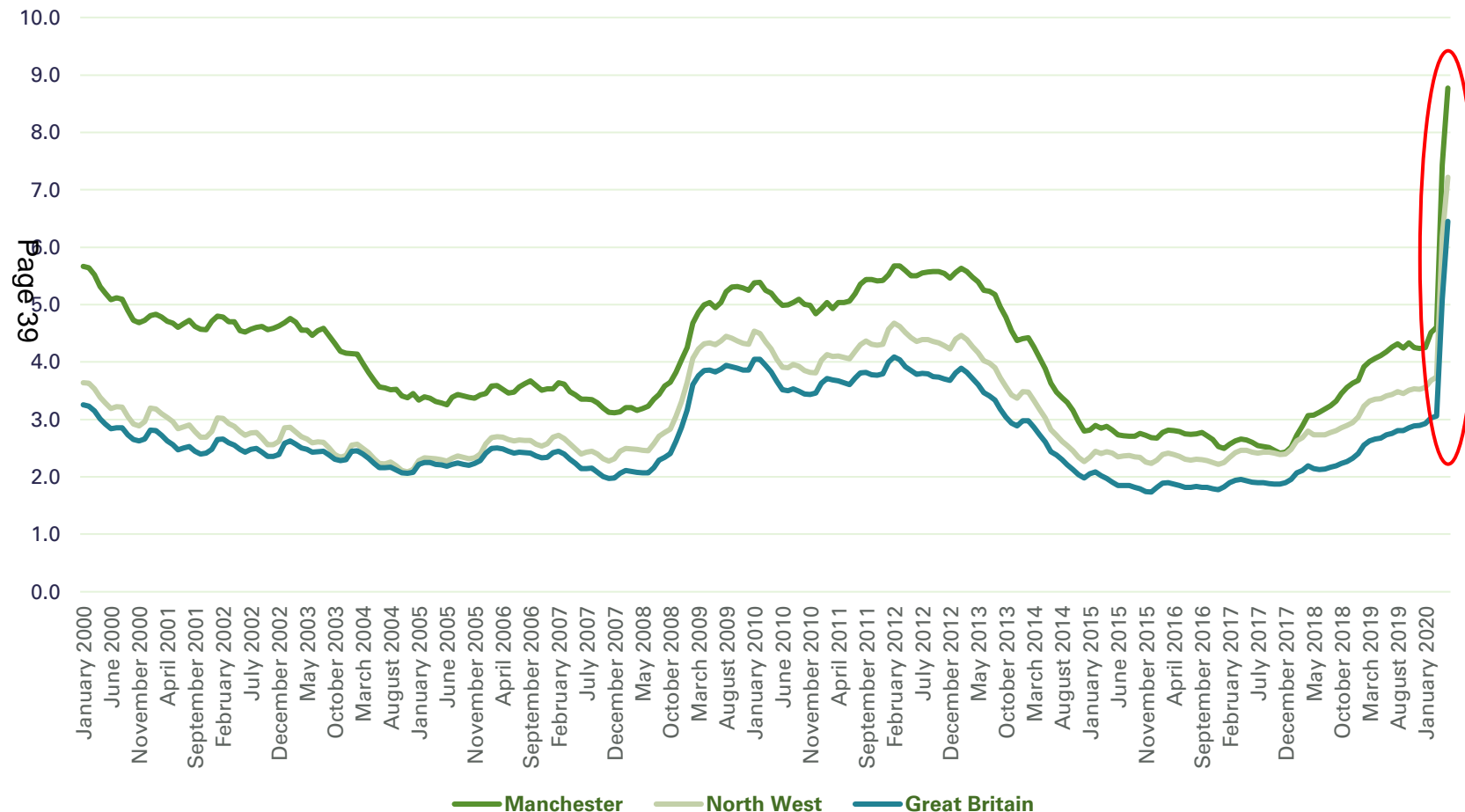
OBR estimate of C-19 impact on UK sectors during lockdown, Q2 2020
(% change GDP)



Claimant Count Rate in the 21st Century, Manchester

Covid-19 has triggered an unprecedented labour market crisis

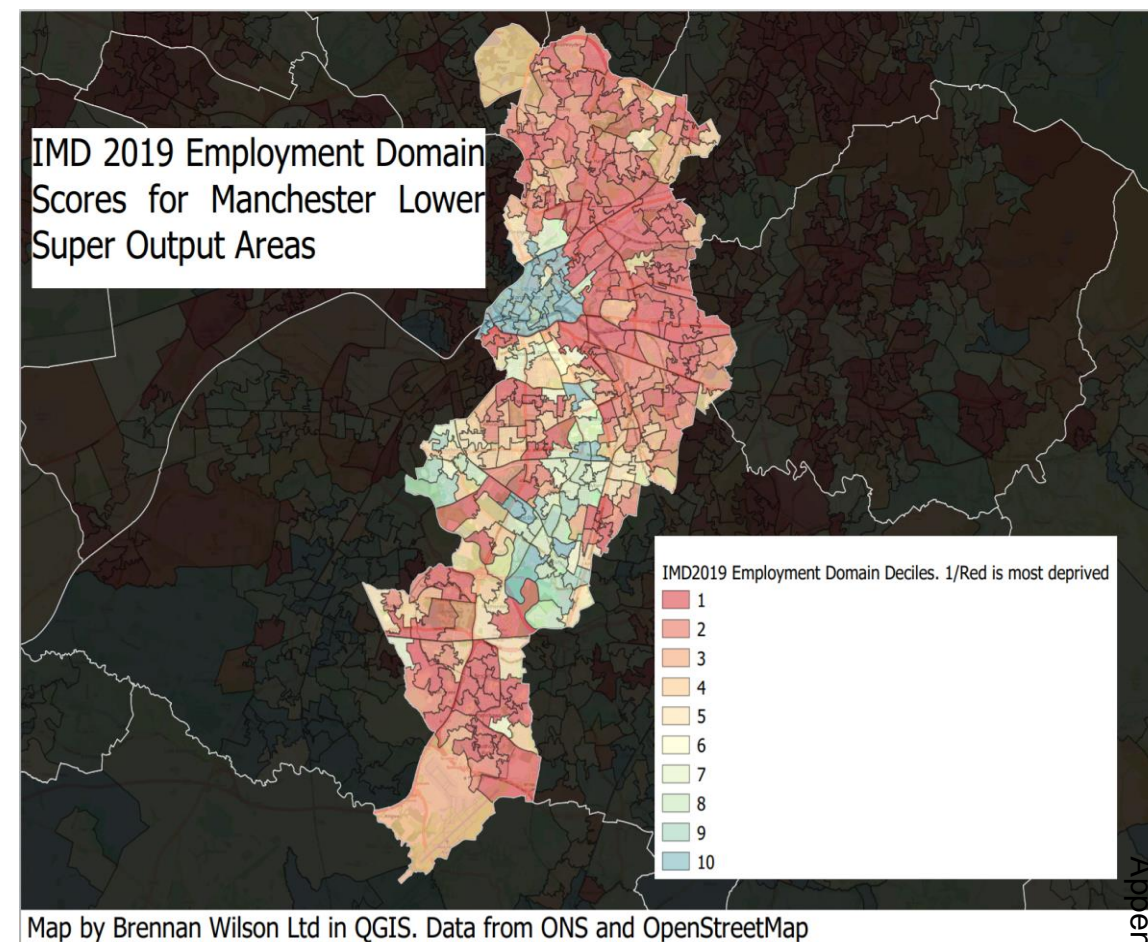
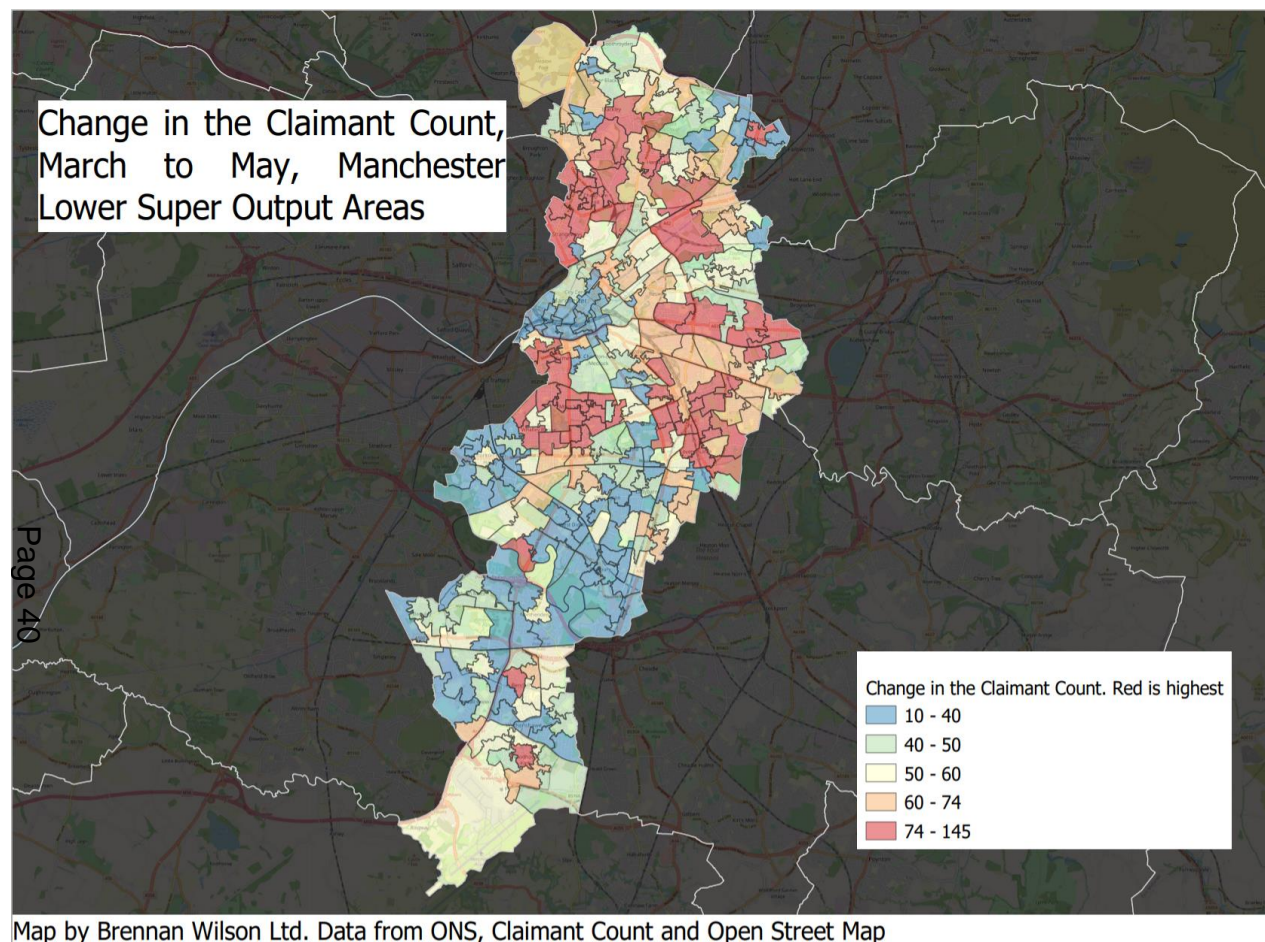
Claimant Count Rate in the 21st Century: Manchester, NW, GB



The UK labour market is facing an unprecedented crisis. Most forecasts for GB unemployment in 2020 are in the range 9-11%, but could go higher if the ending of furlough produces significant redundancies.

April 2020 saw the largest monthly rise in the claimant count rate in Manchester on record with a jump to 7.4%, the highest rate this century, followed by another very large rise to 8.8% in May. Jobcentre Plus feedback suggests this rise in new benefit claims is starting to level out for now

Some places have been more badly affected than others by initial job losses



Between March and May 2020, every lower super output area (LSOA) in Manchester experienced an increase in the Claimant Count, in the range of 10 to 145. Most LSOAs with the highest increase in the claimant count are already classified as Employment Deprived using the IMD2019 Employment Domain but not all Employment Deprived neighbourhoods experienced large increases in the Claimant Count. A number of neighbourhoods with large BAME communities appear to be those that have suffered in the first wave. Other communities with lower initial job losses may be heavily dependent on employment that is currently furloughed.

Most of the 20 neighbourhoods worst affected by the rise in Claimant Count to date have majority BAME populations

Lower Super Output Area	Claimant Count rise March-May 2020	Percentage of population from BAME groups (2011)	Ward
E01005194 : Manchester 027A	145	70%	Levenshulme
E01005240 : Manchester 024A	125	70%	Whalley Range
E01005242 : Manchester 025B	120	69%	Moss Side
E01005219 : Manchester 031A	120	45%	Levenshulme
E01005145 : Manchester 008A	115	86%	Cheetham
E01005147 : Manchester 058B	115	67%	Cheetham
E01005140 : Manchester 002E	105	19%	Harpurhey
E01005164 : Manchester 006A	105	51%	Crumpsall
E01033666 : Manchester 017F	105	24%	Clayton & Openshaw
E01005246 : Manchester 024D	105	84%	Moss Side
E01005241 : Manchester 025A	105	46%	Moss Side
E01005244 : Manchester 025C	105	60%	Moss Side
E01005233 : Manchester 027D	105	76%	Longsight
E01005205 : Manchester 006B	100	24%	Harpurhey
E01005214 : Manchester 019D	100	46%	Hulme
E01005201 : Manchester 023E	100	52%	Gorton & Abbey Hey
E01005288 : Manchester 025E	100	57%	Moss Side
E01005213 : Manchester 059A	100	45%	Hulme
E01005105 : Manchester 015C	95	46%	Ancoats & Beswick
E01005208 : Manchester 019A	95	51%	Hulme

Source: ONS, Nomis

The table to the left uses the same ONS Claimant Count data as shown on the previous page. It shows the twenty LSOAs in Manchester that saw the largest rise in the Claimant Count between March and May 2020.

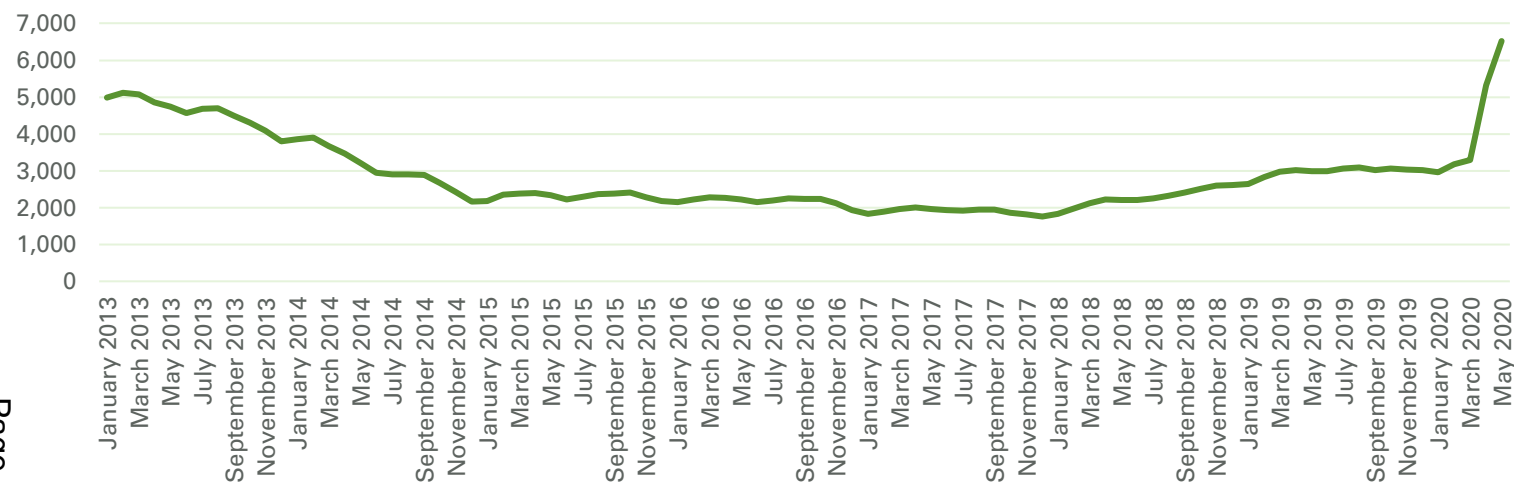
This table shows that out of the 20 LSOAs that saw the largest rises in the Claimant Count between March and May, 18 are home to BAME populations that are proportionately larger than the city average (33%).

Of the five LSOAs with the very largest rise in claimant count, all bar one has a BAME share of the population that is more than double the city average (66%).

National data suggests that South Asian BAME residents are over-represented in employment terms in sectors that have been most impacted by lockdown. For example, 31% of workers from Pakistani or Bangladeshi communities work in hotels, restaurants and distribution, compared to 17.5% of the White British workforce.

By age group, young people have fared worst so far

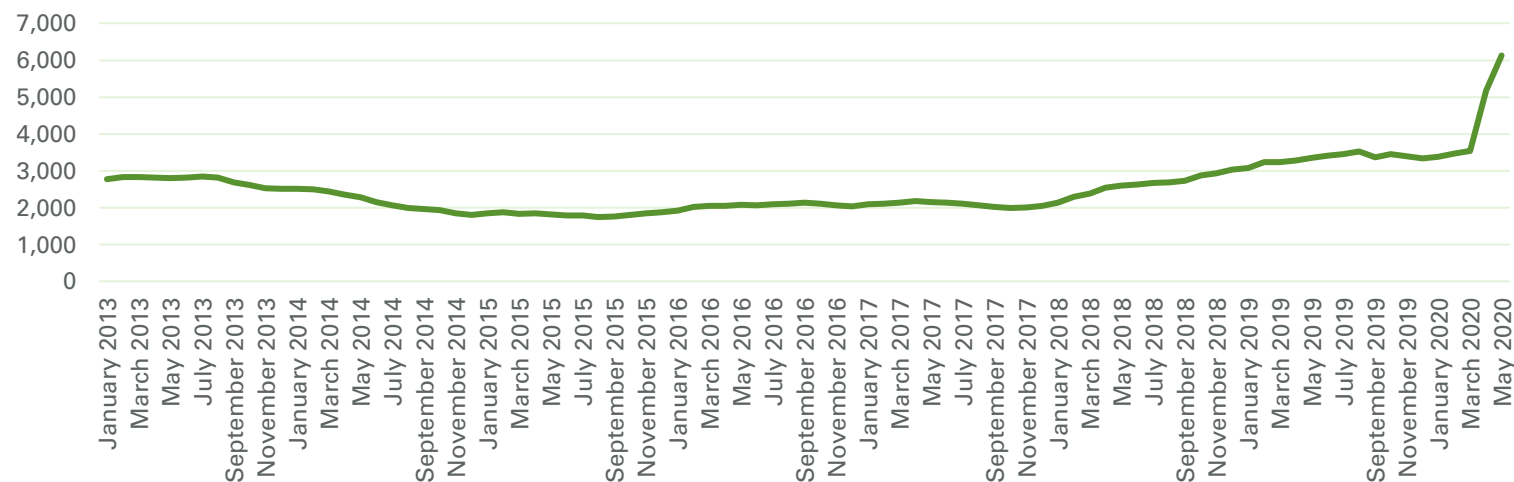
Manchester 18-24 Claimant Count, 2013-2020



National commentators expect that young people will bear the immediate brunt of the labour market downturn. In employment terms they are over-represented in the sectors and occupations most affected by the lock down and by social distancing requirements.

In Manchester, the Claimant Count for young people increased by 98% (109% for GB) between March and May, to the highest point for this data series.

Manchester 50+ Claimant Count, 2013-2020

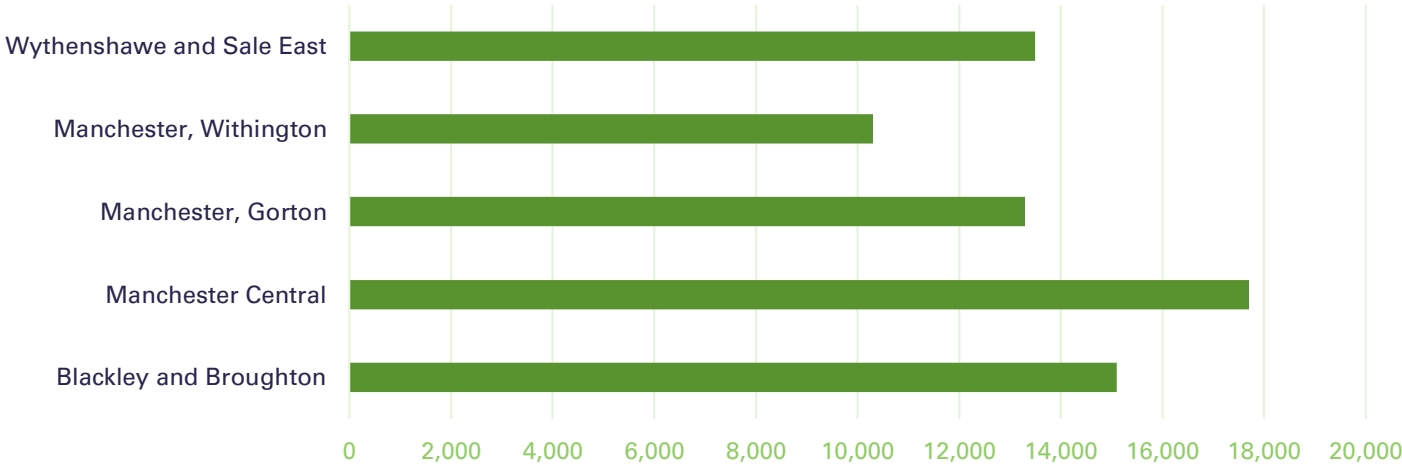


All ages are affected. The claimant count for those aged over 50 increased by 73% (99% for GB); while for those aged 25-49 it rose by 94%.

The claimant count for males rose by 98% in Manchester Mar-May, and by 79% for females.

78,000 Manchester residents are furloughed or receiving self-employed support

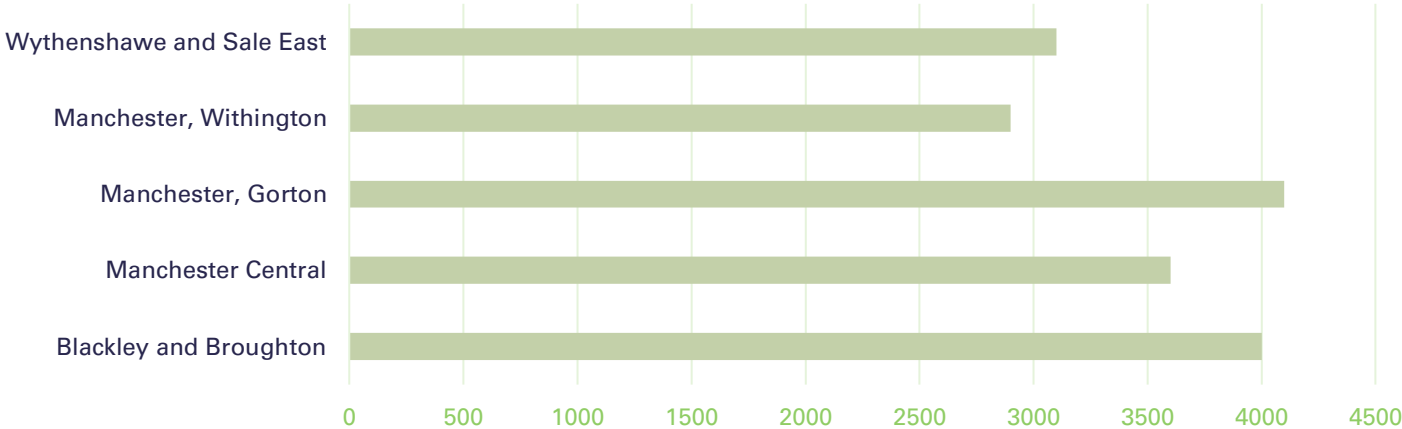
Furloughed Emploments by Parliamentary Constituency



CIPD reports that employers using the Job Retention Scheme (JRS) would have made 35% of their workforce redundant had it not been for the scheme and that 22% of employers are forecasting redundancies by the end of July.

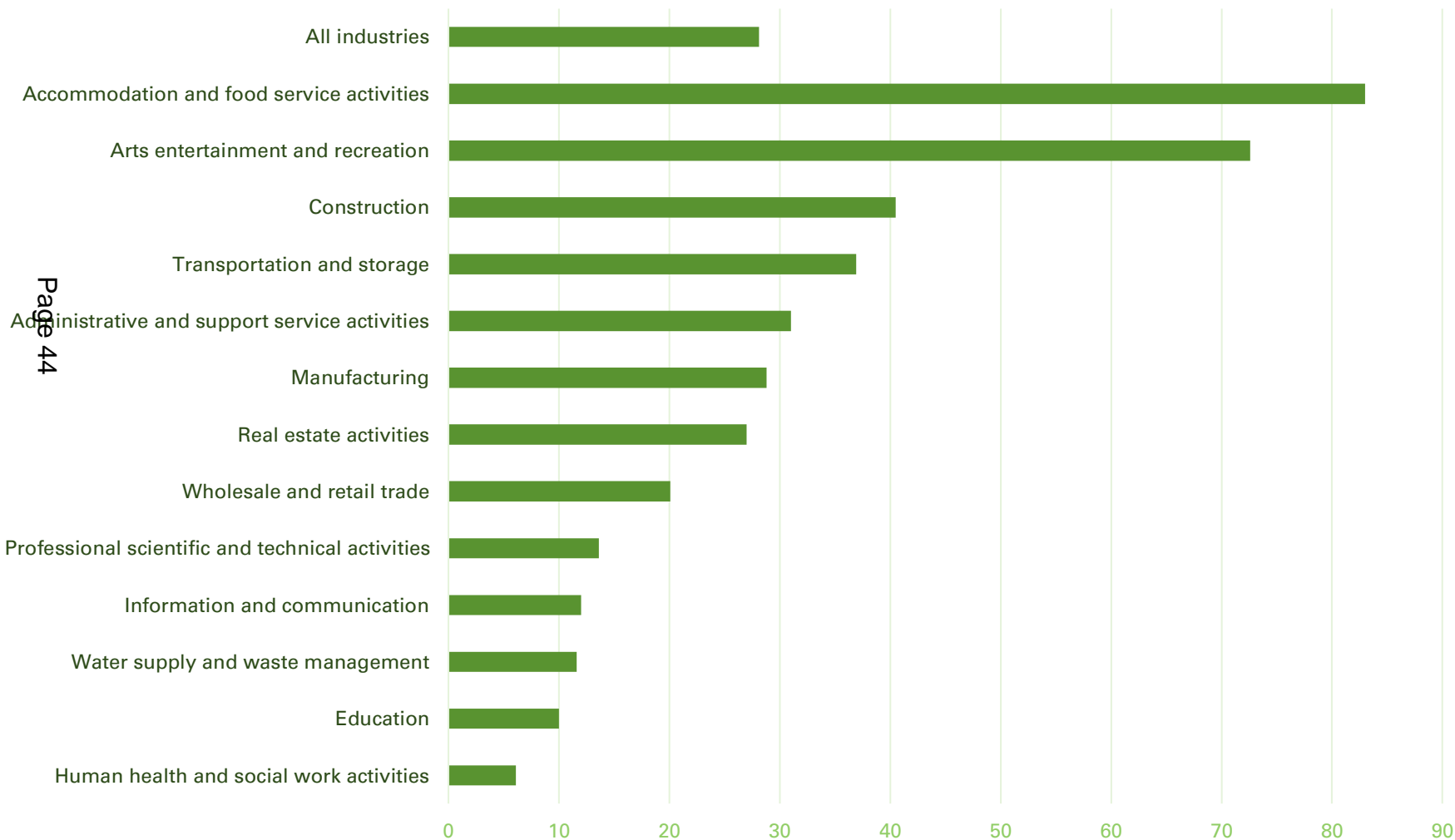
A YouGov survey of 500 businesses found that 51% expect to lay staff off within 3 months of the JRS closing. One in five employers anticipates losing 30% of their workforce. Only one in three employers anticipate losing no staff.

Self-employment Income support scheme claims by end of May by Parliamentary Constituency



As at the end of May, 62,200 Manchester residents were furloughed. The highest concentration is in the Manchester Central parliamentary constituency. 15,900 self-employed Manchester residents have made claims to the Self-employed Income Support Scheme, around 70% of those eligible.

Furloughing most common in foundational service sectors



ONS estimates for the proportion of the workforce from different industrial sectors that have been furloughed are shown opposite.

If these estimates are applied to the volumes employed in each sector in Manchester, it generates an estimate of 95,000 people who work in Manchester (including non-residents) on furlough.

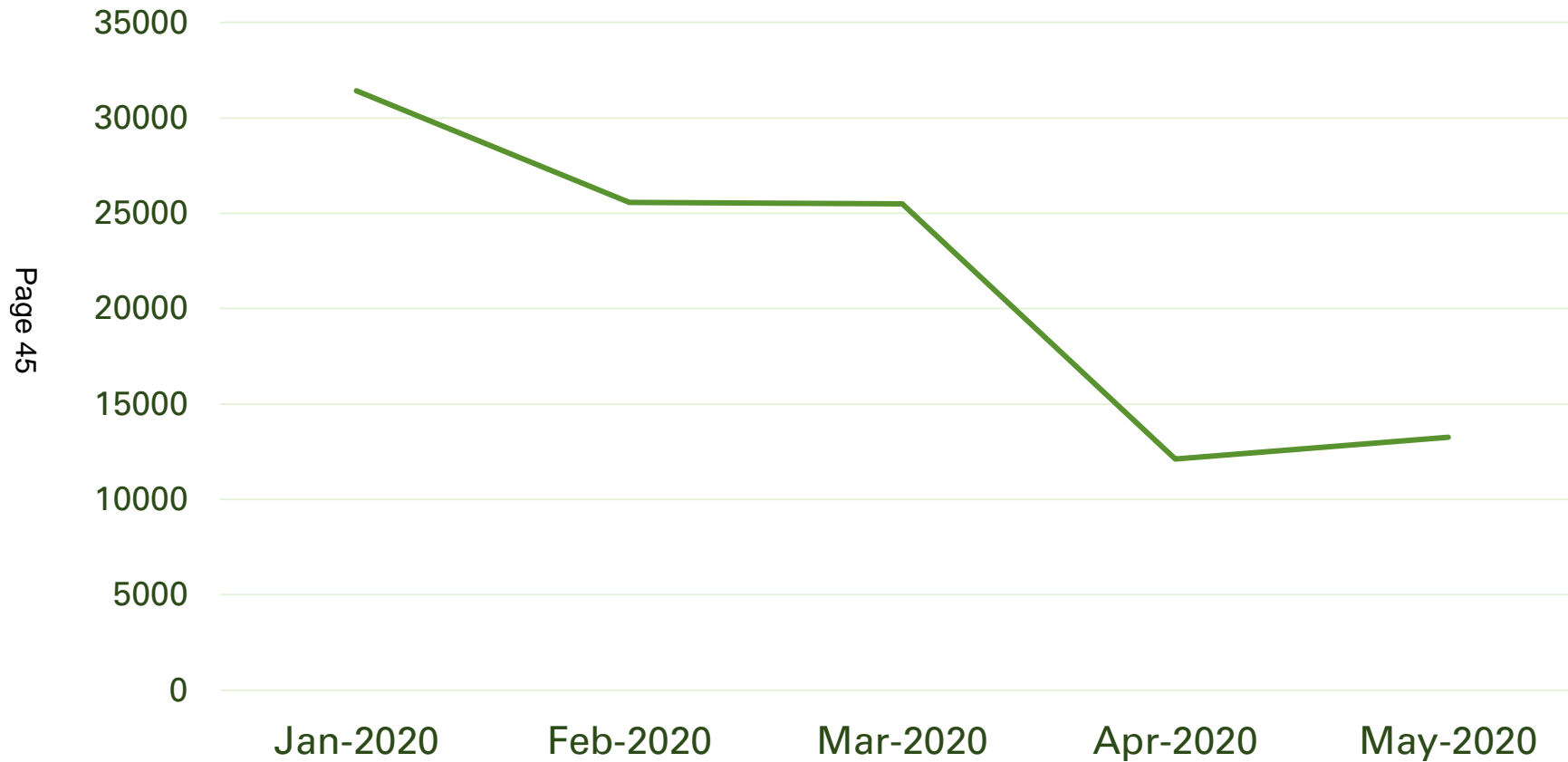
This includes almost 30,000 in accommodation and food service activities, 15,000 in Administrative and support services, 11,000 in transportation and storage, and 10,000 in wholesale and retail.

Page 44

Appendix 2, Item 5

Job Postings by Month

Job losses are being compounded by low levels of recruitment

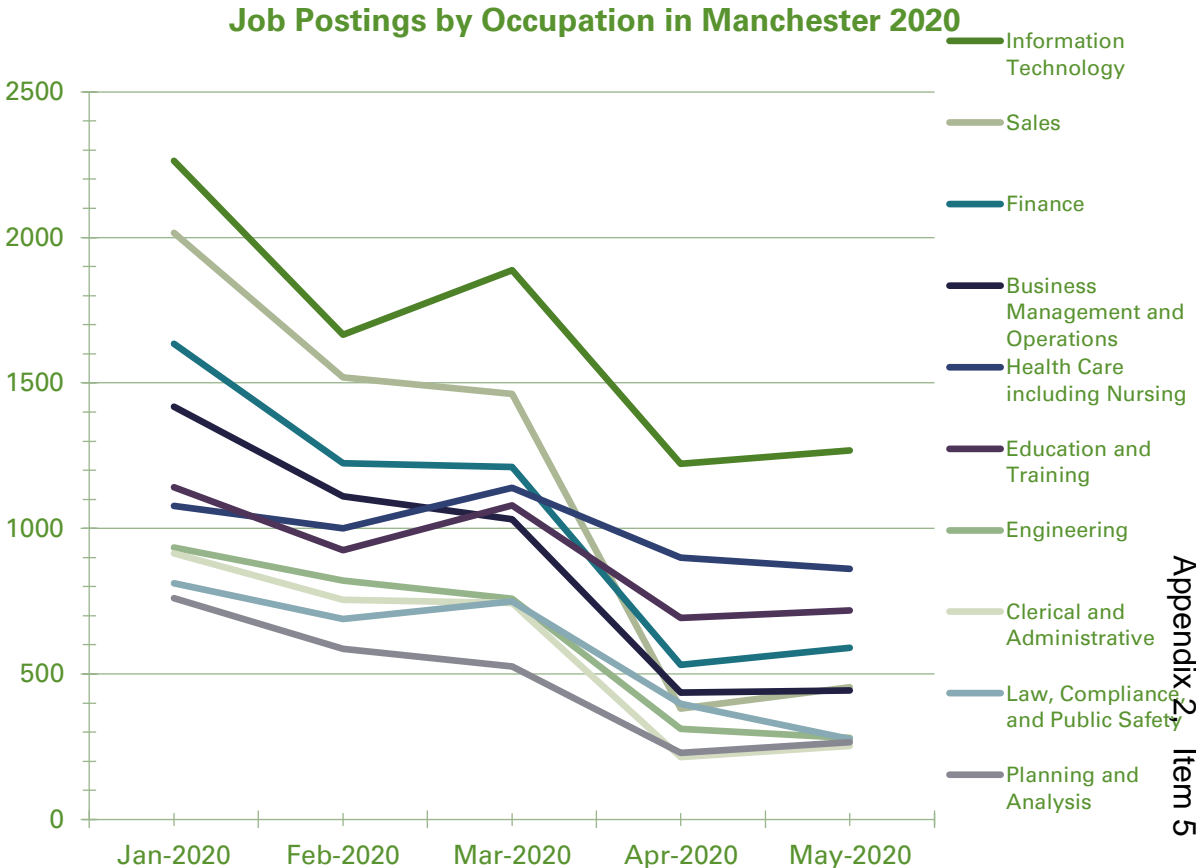
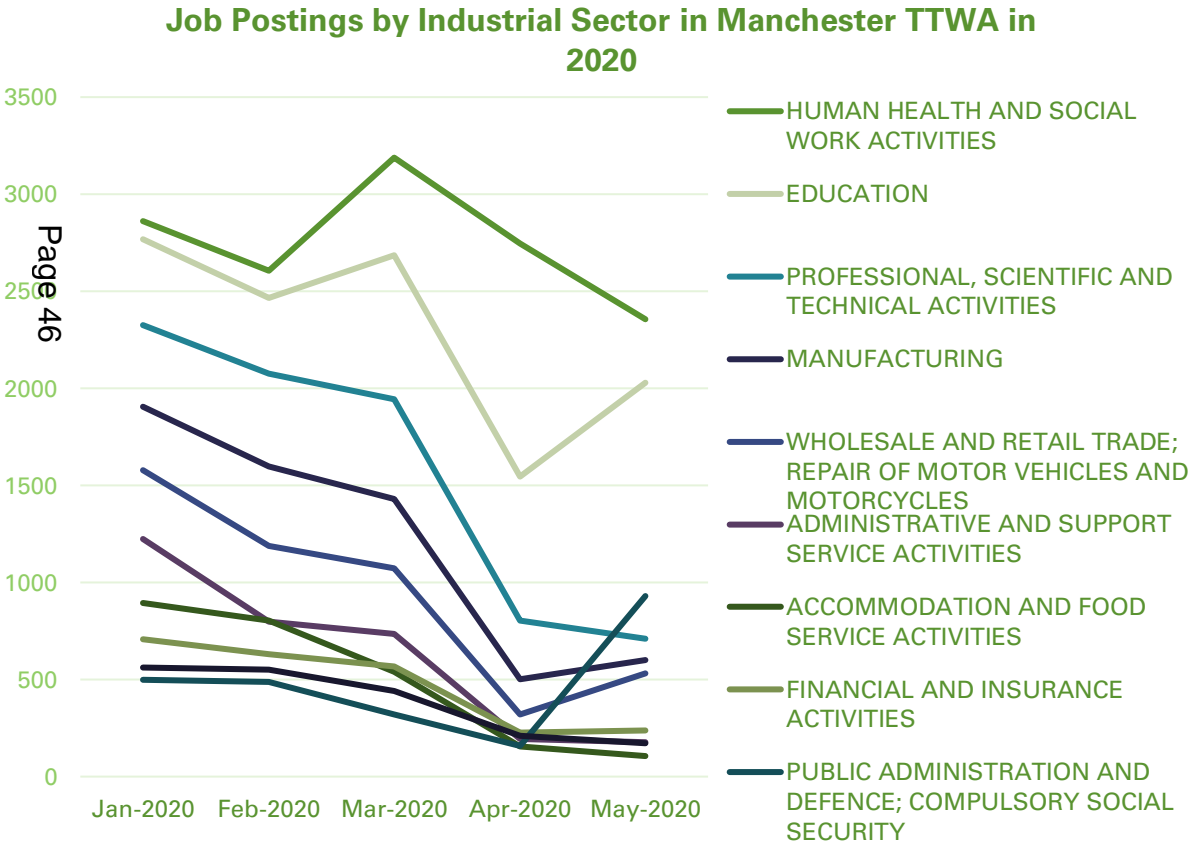


March to April saw a sharp decline of 52% in online job postings in the Manchester Travel to Work Area.

There has been a small uptick from April to May with an increase of 9% in this period from a very low base.

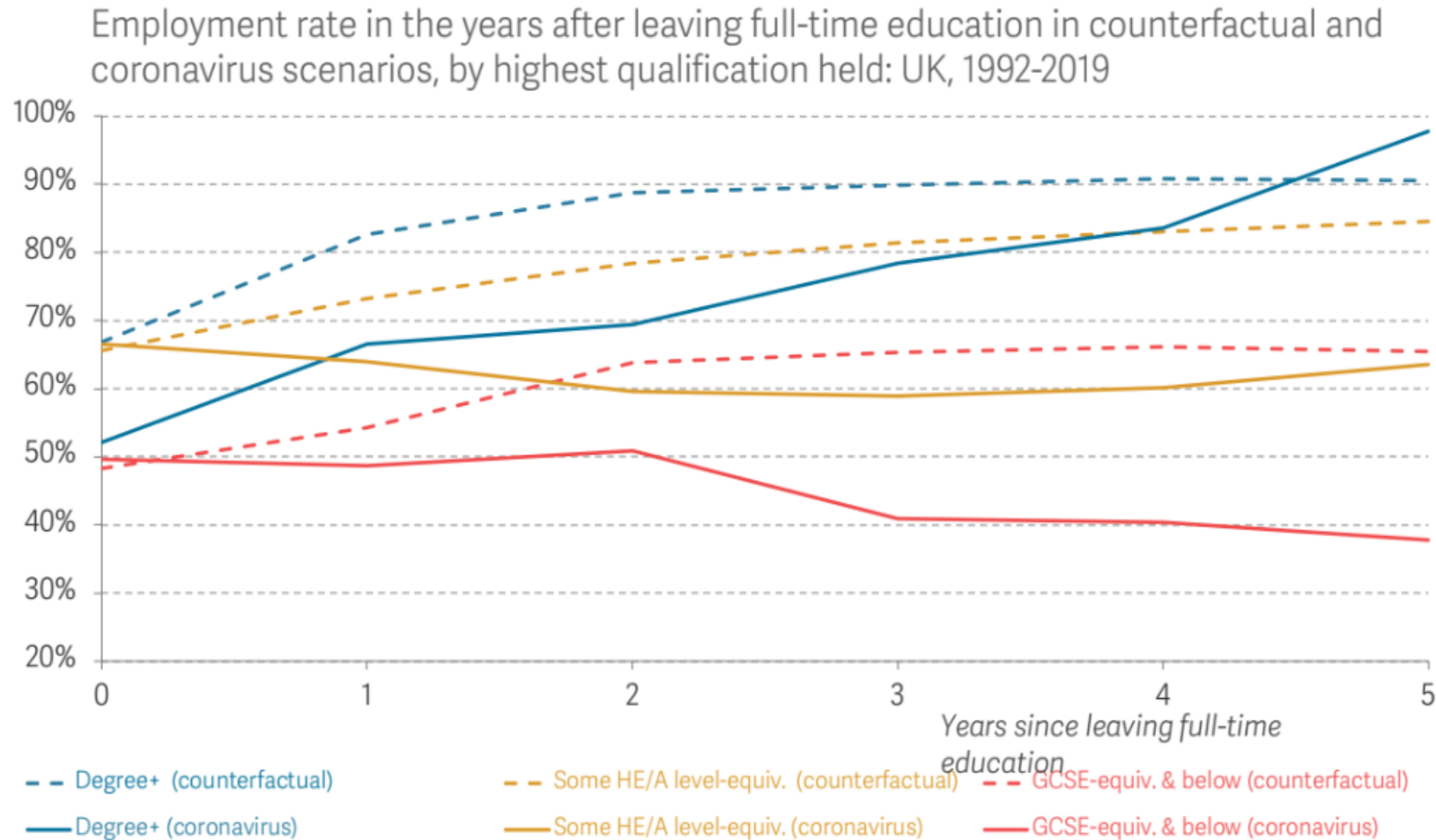
Every industry/occupation has low recruitment but patterns vary

Job vacancy postings increased between April and May for sectors such as Public Administration (civil service, regional/local government), Education and Manufacturing. All sectors saw a sharp decline in postings in April.



Low qualified education leavers will face years of labour market disadvantage

Page 47



Projections by the Resolution Foundation (which are based on evidence from the years following the financial crash) suggest that employment rates for lower qualified education leavers three years after leaving education could be as low as 40%.

Appendix 2, Item 5

Apprenticeship starts have halved, with young people worst affected

Provisional DfE data shows a 51% decline in apprenticeship starts in April 2020 compared with April 2019. This figure rises to a 74% decline among young people aged 16-18.

As the table opposite shows, the biggest percentage falls were in Intermediate apprenticeships (Level 2), and in construction, engineering, and retail and commercial enterprise (including hair and beauty).

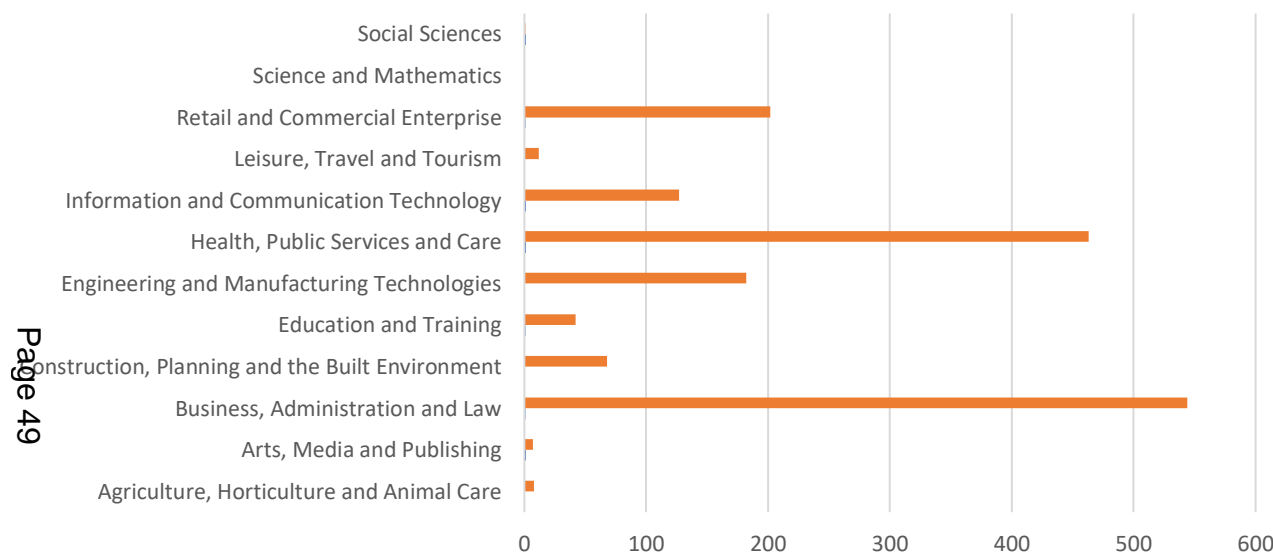
Locally, survey data indicates that these patterns are being repeated. In late May, the members of Greater Manchester Learning Provider Network (GMLPN) reported a 50% fall in starts, with 1 in 5 apprentices placed on furlough. Very few (under 1%) of apprentices had been made redundant.

Nationally, two-thirds of starts in April were among people aged over-25, as employers pause recruitment and instead focus on using the lockdown for workforce development.

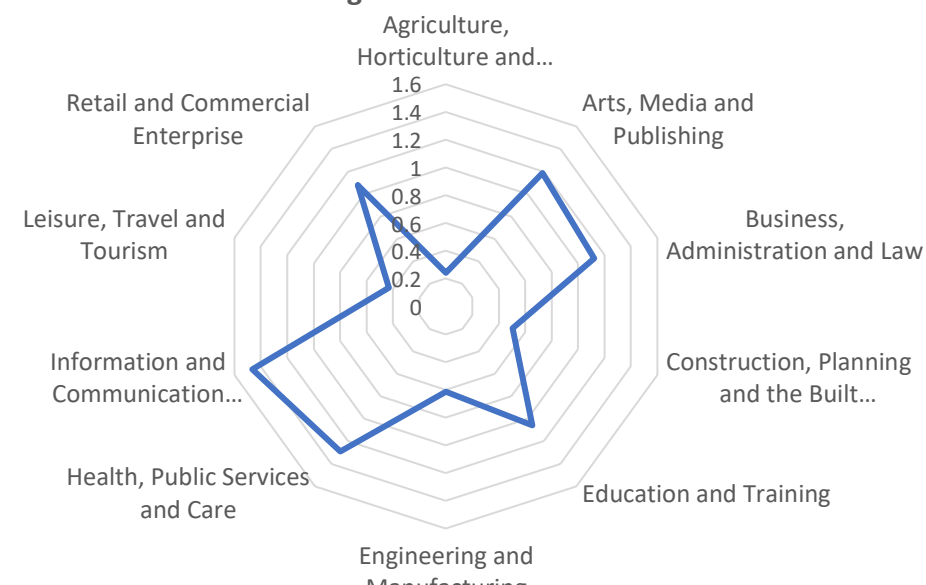
	2018/19 (at this point last year)		2019/20 (reported to date)	
	Apprenticeship starts	Proportion of total	Apprenticeship starts	Proportion of total
Level				
Intermediate Apprenticeship	9,680	36.8%	2,950	22.7%
Advanced Apprenticeship	12,150	46.2%	5,670	43.5%
Higher Apprenticeship	4,500	17.1%	4,400	33.8%
Sector subject area				
Agriculture, Horticulture and Animal Care	260	1.0%	110	0.9%
Arts, Media and Publishing	50	*	70	0.5%
Business, Administration and Law	7,990	30.3%	4,730	36.3%
Construction, Planning and the Built Environment	650	2.5%	180	1.4%
Education and Training	380	1.5%	300	2.3%
Engineering and Manufacturing Technologies	2,410	9.2%	620	4.8%
Health, Public Services and Care	8,140	30.9%	4,410	33.9%
Information and Communication Technology	1,560	5.9%	1,210	9.3%
Leisure, Travel and Tourism	330	1.3%	120	0.9%
Retail and Commercial Enterprise	4,560	17.3%	1,260	9.7%
Science and Mathematics	-	*	10	*

Apprenticeship starts by sector for Manchester residents

Apprenticeship starts by Manchester residents Aug 2019-Jan 2020



Location Quotient of Manchester resident apprenticeship starts
Aug 2019 - Jan 2020

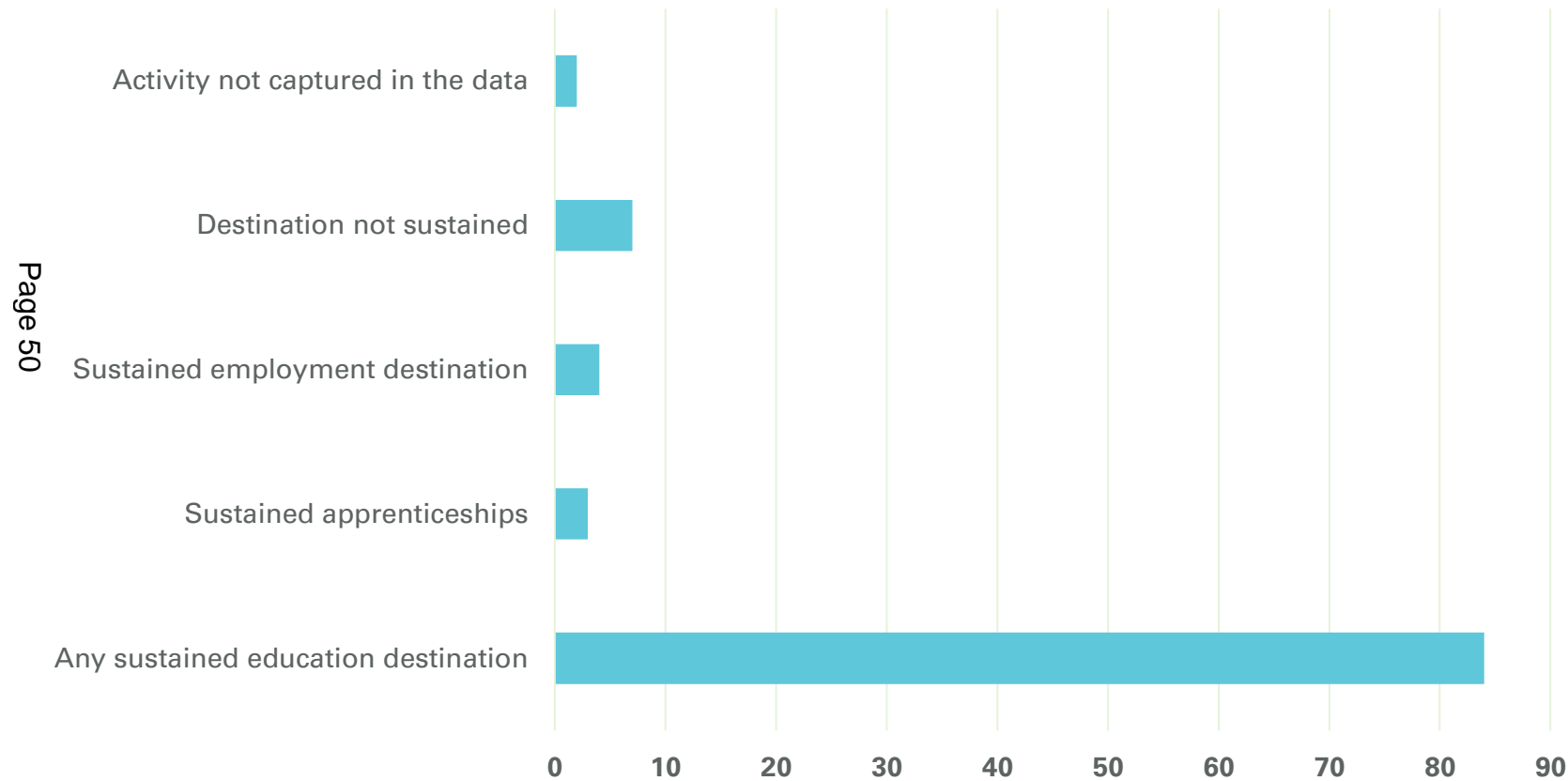


All sectors have seen apprenticeship starts fall in the past few months. However data on apprenticeship starts by Manchester residents show higher concentrations in sectors that have seen below-average falls in starts, such as business admin, ICT, health and care.

83% of 16-18 year old Manchester apprentices were new recruits in the period Aug 2019 to Jan 2020. Employer recruitment activity is likely to be constrained for the remainder of this calendar year. Critically, this appears likely to depress 16-18 starts in the peak months of Aug, Sept and Oct, further narrowing opportunities for young people.

Estimated 800 16 year olds, maybe more, 'at risk' in summer 2020

Destinations at Key Stage 4 of Manchester Residents (2017/18) %

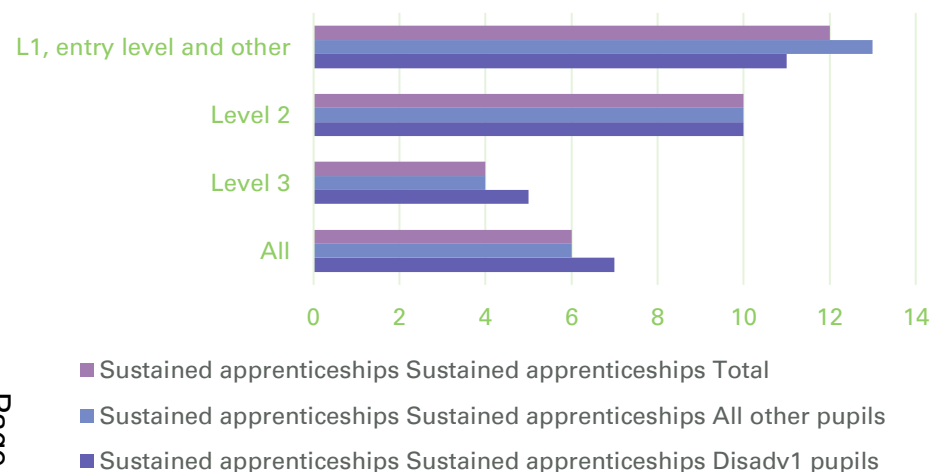


In 2017/18, 84% of the 16 year olds that left school progressed to post-16 education. 3% sustained an apprenticeship, 4% entered employment, 7% did not sustain a destination and there was no data for 2%.

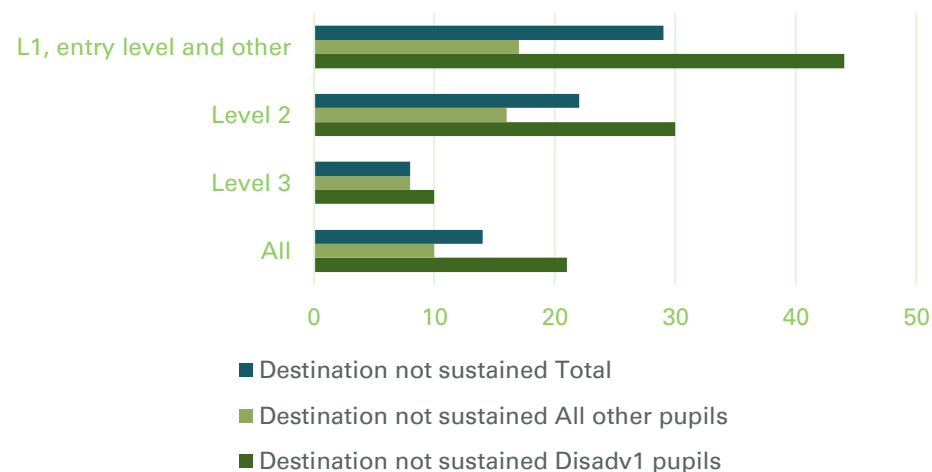
In 2020 apprenticeship or employment opportunities will not be available to the same extent, so 16% of the cohort can be considered 'at risk'. This amounts to approximately 800 16 year olds.

Data suggests that in 2020 48% of the Key Stage 5 cohort will be 'at risk'

Manchester KS5 Sustained Apprenticeship



Manchester KS5 Destination not sustained

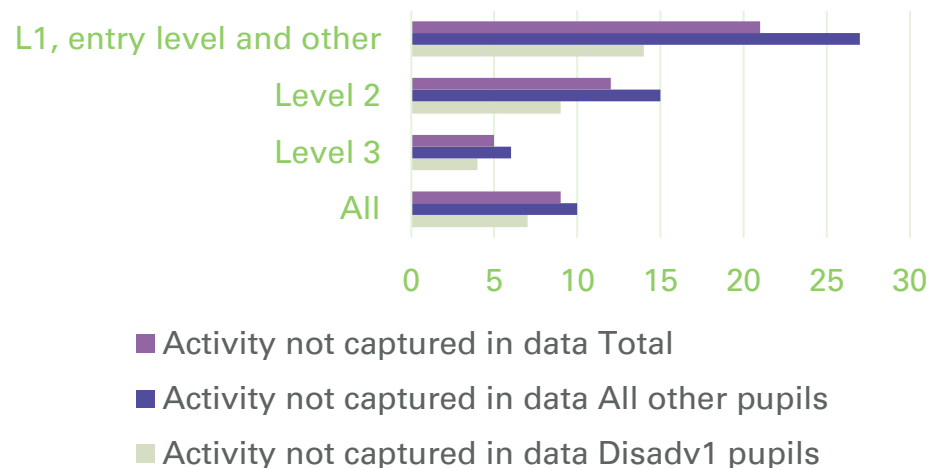


In 2020, the opportunity for a KS5 leaver to secure employment or an apprenticeship will be constrained.

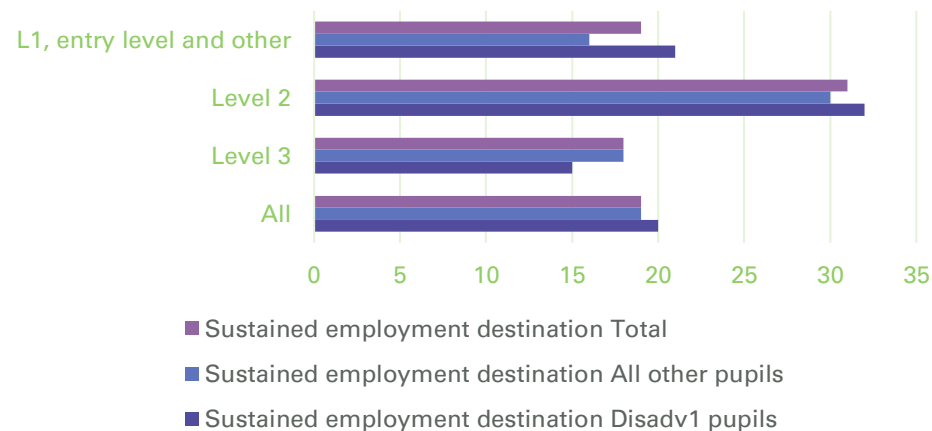
In 2018, 6% of the KS5 cohort secured an apprenticeship, 14% didn't sustain a destination, there is no data for 9% of the cohort and 19% secured employment. All of these destinations can be considered 'at risk' in 2020. That is 48% of the cohort (around 2500 young people), rising to 57% of the FSM/ disadvantaged cohort

Appendix 2, Item 5

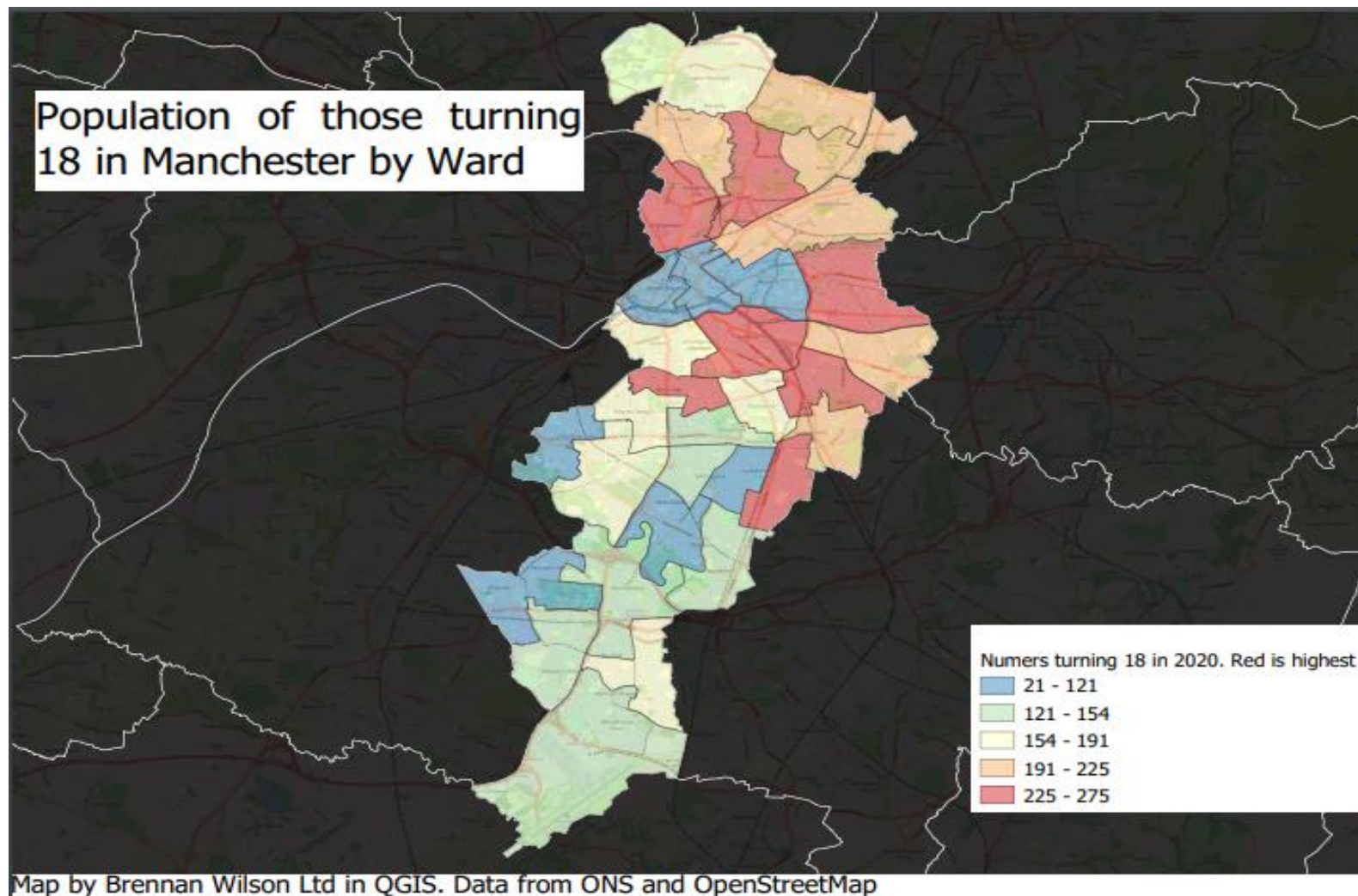
Manchester KS5 Destination no data available



Manchester KS5 Sustained Employment Destination



Young people turning 18 in 2020 are unevenly distributed

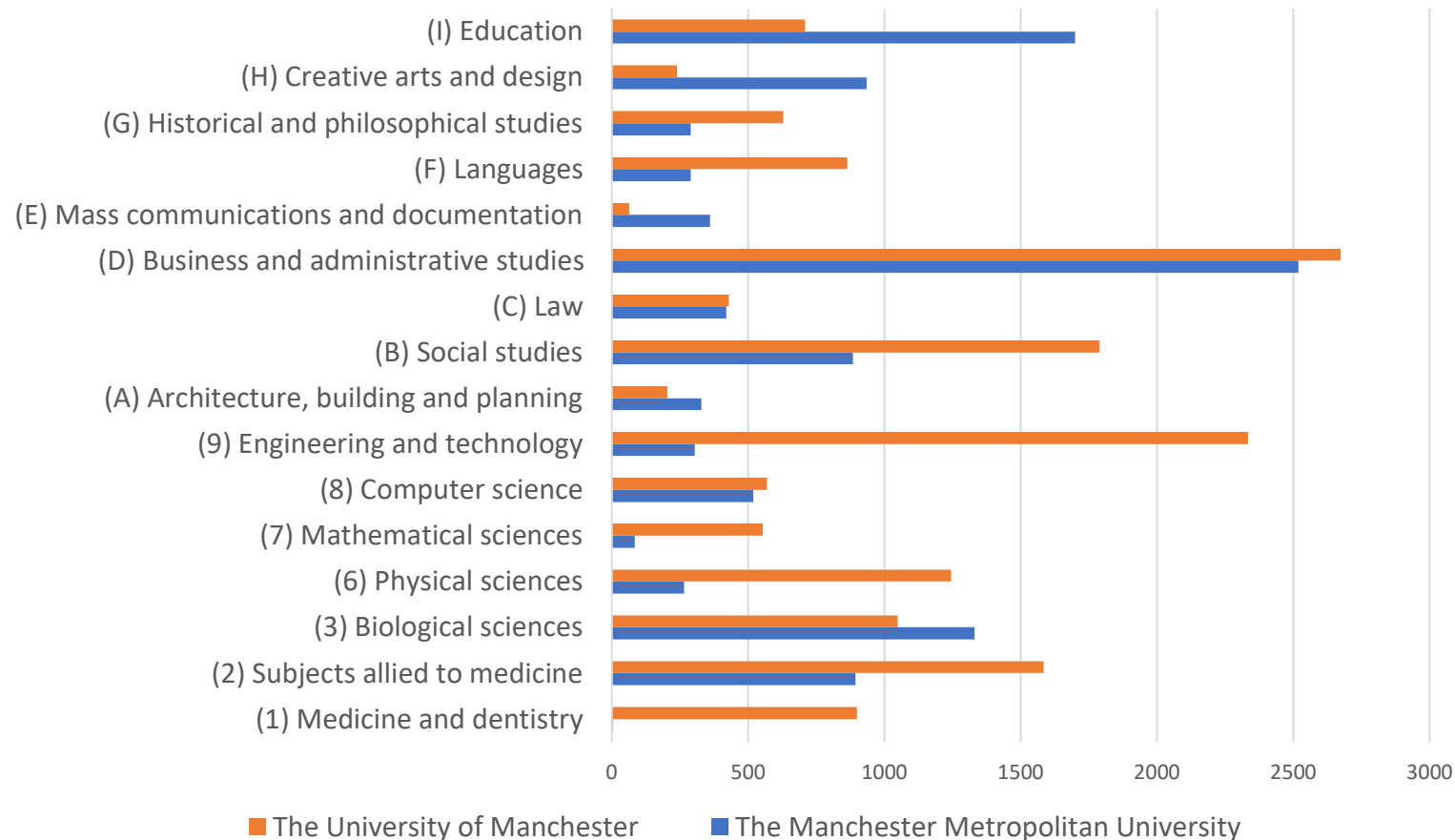


The number of young people expected to turn 18 in 2020 (16 in 2018) in wards in Manchester ranges from 21 to 275. The highest concentrations of young people turning 18 in 2020 can be found in communities including:

- Moss Side
- Longsight
- Burnage
- Ardwick
- Cheetham Hill
- Harpurhey
- Clayton and Openshaw

Almost 10,000 Graduates will enter the city's labour market in 2020

Subject area of qualifications achieved at Manchester universities,
Summer 2019



In 2018/19, MMU and the University of Manchester awarded qualifications to 27,010 students at all levels. It is estimated that 18,900 of these were UK domiciled students (30% of the combined intake of both universities were international students). The subject areas in which qualifications were achieved are set out opposite.

According to HESA, 51.5% of students stay in Manchester following graduation. On this basis it is estimated that almost 10,000 graduates will be entering the city's labour market or undertaking further study in the city in 2020.

Summary

- The impact on Manchester's labour market has been significant but broadly in line with national trends. However prior to C-19, Manchester had higher-than-average levels of unemployment and poverty, and C-19 has added substantially to this.
- The rise in people claiming benefits due to unemployment is unprecedented – up by 89% March-May, to reach 34,000 people. We expect this number will rise further, at a slower pace. Neighbourhoods with large BAME populations have seen the highest rise in claimants to date.
- 30% (78,000) of working Manchester residents are on furlough or supported self employment. Estimates vary, but only 1 in 3 employers report that they currently plan to make no redundancies in the coming months.
- Labour demand has fallen sharply. Vacancy postings have halved, but rose slightly in May. We have no clarity on whether the recovery will be swift, or slow – the latter being more damaging
- Apprenticeships is a mixed picture. Starts have fallen. But redundancies are low so far and Manchester's most popular apprenticeship sectors are proving to have more resilient demand. However the outlook for Aug/Sept/Oct is worrying, especially for young people
- Based on previous trends in destinations, we estimate that c3500 key stage 4 and key stage 5 leavers in Manchester are 'at risk' this summer
- We expect several thousand graduates to enter or seek to enter work in the city's labour market over the summer

Emergent themes

Our analysis of the labour market data provided an initial list of opportunities and challenges facing the city, which were explored further via our interviews with key partner organisations and stakeholders.

The emergent themes – listed broadly by urgency of the issue - are listed below.

- Working with people on furlough and education leavers
- Securing the participation of existing apprentices so they complete, and supporting enrolments over the summer/autumn
- Additional employment and skills support for priority groups: such as young people (especially low-skilled), minority ethnic groups, over-50s
- Improved return to work support
- Moving forward major projects, stimulating new labour demand
- How to mitigate impacts on those who are already long term unemployed

4. Findings

Future labour demand and supply
opportunities and challenges

Findings - method

Equipped with our desktop analysis of the labour market, the project team sought further insight via 44 interviews encompassing 52 individuals. The discussions focused upon understanding from each interviewee:

- How the pandemic has impacted on their organisation
- How they expect their operating environment to change further in the short and medium term
- What this means for their organisation, its workforce and the customers and communities they serve
- How Manchester City Council can best support the city's economy and labour market to mitigate the impact of C-19 and maximise growth opportunities – drawing on the emergent themes listed previously

A mix of interviewees enabled views from a wide range of stakeholders to be gathered, as per the table below.

Type of interviewee	No. of interviews
Employers and employer networks	20
Providers of employment support, business support, education and skills training	10
Local, city regional and national	14

Presentations at MCC's Work and Skills Board further extended the number of individuals who were able to comment on the project as it evolved. A full list of interviewees is available at Annex A.

4.1 Findings: Future labour demand

Employer goodwill

- Employer goodwill is very strong. Every employer that we spoke with supported efforts by MCC to plan for the recovery, displaying a genuine willingness to help the city and its residents at this challenging time.
- The next few months present an opportunity for MCC and its partners to capitalise on this goodwill, employers appear very willing to participate in programmes, feed back intelligence and insight, playing the fullest part in supporting the city's recovery.
- There is a sense of shock among many employers about the scale of the labour market downturn now affecting the city and the country.
- Employers expect MCC to lead the recovery in the city - setting the agenda, developing new programmes and securing capital investment. Such leadership will help build confidence in the city and its economy.

Employer uncertainty

- No employer that we spoke with confidence about their organisation's future plans, particularly in relation to the workforce – a 'wait and see' approach has been almost-universally adopted.
- Uncertainty about government guidance, consumer behaviour, staff welfare and the risk of a second wave of C-19 infections are making employers' decisions about workforce investment very difficult. The picture is most uncertain in sectors that have the highest exposure to future lockdown risks – such as leisure and the visitor economy.

Findings: Future labour demand

Labour demand is weak and further job losses are to be expected

The winding up of the Government's furlough scheme and difficult trading conditions are likely to result in further job losses over the coming months. The transition out of the furlough scheme from August to October will be absolutely critical – employers we spoke to were unsure about the likely scale of job losses, but most expected that their firms will shed staff post-furlough. Feedback suggests the key risks to the city include:

- Manchester Airport, where around 25,000 staff work, many living in the Wythenshawe area. Furloughing has helped to minimise redundancies to date, however the Airport saw a 99% reduction in flights and 'normal' operations may not return until 2022, impacting on the Airport and related jobs
- Retail, especially in non-food sub-sectors and within grocery too, where the major retailers have recruited additional temporary staff (in the case of the Co-op, 5000 were recruited nationwide) who may be let go as consumer behaviour starts to return to normal
- Hospitality and the night-time economy. The re-opening of pubs and restaurants will breathe some life back into the sector, but culture and arts venues remain closed and many businesses cannot operate profitably even with reduced social distancing requirements now in place. Ventures supported by private equity are thought to be most at risk. The visitor economy has collapsed, with hotels reporting that they expect up to 25% occupancy over the remainder of 2020.
- Universities, which are facing steep drops in income. Lower-paid teaching, admin and back office roles are thought to be most at risk in the coming academic year

Findings: Future labour demand

Furlough scheme is not the only potential cliff-edge

Furlough is the best-known and most significant feature of Government's Coronavirus Job Retention Scheme. The 62,000 Manchester residents on furlough will start to fall from late July, as new applications to the scheme end 30 June. By August employers will pay NI and pension contributions for furloughed staff; in September employers must contribute 10% of salary costs, rising to 20% in October, before the scheme closes.

Employers fear a cliff-edge, whereby they need staff to run their business but have insufficient orders/sales to create the cashflow required to keep people in work.

Other national initiatives are also set to wind down in the coming months, which may put individuals and employers under financial pressure. These include:

- The end of the Self Employment Income Support Scheme, which has been providing financial support to almost 16,000 Manchester residents who are self-employed but do not operate through limited companies. A second and final grant will be paid to participants in August, to cover up to 70% of monthly profits (capped at £6570) for June, July and August.
- Temporary VAT relief for business ends from 30 June, with payments deferred between March and June 2020 required to be paid by 31 March 2021.
- For the self-employed, tax self-assessment payments due on 31 July 2020 can be deferred but must be paid by 31 January 2021.

Findings: Future labour demand

Despite a drop in labour demand, some sectors are still creating job opportunities

Manchester's labour market is very diverse and this gives it a degree of resilience against sector-specific shocks. The GM Forecasting Model states that around 35,000 vacancies are created in Manchester each year as a result of companies needing to replace staff who have left jobs.

While the number of people changing jobs may fall during a recession, feedback indicates that Manchester's economy has continued to create opportunities, those being seen now and in the short term include:

- Transport and delivery driver roles, responding to online retail and grocery/prepared food demand
- Contact centres, many of which have been able to shift to working from home
- IT sector roles, especially those in occupations linked to e-commerce
- Health and care. Jobs within the NHS remain in high demand. Jobcentre Plus and employment support providers report that candidate interest in vacancies in social care is growing and that vacancies remain
- Construction, which has quickly returned to activity levels close to the pre-Covid period on major sites, especially in more senior project management and professional roles

Several respondents highlighted that the return of many migrant workers to Eastern Europe has had a 'cushioning' effect on the labour market, creating more vacancies that would otherwise be available.

Findings: Future labour demand

Medium to long term labour market prospects

Societal trends – such as an ageing population, technology and attitudes to climate change – and capital investments are key to maximising Manchester’s medium and long term labour market prospects.

On the former, interviewees reported that medium to long term labour demand in health and care and ICT/digital sectors is likely to be robust due to anticipated growth in demand for services such as health, care and e-commerce (which already have concentrations of roles within the city).

On digital, interview feedback stated that Manchester can further accelerate growth via increased foreign direct investment and ‘north shoring’ from London, but only if the city can strengthen its talent pipeline in occupations such as cyber security, software development and UX/UI.

Confidence in the construction sector also appeared quite robust, especially in relation to major projects which are increasingly financed by pension funds and other forms of patient capital, rather than banks. Financial services is another sector where confidence appears solid, with few C-19 related redundancies expected.

Recent years has seen a rise in the skill requirement of jobs in Manchester – half of all jobs in the city today are management, professional and associate professional roles, up from 40% a decade ago. While this has undoubtedly helped Manchester’s economy grow, few employers expect to see growth in entry level jobs over the long term. This has the potential to further narrow job entry opportunities for those with low skills, placing a premium on activity that enables staff in low paid jobs to upskill and progress in their careers.

Findings: Future labour demand

No lack of major projects with potential to drive growth

While Manchester has a handful of key sectors with positive medium to long term growth trajectories, feedback indicated that major investments will be required to further support the growth of the local economy and labour market, through the development phase (construction) and on to end users. This includes:

- Catalytic projects such as North Manchester General Hospital, Northern Gateway, and Mayfield
- New research and scale-up manufacturing sites, such as the Manchester Manufacturing Innovation Park (North – advanced materials; South – healthcare) and Innovation District Manchester
- Expansion of Space Studios Manchester, further boosting film and TV production in the city

Manchester's approach to achieving zero carbon by 2038 is yet to develop its work and skills planning so quantifying the scale of opportunity is difficult. However, several action areas hold the promise of new jobs and training requirements, some of which could be suitable for ILM activity, eg:

- Domestic retrofit, which for social housing alone would include 70,000 properties at a cost of £1bn (most likely via a BEIS capital programme), with privately-owned properties upgraded later
- Renewables generation from commercial and public buildings, such as PV on roof spaces
- The prospect of new building regs requiring zero carbon new builds, possibly by 2023 in the city
- Low carbon vehicles and infrastructure development – vehicles, charging points, cycle routes etc
- Environmental activities, such as Manchester's slice of the £100m community forest planned between Hull and Liverpool

Findings: Future labour demand

Supply chain resilience needs may create opportunities

The pandemic and the growing risk of a no-deal Brexit have focused attention on the resilience of supply chains in sectors such as construction, food, textiles, aerospace. While large-scale reshoring is not anticipated, there is potential to create growth and jobs in high value/niche areas over the medium to long term. Employers report that domestic supply chain participation is limited (especially in construction). Supply chain disruption is now being priced into products and contracts, narrowing overseas producers' cost advantage. Employers based within or operating in Manchester indicated their willingness to work with MCC and GMCA to share best practice and explore opportunities for increasing supply chain participation within the local area.

Changes to working practices

Landlords and employers were unclear about whether the experience of lockdown will change working practices over the longer term, but some trends may have implications for the function of the labour market in the city centre. Around 25% of city centre offices were reported to be open in mid-June, partially occupied though staff in senior roles (with more disposable income) are more likely to still be working from home. Firms may be less willing to locate in areas with heavy reliance on busy public transport.

Studies in London suggest that overall demand for Grade A office space may fall around 20% over the long term, though opinions vary on this point. Employers reported being more comfortable with staff working from home, potentially squeezing demand for office floorspace. However this may be balanced if social distancing requires less intensive office use. There are also implications for hospitality and retail if the working population of the city centre does not recover to pre-pandemic levels.

4.2 Findings: Supporting residents

The scale of the crisis means radical steps are required

The unprecedented pace at which the Claimant Count has grown, and the risk of further rises as the furlough and self-employment schemes unwind, means that there was a consensus among respondents that ‘business as usual’ responses will fail to deal adequately with the scale of the labour market challenge.

This does not mean that a wide range of new programmes are required – in general, respondents feel that it is better to build on existing programmes where possible – but there is an acknowledgement that for some priorities either no such intervention currently exists or the severity of the issue necessitates new approaches.

Concern that labour demand will be insufficient

Several interviewees expressed concern that the number of available jobs will be insufficient relative to the number seeking jobs, recommending that MCC and its partners bring forward key projects and other interventions to stimulate labour demand.

There was a consensus that any programmes introduced to support residents to remain in or return to work must be co-designed and implemented with employers, so that local people can be best prepared to meet the requirements of occupations where employer demand is either already known or likely to materialise.

Findings: Supporting residents

Several groups were identified by interviewees but not all can be priorities

Young People: Respondents felt that young people are likely to be most exposed to the labour market downturn, with the potential for a career-long ‘scarring’ effect of youth unemployment. Young people more commonly lack experience and workplace skills, putting them at a disadvantage when seeking jobs, especially if they have low prior skills attainment. Employers added that social distancing and working from home reduces their capacity to recruit and train young people.

Over-50s: Manchester has high levels of worklessness among its over-50 population, much of this is understood to be a legacy of mass unemployment in the 1980s. There is a broad consensus among respondents that this group requires tailored support, with digital skills and re-training, along with age-sensitive advice and support within programmes.

Black, Asian and Minority Ethnic residents (BAME): The spike in the Claimant Count in neighbourhoods with high BAME populations is reported to be driven by the high proportion of residents in these areas who work in occupations linked to hospitality and the night time economy. Contributors emphasised the need for support with career progression for existing BAME workers, retraining opportunities linked to vacancies and digital/ESOL skills for the unemployed.

Existing long-term unemployed and inactive: There are around 30,000 Manchester residents who were already long term unemployed or inactive before the crisis hit. With large numbers of people newly unemployed, interviewees are keen to ensure that support for the long-term unemployed is not deprioritised in the face of other demands on resource.

Other claimant groups: Some contributors were keen to ensure that, while levels of need will be greater in priority groups such as those highlighted above, this should not eclipse others such as adults aged 25-49, many of whom support dependent families. Graduate unemployment is also a risk locally, given a large student population and high graduate retention rate.

Findings: Supporting residents

Flexible models are required for employment and skills support programmes

Several respondents highlighted the need for programme delivery to flex to respond to individuals' circumstances, job prospects in the labour market, and delivery affordability criteria. For priority groups, practitioners favour an approach that embeds their priority status within delivery KPIs and contract funding mechanisms.

Several comments were received pointing out that apprenticeships are not the only answer to skills challenges. Feedback also focused on the lack of clarity about the specificity of future skills demand – digital and low carbon are routinely highlighted as areas of future skills demand, but more nuanced approaches are required to provide clarity.

Concerns that the capacity of post-16 education and training may be insufficient to meet demand

Supporting more young people to remain in education at age 16 or 18 is one of the most effective ways of preventing youth unemployment, by effectively 'shielding' this priority group from a very challenging labour market.

However concerns were expressed about whether post-16 providers have the flexibilities and the funding (which for colleges is based on last year's learner volumes) to create the capacity required within post-16 education and training. Concerns relate to the scope of learning on offer (to what degree does Manchester have an effective offer for 18 and 19 year olds?) and the scale at which post-16 providers are able to grow their provision (noting the lagged learner number funding model used by the ESFA).

Findings: Supporting residents

Apprenticeships are proving more resilient but summer 2020 likely to be difficult

There is concern about the impact of the drop in apprenticeship starts on the available post-16 training and education infrastructure within the city. Employers and other stakeholders are strongly in favour of interventions that can support demand for apprenticeships through this difficult period. August, September and October are of particular concern, this being the period when most young people start apprenticeships. If employer demand fails this summer, alternative forms of work-based learning provision may be needed.

Longer-term labour market trends put a spotlight on adult retraining

Discussions with employers highlighted concerns about the ability of many lower-skilled workers to retrain in the face of structural change in the labour market. The past decade has seen the share of jobs in Manchester that require level 4+ skills rise from 40 to 50%. At the same time, automation and changes in working practices have 'delaboured' business functions that previously undertaken people in lower-paid roles, which feature disproportionately high numbers of BAME and young workers.

Discussions with employers revealed three related concerns, specifically whether;

- an effective and affordable training offer exists for adults seeking of re-skill and change career;
- enough adults are able and motivated to take up such an offer (noting that those on low wages are often least likely to undertake training);
- employers pay sufficient attention to developing the skills and career prospects of low paid staff, when evidence suggests that training budgets tend to be prioritised on better qualified and paid staff.

Findings: Supporting residents

Effective transitions for learners leaving key stage 4 and key stage 5

Transitions at Key Stage 4 and Key Stage 5 will be key to minimising the number of young people who leave education and become unemployed or inactive. Respondents feel that activity should focus on supporting more young people to remain in education as a mechanism for ‘shielding’ them from the labour market for the time being. Any extension of the City Council’s current September Guarantee for 16 year olds must be backed up with the capacity and resource to make it a meaningful commitment to young people at this time.

Self employment has the potential to become a major source of temporary income

Jobcentre Plus reported growing interest in self-employment among new claimants and those on furlough, but at the same time there has been a sharp increase in new Universal Credit claims from residents who were previously self employed and were ineligible for government support schemes. Respondents highlighted the potential of self-employment as a route to securing income in a difficult labour market for a wide variety of potential claimants – ranging from those made redundant seeking to capitalise on specialist skills, through to graduates seeking temporary income via the gig economy, or as part of a portfolio career for those working in sectors such as culture and the arts.

GM has one of the most extensive start-up support service offers of anywhere in the country, however provision of advice and guidance for unemployed residents seeking to set up their own business (compared to those seeking post-start support) is limited both in terms of the scale of delivery and the scope of the service on offer.

Summary

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Employer goodwill is extremely strong • Solid job growth prospects in several sectors, likely to be better than other parts of the region • Diverse employment base, insulating against sector-specific shocks • MCC's relationships, networks and influence is strong despite HMG tilting towards towns and CAs – MCC recognised as credible • Growing high skills base of residents, 50% jobs now require level 4+ skills 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Qualifications of residents constrain access to opportunities • High levels of unemployment and inactivity prior to the crisis risk being compounded by volume of new claimants. Levels of poverty in the city are already severe • Current funding rules constrain the degree to which post-16 education can 'shield' young people from the labour market • Many self-employed unsupported through the crisis and adding to claimant count
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Outlook in key sectors such as digital, construction, health and care remain strong and Manchester specialises in all of them • Plenty of major catalytic capital projects in the pipeline that appear likely to attract public and private investment • Scope to grow self employment as a route to additional household income for some client groups 	<p>THREATS</p> <ul style="list-style-type: none"> • Employer uncertainty - second wave and/or local lockdown will cause further serious harm • Furlough end risks redundancies at employers of all size and sector, as does end of temporary tax relief and self-employment scheme • Longer term, reduction in entry level opportunities appears likely • No-deal Brexit a real possibility

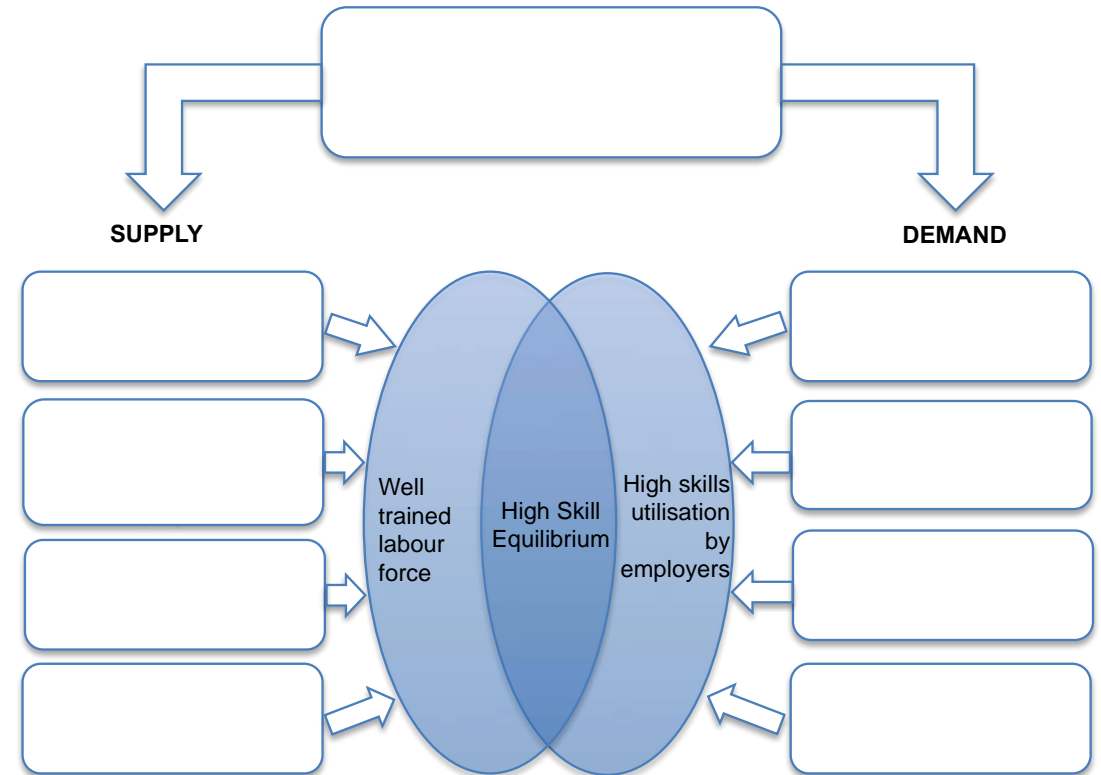
4.3 Past evaluations and international best practice

In developing our analysis we have reviewed past evaluations and relevant international case studies to identify learning that can be applied in Manchester.

It is widely accepted that activity to improve labour market outcomes requires action to upgrade the supply of labour while simultaneously seeking to grow demand for skilled labour from employers.

The diagram from the OECD, opposite, provides a summary of how such a framework might operate under more normal labour market conditions in places such as Manchester, to grow and maintain a 'high skills equilibrium' which has proven to be more resilient in times of economic hardship.

The full range of actions on the demand side are not within the scope of this study, however our work to date has highlighted the need to progress catalytic development projects as a way of stimulating labour demand in the city.



Reproduced from OECD (2008) Skills for Competitiveness: Tackling the low skilled equilibrium conceptual framework, Paris: OECD

Past evaluations and international best practice

Our review of interventions included analysis of programmes from the USA, Canada, Finland, France, Netherlands, Spain, Germany and Singapore. The key learning from these case studies includes:

- For young people seeking their first job, evidence indicates that programmes work best when they support individuals to progress their careers once they have started work by combining professional training, business communication skills and access to apprenticeships.
- Employer involvement in vocational programmes for 15-18s in the USA has proven effective - participating young people earn a wage premium of 11% at age 26, compared to others. This is due to better insight into the world of work, improved employer contacts, work experience and a grasp of how to achieve aspirations. Evidence from Finland shows entrepreneurial education at KS3/KS4 helps build resilience required in careers
- Online training has been shown to help more people take responsibility for their learning. In France and Singapore, recent programmes operate a more flexible distributed system that features less central control and more scope for people to act on what they know now.
- Support programmes for older workers in Canada found that digital literacy, workplace and vocational skills, and employer placements were key to improving labour market participation

Investment in labour market responses to the pandemic have varied in scale. Other countries commonly intensify and expand existing programmes, such as wage subsidies. Germany has seen a massive €50bn investment to scale up key technologies and a further €550m on facilities for digital learning. Germany has also relaxed rules and created new incentives for employers to take on apprentices who have been made redundant

Past evaluations and international best practice

Prominent examples of UK programmes delivered in response to past recessions include:

Future Jobs Fund launched in Autumn 2009 to create subsidised jobs for unemployed young people. Costing £6500 per head, it created work for 105,000 participants (1500 in Manchester). It gave a job and a wage when few jobs were available and it improved employer perceptions of young people. But there was insufficient focus on participants sustaining work once the programme ended, hindered by a rule that jobs had to deliver community benefit (ruling out the private sector). The training offered was often not of adequate quality.

The **ProAct programme** launched in 2009 in Wales to provide training for staff working short hours and/or at risk of redundancy. It co-funded training and salary costs (while training) for staff to undertake courses selected by their employer in line with their business plan. It enabled staff to be reskilled and upskilled, allowing employers to redeploy them into new roles or work more hours. Training was certified, so that it would be transferrable should the participant be subsequently made redundant. Activity was targeted in priority sectors.

Programme-Led Apprenticeships (PLAs) were an interim measure to support work-based learning during a period of weak employer demand, so that learners could start an apprenticeship before taking up employment. An Ofsted evaluation in 2008 found that successful PLAs blended high quality off-the-job training with well-designed work placements, building knowledge and experience that can then be applied to the workplace once the learner is recruited. Common pitfalls included irrelevant training, poor quality work placements and the inability of some providers to secure employment for learners.

5. Analysis

5.1 Calibrating MCC's response

MCC has a pivotal role to play in leading and convening the response to the economic recovery within the city. The function of the labour market, current management and funding arrangements for key services, and the spending power of Government mean that in large part, MCC will be influencing and shaping the activities of others in order to deliver on the work and skills agenda for the city's employers and residents.

Three main types of activity will be required from MCC, as follows:

1. Activities where the City Council either has direct control over relevant activity (such as its own recruitment, training delivery such as via MAES), or where MCC is in a position to influence the development of, and access to, jobs and skills (such as via its procurement strategy, or major developments)
2. Activities where the City Council needs to work with other partner organisations, to influence commissioning and delivery of services that support its residents and employers (such as The Manchester College, GMCA and The Growth Company)
3. Activities where the City Council needs to lobby and build proposals with others (such as Core Cities) that secures new programmes and investment in the local labour market

5.2 Critical success factors

Leading the economic recovery in relation to work and skills in Manchester presents MCC with a major challenge.

Based on the feedback received through this project, we have outlined below a handful of critical success factors that we believe will help the city in this task. They include:

- Maintaining and further developing the employer goodwill so that they continue to share insights, offer to host placements, participate in retraining programmes for staff, etc
- Capacity to act, noting that MCC is a much smaller organisation now than it was in the pre-austerity days before the last recession
- Track record of working in partnership and co-production with central govt and local stakeholders to make best use of local opportunities. Their participation in developing this plan, and their continued buy-in of its delivery, has further strengthened these relationships
- Regular monitoring of data and trends, to assist with the identification and addressing of emergent issues and risks
- Flexibility, being prepared to change plans when the operating environment alters – as it might via the early July ‘fiscal event’ and the Autumn three year Comprehensive Spending Review

5.3 Priorities - background

In common with the rest of the UK, Manchester is facing its worst labour market crisis for a century.

The City Council has choices to make – it cannot address all of the myriad of opportunities and challenges now facing local people and employers.

Drawing on the project's findings, we have drafted an initial list of six work and skills priorities for MCC as it plans for the economic recovery. In selecting each priority, we have considered the scale of the issue/risk, the role that MCC can play in leading or shaping an effective response, and the question of timing (aware that some activities need to start immediately).

The six priorities are listed overleaf. Recommended actions to deliver on these priorities are outlined in detail in section 6.

Priorities

1. Minimise the number of Manchester residents who move from being on furlough to redundancy as the Coronavirus Job Retention Scheme winds down over the coming months
2. Support unemployed Manchester residents to re-enter work as quickly as possible - especially young people, the over-50s and BAME groups
3. Maximise new job creation, increasing overall labour demand in the city
4. Minimise the number of young people who become unemployed after leaving education and training in Manchester
5. Support apprenticeship and other training opportunities to better equip employers with the skills to survive and grow, while helping more residents to upskill and progress in their careers
6. Improve the support available to long term unemployed/inactive residents, to reduce the risk that they will be 'crowded out' in the jobs market by the influx of new claimants.

6. Recommendations

Recommendations

Priority 1	Recommendation	Rationale	Timescale	Partner involvement
Minimise the number of Manchester residents who move from being on furlough to redundancy as the Coronavirus Job Retention Scheme winds down over the coming months	<p>Stemming unemployment via targeted, employer-led training. Enable staff returning from furlough at viable businesses who are at risk of redundancy or working limited hours access employer defined, short, flexible training solutions co-funded by HMG.</p> <p>Based on the ProAct model from Wales, training must be linked to standards and/or qualifications that are recognised by other employers. Deadweight can be minimised by a training plan linked to a business plan, and a sectoral focus on areas such as digital, bioscience and health innovation. This intervention could be targeted at over-50s and BAME workers.</p> <p>Funding could be derived from central government (via the National Skills Fund and National Retraining Fund); if this is not available, GMCA should examine scope for aligning use of AEB and ESF in support of the project.</p>	<p>Over 62,000 residents are on furlough. Only a third of employers think they will make no redundancies.</p> <p>The claimant count has doubled in the past two months, and could go much higher if those returning from furlough are made redundant in large numbers.</p>	Starting as soon as possible given furlough starts to unwind from next week, for an initial six-month period.	<p>GMCA has proposals for extensive retraining activity linked to key growth sectors, with significant investment proposed via ESF (for employer engagement) and AEB/NSF/NRF.</p> <p>If this is to be delivered in Manchester, MCC should work with GMCA (and HMG where required) to ensure that within the model:</p> <ol style="list-style-type: none"> 1. Any training should be occupation-specific, identified by the employer and linked to their business plan 2. That it is launched ASAP, aware that furlough is about to start winding down 3. That participating employers are viable organisations with future employment prospects for participating learners

Recommendations

Priority 2	Recommendation	Rationale	Timescale	Partner involvement
<p>Support unemployed Manchester residents to re-enter work as quickly as possible, with a priority focus upon:</p> <ul style="list-style-type: none"> • Young people • The over-50s • BAME communities 	<p>An intermediate employment with training programme for young people for whom work would usually be a realistic prospect but are unemployed. Prioritise young people with lower attainment. The programme should feature paid work within occupational areas with good post-Covid prospects (including private sector); and high quality training relevant to future job growth.</p> <p>Prioritise over-50s and BAME communities within the proposed response to furlough (priority 1) and accelerating recovery (priority 5) recommendations. Practical steps should include:</p> <ul style="list-style-type: none"> • Designing into programme specifications an intensified focus on engagement and delivery in communities with concentrations of BAME and over-50 unemployed residents • For BAME claimants, digital skills and support with career progression once in work will be key • Age-sensitive support for the over-50s will prioritise core digital and practical workplace skills as a standard feature of any labour market programmes for older people • Specification of contract management KPIs and payment models that prioritise better outcomes for BAME and over-50s within employment and skills support programmes. 	<p>Claimant count risen from a high base in Manchester, up by 98% between March and May for young people, 73% for the over-50s.</p> <p>The increase in the claimant count March-May 2020 has been most acute in neighbourhoods with high BAME populations</p> <p>Feedback indicates that for BAME groups, career progression activity is often more limited because of concentrations of BAME staff in entry level roles.</p>	<p>From Sept 2020, for an initial 12 month period.</p>	<p>Resource to support intermediate employment will need to come from HMG; while the programme itself will likely best operate on a GM footprint – requiring MCC to work with GMCA and HMG (via Core Cities) to influence design and implementation.</p> <p>GMCA's current proposal is for an ILM that is more limited in scope (for the very hardest to help) – MCC should recommend that this is broadened to encompass a wider group of young people who will find labour market attachment difficult in the current climate.</p> <p>MCC should work with GMCA to consider how over-50s and BAME groups can be better reflected in programme design, delivery and contract management.</p>

Recommendations

Priority 3	Recommendation	Rationale	Timescale	Partner involvement
Maximise job creation, increasing overall labour demand in the city	<p>MCC to examine its sector-leading social value procurement policy to identify how it can intensify focus on outcomes for unemployed BAME residents, young people and the over-50s.</p> <p>That MCC continues to bring forward key capital projects that stimulate labour demand. Work and skills outcomes must be key to project planning – maximising resident access to opportunities.</p> <p>Undertake employer-led work with the Growth Hub, Siemens and Ask Developments to identify opportunities to support supply chain resilience, increasing economic activity in the city.</p> <p>Further strengthen support for self-employment via an expanded offer for people who are unemployed and may use self-employment to generate more household income. This would require DWP income rules for participants to be relaxed. GMCA funds and JCP Flexible Support Fund could support.</p> <p>Develop a zero carbon 2038 skills strategy built on a sound understanding of the labour and skills requirements, covering specialist skills (higher level), adaptation of existing skills (trades) and behaviour change to shape attitudes and regulation.</p>	<p>Job postings in the local area halved between March and April. A small uptick was registered in May (9%).</p> <p>Brexit and C-19 are creating difficulties for global supply chains in some sectors</p> <p>Self-employment popular with who require flexibility or need portfolio careers. Support is weaker for those planning self-employment, compared to those who are already self employed (only 7% of unemployed eligible for New Enterprise Allowance)</p> <p>2038 is an ambitious target and will require a strong skills base if delivery activity is to be completed to the required standard</p>	Autumn/ Winter 2020/21.	<p>Engage via Core Cities with HMG on catalytic projects – consistent message to HMG</p> <p>Supply chain activity requires private sector leadership, best delivered by Growth Hub – employers are very happy to share their knowledge and leadership on this issue.</p> <p>Work with GMCA to strengthen self-employment aspects of its proposals. MCC could offer to pilot enhanced support offer for newly unemployed who are ineligible for New Enterprise Allowance.</p>

Recommendations

Priority 4	Recommendation	Rationale	Timescale	Partner involvement
Minimise the number of young people who become unemployed after leaving education and training in Manchester	<p>Extend Manchester's September Guarantee for 16 year olds to cover 17 (those completing 1 year courses, dropping out, or leaving with AS levels) and (subject to the availability of an offer for them) 18 year olds. The model should be based on the current guarantee – case conferences led by MCC, providers leading implementation. There should be a sharp focus on 17/18 year olds studying in sectors with viable job prospects, and/or progressing to a higher level of study.</p> <p>Enhance the capacity of post-16 education and training in Manchester to 'shield' young people from the labour market by:</p> <ul style="list-style-type: none"> • ESFA allowing 18/19 year olds to repeat level 3 from summer 2020 if they are completing in sectors with very poor job prospects. ESFA provider budget tolerances should rise from 5% to 10% to fund this. • Consideration given to opening up level 3 study programme funding to training providers, who have specialist facilities underutilised as apprenticeship starts fall. This would require DfE to review how its lagged funding model prevents market entry <p>MCC to make available space for distance/online learning – leisure centres, libraries; also identify (with GMCA) where additional capital investment may be required to respond to skills demand.</p> <p>DfE to increase ALS (additional learning support) to providers, to ensure that all learners have IT hardware and broadband/data to access online learning and data for online learning. The latter could be supported via corporate sponsorship, extending GMCA scheme</p>	<p>c.3500 KS4 and KS5 leavers are 'at risk' this summer, based on DfE destinations data</p> <p>Up to 10,000 UK-domiciled graduates are likely to remain in Manchester this summer, many of whom will be seeking employment but lack workplace experience</p> <p>Experience of online learning has been mixed, key issue is the availability of hardware and for many learners, having a place where they can learn (home environment unsuitable)</p>	<p>Much of this can or should start ASAP, especially the elements under control of MCC, eg Sept Guarantee, spaces for online learning.</p> <p>Anything involving ESFA or DfE involvement will take time and may require a summer 2021 implementation date.</p>	<p>Advise GMCA on operation of their proposed 18-30 guarantee.</p> <p>Work with Core Cities in ESFA and higher technical training proposals as all require resource and/or funding flexibility from HMG.</p> <p>Liaise with providers and IAG services to extend MCC's existing September guarantee.</p> <p>GMCA re scope to extend current sponsored broadband to school pupils.⁵⁵</p>

Recommendations

Priority 4 (continued)	Recommendation	Rationale	Timescale	Partner involvement
Minimise the number of young people who become unemployed after leaving education and training in Manchester	<p>MCC works with providers, GMCA and Core Cities to seek flexibilities in the DfE's post-16 lagged learner funding model that allows providers to recruit more young people (as a way of shielding them from entering the labour market) without cause significant cashflow issues.</p> <p>Unemployed graduates and those with higher diplomas aged under 25 to be offered a higher technical training scheme, featuring</p> <ul style="list-style-type: none"> • 6/12 month postgrad programme, work experience coupled with additional training • Opportunities be within sectors that are aligned to local industrial strategy but where firm-level performance is, or risks being, impacted by a lack of skills • A loan to participants to support with living costs 	<p>Lagged learner number funding model requires providers to cashflow increases learner numbers for 12 months before being paid. If we want to expand the capacity of post-16 learning to shelter young people from the labour market, it is doubtful whether providers could support an extra 2000 enrolments (who might usually seek jobs) in Manchester based on the existing funding model.</p> <p>Graduate unemployment peaked at almost 15% in the last recession. Employers report skills shortages in STEM sectors. Uniquely in GM, Manchester retains and attracts large numbers of graduates each summer, who risk joining</p> <p>Nationally, 1 in 3 of post-2007 graduates have higher quals than their occupation requires. 10% of people with degrees in GM are low paid (all age), GB average 8%</p>	<p>DfE discussion should be imminent, ideally seeking flexibilities prior to early July fiscal event.</p> <p>Higher technical programme to roll out from Autumn 2020.</p>	<p>MCC will be unique in GM in potentially having a significant graduate unemployment problem – may want to pursue this proposal largely via Core Cities.</p> <p>DfE funding discussion needs to be a united front across providers, GMCA, Core Cities etc</p>

Recommendations

Priority 5	Recommendation	Rationale	Timescale	Partner involvement
Support apprenticeship and other training opportunities to better equip employers with the skills to survive and grow, while helping more residents to upskill and progress in their careers	<p>Launch Programme-led Apprenticeships as a temporary measure to prepare young people for jobs in sectors where demand is currently weak but it will grow (construction, manufacturing, hair, etc). PLAs must blend high quality off-the-job training with well-designed work placements.</p> <p>Flex ESFA funding rules to:</p> <ul style="list-style-type: none"> - Allow apprentices made redundant to be fully funded for at least 6 months (currently 12 weeks) to complete. - Ease ESFA funding and management rules to allow more study programme providers to transfer learners into apprenticeship mid-year - Support GMCA's plans for more flexible Apprenticeship Levy transfers, simplifying the process and raising the cap <p>Accelerate the recovery of sectors through supported recruitment and training to allow employers to recruit and retrain staff to help the business's future survival and growth. This would require DfE to create an extended AGE grant and broaden of employers' NI relief to all ages (while lowering salary cap to £25K) to enable activity.</p> <p>Selected sectors and sizes of business should be targeted, focusing on employers which would otherwise downsize or stop trading without support to retain and train staff. Proposals must be linked to a firm's business plan</p>	<p>Apprenticeship recruitment of young people during crucial months of Aug, Sept and Oct 2020 at risk as employer demand is weak.</p> <p>ESFA rule flexibilities will allow more young people to enter apprenticeships and to complete, despite difficult labour market.</p> <p>Supported recruitment and training via this model will:</p> <ul style="list-style-type: none"> - Grow apprenticeship volumes - Support employers to 'bridge' the period post-furlough when income does not cover overhead, but they do not want to let staff go as future growth prospects are good 	<p>PLAs and ESFA rule flexes to be sought for 2020-21 academic year (as far as possible)</p> <p>Accelerating recovery proposal would work best if rolled out from Sept, as employers take stock following furlough scheme.</p>	<p>PLAs will require lobbying of DfE and ESFA, alongside providers and trade associations</p> <p>Accelerate recovery model requires flexibility in incentives (which are likely to be already under consideration at DfE) and capacity funding to support business engagement and skills planning.</p>

Recommendations

Priority 5 (continued)	Recommendation	Rationale	Timescale	Partner involvement
Support apprenticeship and other training opportunities to better equip employers with the skills to survive and grow, while helping more residents to upskill and progress in their careers	<p>MCC to develop new post-16 curriculum priorities that target the best quality technical education and vocational training for the city. Recommendations that are actionable by providers will be required, eg:</p> <ul style="list-style-type: none"> • Expectations in relation to the sectors and occupations that are critical to the future economy of the city • Preferred delivery models that engage and retain learners effectively • Expectations regarding the participation of employers in curriculum design and delivery • Capital and resource investment requirements <p>Led by the Work and Skills Board, review the offer in the city for adults seeking to reskill and retrain, targeted on those in low paid roles often occupied by local people and BAME staff. This should include:</p> <ul style="list-style-type: none"> • Seeking an extension of the national entitlement to a first level three qualification to learners of all age, not just those aged 19-23 (as now). • Leadership by employers and employer networks to strengthen the commitment of business to developing the careers of our lowest paid • Consideration of how GM skills commissioning activity can support low paid workers to progress 	<p>Post-16 Skills is undergoing huge change – T-levels, level 4/5, apprenticeships and now a major labour market downturn.</p> <p>MCC is providing financial support to the TMC investment in its estate, to create world-class learning facilities for Manchester employers and residents.</p> <p>Rising skills profile of Manchester’s labour market and anticipated impact of automation will likely result in a drop in entry level roles. Meanwhile, adult learning has dropped – especially at level 3, with the introduction of loans.</p>	<p>Early 2021 or 2022, to shape curriculum planning for the subsequent academic year</p>	<p>Close work with TMC, but seek to engage other key post-16 providers too.</p> <p>Liaise with GMCA regarding its curriculum priorities and provider engagement activity.</p> <p>Work with GMCA, Core Cities and trade associations (eg AELP, GMLPN, AoC, GMCG) regarding the adult level 3 entitlement and associated AEB lobbying</p>

Recommendations

Priority 6	Recommendation	Rationale	Timescale	Partner involvement
Improve the support available to long term unemployed /inactive residents, to reduce the risk that they will be 'crowded out' in the jobs market by the influx of new claimants	<p>Work with GMCA to tighten focus of current and planned devolved employment support programmes on the barriers faced by long term unemployed and inactive residents in Manchester.</p> <p>Work with MACC and other VCS groups to explore development of large-scale volunteering programme for unemployed/inactive residents of all age as part of an individual's pathway to employment. Whitehall interest in VCS organisations supporting unemployed and inactive residents with volunteering in (for example) advice and guidance to public transport users, environmental projects, high streets and public spaces.</p> <p>Enhance the skills of the long term unemployed/inactive residents – such as through the inclusion of basic digital skills top-up within Working Well and other relevant support programmes.</p>	<p>Manchester has around 30,000 working age residents who were already long term unemployed or economically inactive (usually owing to ill health).</p> <p>Current Working Well delivery is performing less well in Manchester than other parts of GM, despite inquiries indicating that the challenges faced by Manchester residents are not dissimilar to those found elsewhere in GM.</p>	Spring 2021	<p>Support GMCA proposal to HMG that £30m DWP budget for Work and Health Programme needs to be confirmed in CSR and granted to GMCA.</p> <p>Work with MACC on volunteering proposals, high level of interest from Whitehall departments so could pursue via Core Cities.</p>

Implementation priorities

The crisis in our labour market has developed at unprecedented speed. This creates a need for urgent action to prevent current problems from continuing to deepen at an alarming pace.

Recommendations that require immediate attention include:

- **Priority 1:** Targeted, employer-led training to retrain and redeploy staff returning from furlough, to minimise the rise in the claimant count (priority 1). Lobbying is required immediately of HMG, along with discussions with GMCA and via Core Cities, to ensure that an intervention can be rolled out at speed, potentially working with GM Growth Hub to identify and access businesses that would most benefit.
- **Priority 2:** Commitment from HMG to an expansive intermediate labour market programme to address the unfolding youth unemployment crisis, which risks deepening further as we move in to the 2020-21 academic year.
- **Priority 5:** Flexibilities and incentives – such as permitting Programme-Led Apprenticeships, extending NI relief and introducing AGE grant – that will help sustain apprenticeship activity and support job retention through the critical summer/autumn period

The Chancellor's announcements in early July are likely to bring forward some eye-catching interventions that can be rolled out quickly, with more considered analysis and proposals due to come forward in the Autumn 3 year Comprehensive Spending Review. However the 4-5 months between now and the CSR could prove extremely challenging unless action is taken now to mitigate the labour market crisis.

Annex A - Interviewees

Mat Ainsworth

Vaughan Allen

Pat Bartoli

Jessica Bowles

Helen Boyle

Mags Bradbury

Melissa Brown

Nick Cole

Andy Fawcett

Jonathan Felce

Katie Gallagher

Anne Gornall

Brian Hay

John Holden

Assistant Director – Employment

Chief Executive

Head of City Centre Regeneration

Director of Strategy

Strategic Decarbonisation Manager

Associate Director of Equality,
Diversity and Inclusion

Senior Policy Adviser

Research Manager

Co-Executive Director

Relationship Director

Managing Director

Co-Executive Director

Chief Executive

Associate Vice President, Major
Special Projects

GM Combined Authority

CityCo Manchester

Manchester City Council

Bruntwood

Electricity North West

Manchester University NHS Foundation Trust

HM Treasury

Manchester City Council

GM Learning Provider Network

Barclays

Manchester Digital

GM Learning Provider Network

Cardinal Maritime

University of Manchester

Annex A - Interviewees

David Houlston	Head of Policy	Manchester City Council
John Hughes	Managing Director	Ask Developments
Michelle Humphreys	Director of Strategic Projects	Manchester University NHS Foundation Trust
Richard Jeffery	Director of Business Growth	The Growth Company
Colin Johnson	Managing Director, Operations	Space Studios Manchester
Adam Jupp	Corporate Affairs Director	Manchester Airport
Sharmila Kar	Director of Workforce and OD	Manchester Health and Care Commissioning
Trish Keating	Executive Director	Tech Manchester
Justin Kelly	Director of Corporate Communications and Business Development	Siemens UK
Elizabeth Lawson	Policy Advisor (Adult Skills)	HM Treasury
Michelle Leeson	Managing Director	Growth Company: Employment
Jon Lenney	Director of Workforce and OD	Manchester Local Care Organisation
Paul McGarry	Assistant Director	GM Ageing Hub
Gemma Marsh	Assistant Director – Skills	GM Combined Authority
Simon Mason	Senior Policy Adviser	Ministry of Housing, Communities and Local Government

Annex A - Interviewees

Nick Mellor	District Manager	Jobcentre Plus
Clive Memmott	Chief Executive	GM Chamber of Commerce
Elizabeth Mitchell	Policy and Partnerships Manager	Manchester City Council
Chris Murray	Director	Core Cities UK
Cllr Nigel Murphy	Deputy Leader	Manchester City Council
Tim Newns	Chief Executive	MIDAS
Lisa O’Loughlin	Deputy CEO/Principal	The Manchester College
Rob Page	Commercial Director	Space Studios Manchester
Siobhan Pollitt	Chief Executive	Back on Track Manchester
Cllr Luthfur Rahman	Executive Member for Skills, Culture and Leisure	Manchester City Council
Jon-Paul Rimington	Managing Director	Growth Company: Education and Skills
Nigel Rose	Strategic Lead (Commissioning)	MACC
Julie Rushton	Head of Adult Skills and Learning	Manchester City Council
Jonny Sadler	Programme Director	Manchester Climate Change Agency
Carina Schneider	Senior Policy Adviser-	Ministry of Housing, Communities and Local Government

Annex A - Interviewees

Dan Shercliff	Senior Manager	Manchester Adult Education Service
Tamanna Sidika	Policy Team Leader	Cities and Local Growth Unit (MHCLG & BEIS)
Annie Smith	Head of Enterprise Commercial	PeoplePlus Enterprise
Nick Brooks-Sykes	Director of Tourism	Marketing Manchester
John Thornhill	Chief Executive	LTE Group
Andy Westwood	Professor of Government Practice and Vice Dean of Humanities	University of Manchester
Mike Wild	Chief Executive	MACC
John Wrathmell	Director, Research and Strategy	GM Combined Authority

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TO: Economic Recovery Group
FROM: City Policy
SUBJECT: Summer Statement July 2020
DATE: 9 July 2020

1.0 Introduction

- 1.1 On Wednesday 8 July 2020, the Chancellor of the Exchequer, Rishi Sunak MP, delivered a Summer Statement to the House of Commons. The statement was anticipated as a “fiscal event” but saw the Chancellor deliver a policy paper “A Plan for Jobs”.
- 1.2 The Chancellor had previously delivered a Spring Budget in March 2020 (the briefing for which can be accessed [here](#)). The Budget has been supplemented with further announcements of funding support packages in light of COVID-19, including the introduction of the Coronavirus Job Retention Scheme (furlough), direct support for households, business support, and public service spending. According to the Government, the total direct fiscal funding support packages prior to the Summer Statement was £158.7bn. The Government has termed this support as the first stage of its COVID-19 economic response, focused on protection.
- 1.3 The announcement was termed the second phase of the COVID-19 economic response, focusing on jobs. Overall, the Chancellor announced a substantial level of investment in the Statement, mainly aimed at job creation and protection. However, there was notable lack of detail and omissions for some struggling sectors (such as retail and aviation) and public funding.
- 1.4 The Chancellor confirmed the Autumn Budget and Comprehensive Spending Review - the third phase of the COVID-19 economic response - which he stated will focus on longer term recovery and rebuilding the economy, and will “deal with the challenges facing our public finances”. It is thought a National Infrastructure Strategy will be published alongside the Budget.
- 1.5 The economic impact of COVID-19 continues to widen, with the World Bank predicting the deepest global recession since WWII. The Bank of England predicts that the UK economy could be facing its largest fall in annual output in over 300 years and that the unemployment rate could peak at 10%, with large scale redundancies as the Job Retention Scheme comes to an end. Initial Office of National Statistics estimates suggest the UK’s Gross Domestic Product fell by 25% between February and April. The Government’s measures (alongside the Bank of England’s monetary support) will help to mitigate some of the impact but the scale of the financial crisis remains large.
- 1.6 This briefing provides a headline summary of key announcements in relation to key policy areas, and any specific considerations for Manchester. Many of the

announcements presently lack detail, with further announcements are expected over the coming weeks.

- 1.7 The full Government announcement can be found here:
<https://www.gov.uk/government/publications/a-plan-for-jobs-documents/a-plan-for-jobs-2020>

2.0 Announcements

- 2.1 The Government announced four areas of policy decisions within A Plan for Jobs, totalling up to £30bn worth of fiscal support: Jobs Retention Bonus Scheme; Supporting Jobs; Protecting Jobs; and Creating Jobs. Each of these areas are examined below, with details given where known, alongside considerations for Manchester.

3.0 Job Retention Bonus Scheme

- 3.1 As the Job Retention Scheme comes to an end in October, the Government announced new incentives for employers to bring furloughed staff back with the announcement of the Jobs Retention Bonus Scheme:
- Employers who ensure furloughed employees are brought back into continuous employment until January 2021 will be eligible to receive a £1,000 bonus per employee
 - £9 billion investment would be required if employers brought back every employee that they had furloughed
 - Employees must be paid at least £520 on average, in each month from November 2020 to January 2021
 - Bonus payments to employers would begin from February 2021
 - Further detail on the scheme are expected by the end of July 2020
- 3.2 As at the end of May, 62,000 Manchester residents were furloughed, with furlough most common in the foundational services, including accommodation, food service and retail. Whilst the bonus scheme may encourage some businesses to bring employers back into employment alongside further reopening measures, it relies on businesses having enough customer demand, the ability to operate under social distancing and the cash flow to wait until the bonus. As such, whilst this announcement may help mitigate some of the impacts, the city is still likely to see an increase in unemployment at the end of furlough.

4.0 Supporting Jobs

- 4.1 The Chancellor's announcements for supporting jobs fell into three main areas - support for young people (Kickstart Scheme, apprenticeships and trainee), support for the unemployed and support for the education sector.
- 4.2 Kickstart Scheme - the headline announcement for young people, the Government will introduce a £2bn scheme designed to support young people aged 16 - 24 who are at risk of long term unemployment into newly created paid employment opportunities. The scheme will begin in August 2020, with the first 'Kickstarters' in jobs from autumn. The Government will directly pay employers young people's wages for six months, plus an amount to cover overheads. For a 24 year old, the grant will amount to approximately £6,500. The funding is conditional on jobs being offered that are additional to existing jobs. Eligible young people must be in receipt of Universal Credit, and 'Kickstarters' must be employed for a minimum of 25 hours per week and paid at least the National Minimum Wage rate. Employers need to provide 'Kickstarters' with training and support to find a permanent job. Government has said there is no cap on the number of places available.
- 4.3 Support for apprentices and trainees - two schemes were announced to incentivise employers to recruit new apprentices and trainees, especially young people:
- The Government will pay businesses £2,000 per new apprentice aged under 25, and £1,500 per apprentice aged over 25, from 1 August 2020 to 31 January 2021. This incentive is in addition to the existing £1,000 payment the Government already provides for new 16-18 year-old apprentices, and those aged under 25 with an Education, Health and Care Plan.
 - An additional £111m this year in a traineeships fund for high quality work placements and training for 16-24 year olds in England. Employers who provide trainees with work experience will be funded £1,000 per trainee. The Government predicts that this funding could triple participation in traineeships, and stated a commitment to improve provision and expand eligibility for traineeships to those with Level 3 qualifications and below.
- 4.4 Support for education sector - three policy decisions were announced to provide the sector with the capacity to support people into employment or stay in education and training:
- £101m for the 2020/21 academic year to create more places on Level 2 and 3 courses to support 18-19 year olds leaving school or college to find work in high-demand sectors, like engineering, construction and social care
 - An additional £32m in new funding for the National Careers Service to provide personalised advice on training and work to 269,000 more people in England over the next two years
 - An additional £17m to triple the number of sector-based work academy placements in England to provide vocational training and guaranteed interviews for more people, tailored to gaining skills needed for employment opportunities in their local area

- 4.5 Support for the unemployed - a number of policies to support unemployed people back into work were announced:
- £895m to double the number of work coaches in Jobcentre Plus across the UK before the end of the financial year (N.B. if it not clear if this is entirely new funding)
 - £150m funding increase for the Flexible Support Fund to increase the capacity of the Rapid Response Service and provide local support to claimants by removing barriers to work (e.g. travel expenses for interviews)
 - Up to £95m this year to expand the scope of the Work and Health Programme to introduce additional voluntary support for those on welfare that have been unemployed for more than 3 months. The Government have stated that this expansion will have no impact on the existing provision for those with illnesses or disabilities so presumes a large increase in new claimants.
 - £40m funding for the private sector to create an online job finding support service for those who have been unemployed for less than three months
 - A stated expanded 18-24 year old youth offer at DWP but no funding figure or further detail given
- 4.6 The main focus of these measures all act to try and minimise the number of young people who will become unemployed after leaving education and training. This is a key priority for Manchester as the cohort has been the greatest impact to date according to claimant count (98% increase between March and May 2020). The Kickstart scheme (similar to the 2009 Future Jobs Fund but with less funding) has the potential to provide an intermediate employment solution for young people; however, the Universal Credit criteria is likely to be a barrier for 16 - 18 year olds accessing the scheme. Apprenticeship starts in Manchester are down 51% year on year, with this figure rising to 74% decline for 16-18 year olds; support for apprenticeships and Level 2-3 qualifications may help to mitigate this. However, both the Kickstart scheme and the apprenticeship and trainee support relies on businesses being in a position where they can create new job roles.
- 4.7 Whilst the support for young people is welcome, there is a gap in the announcements for those who are already long term employed and the over 50s, who are at high risk of becoming unemployed and will struggle to re-enter the labour market. This has the potential to reinforce existing inequalities in Manchester. There is also a gap in specific support for graduates; with 10,000 graduates due to enter the city's labour market in 2020, lack of support may lead to graduates taking non-graduate jobs, reducing the opportunities for residents further from the labour market.

5.0 Protecting Jobs

- 5.1 The protecting jobs policy decisions focused on the hospitality and tourism sectors:
- Eat Out to Help Out - a new scheme entitling every diner (including children) to a 50% discount of up to £10 per head on food and non-alcoholic drinks at

any participating food establishment between Monday and Wednesdays during August 2020. Businesses need to sign up to the scheme via a website (will open on 13 July) and will then be fully reimbursed for the 50% discount within five days. This is the first time a Government-backed discount has been trialed in the UK.

- Temporary VAT cuts on food, non-alcoholic drinks, accommodation and attractions - reduction from 20% to 5% from 15 July 2020 to 12 January 2021. Further guidance will be published by HMRC in the coming days but the Government predicts this will act as a £4bn stimulus.

5.2 Hospitality and tourism have among the highest level of furloughed workers both in Manchester and the UK; these policies aim to increase both footfall and business confidence, especially over the traditional summer holiday period, to allow more employees to return to work. Both sectors also employ a large number of young people, in line with other policies announced. 'Eat Out to Help Out' relies on businesses having the cash flow to offer the discount and reclaim the funding, and to sign up to the scheme digitally, which may exclude a number of smaller food retailers. The success of both policies relies on consumers having the disposable income to spend and feeling safe enough to do so.

5.3 Whilst the hospitality and tourism sectors have been hard hit by COVID-19, there was a noticeable absence of policy decisions for other sectors that are likely to see large job losses as the furlough scheme ends, such as retail, aviation and the events industry.

6.0 Creating Jobs

6.1 The majority of announcements for creating jobs had already been announced by the Prime Minister on 30 June as part of his 'Build, Build, Build' £5bn infrastructure package. However, *they are included below in italics* as slightly more detail was made available at the Statement. The announcements fell into three main areas: housing, green recovery, and accelerating investment (typically additional funding for already previously announced programmes).

6.2 Housing - housing related announcement included:

- Green Homes Grant - £2 billion scheme to provide homeowners and landlords with at least two thirds of the amount they spend, up to £5,000 per household, to make their homes more energy efficient. For those on the lowest incomes, the scheme will fully fund energy efficiency measures of up to £10,000 per household. The Government are aiming to upgrade over 600,000 homes across England and believe the scheme could support over 100,000 green jobs. No detail is yet available on how the funding scheme will work or whether there is an aligned training and skills offer.

- Temporary Stamp Duty Land Tax cut - temporary increase in the nil rate band from £125,000 to £500,000 from 8 July 2020 until 31 March 2021 to encourage house sales, especially first time buyers. In reality, the largest impact of this will be felt in London and the South East as there are limited transitions above £500,000 elsewhere in the country.
- Social Housing Decarbonisation Fund – £50 million demonstrator project in 2020/21 to decarbonise social housing, with an implication that further funding could be available at a later date.
- Affordable Homes Programme – confirmation of the £12.2bn 5 year programme announced at Budget in March to support up to 180,000 new affordable homes for ownership and rent in England, with the majority of homes built by 2025/26, and the rest by 2028/29. It will include a 1,500 unit pilot of First Homes, where homes are sold at a discount of 30% to get local residents on the housing ladder, with prioritisation for Armed Forces and key workers.
- Short-Term Home Building Fund extension – additional £450m in development finance to small and medium sized housebuilders that are unable to access private finance to build approximately 7,200 new homes. A proportion of this fund will be reserved for firms using Modern Methods of Construction.
- Brownfield Housing Fund – £400m between seven Mayoral Combined Authorities, including Greater Manchester. 90% will be allocated immediately on a per capita basis, with the remaining 10% to be allocated through a competitive process.
- Planning reform – new legislation is to be introduced this summer to make it easier to “build better homes in the places people want to live”. A policy paper setting out the plans for reform will be launched later this month.

6.3 Green recovery - sustainable-related funding announcements included:

- Public Sector Decarbonisation Scheme – £1bn of grants to public sector bodies (including schools and hospitals) to fund energy efficiency and low carbon heat upgrades.
- Green Jobs Challenge Fund – up to £40m for public authorities and environmental charities to create and protect 5,000 jobs in England. The jobs will involve improving the natural environment (including planting trees, restoring habitats and clearing waterways) and creating green space for people and wildlife.
- Direct Air Capture – £100m of new funding for researching and developing carbon capture innovation
- Automotive Transformation Fund – £10m of the £1bn of funding that was announced last year to be made available immediately to scale up the manufacturing of the latest R&D batteries, motors, electronics and fuel cells innovation, with a particular emphasis on electric vehicles.
- Courts sustainability – £40m to reduce energy and water usage in the courts and tribunals estate.

6.3 Accelerating investment - all of the announcements had previously been mooted. Beyond shovel ready and transport, the focus was on the public sector estate, especially health:

- Local infrastructure projects – £900m for shovel-ready projects in England in 2020/21 and 2021/22 to drive local growth and jobs. Funding will be provided to Mayoral Combined Authorities and Local Enterprise Partnerships.
- Local road maintenance – additional £100m to deliver 29 local road maintenance upgrades across England in 2020/21. This is in addition to the previously announced £1.5bn funding in 2020/21 on improving local highway infrastructure.
- Unblocking Manchester's railways – £10m designed and development funding to improve the reliability and capacity of the Manchester rail network.
- Towns Fund capital acceleration – £96m of accelerated investment this year for town centres and high streets.
- World-class laboratories – £300m investment in 2020/21 to boost equipment and infrastructure across universities and institutes across the UK.
- Health Infrastructure Plan – a further £200m to accelerate a number of the 40 new hospital building projects across England. North Manchester General Hospital was included in the previous HIP announcement in 2019.
- NHS maintenance and A&E capacity – £1.05bn during 2020/21 for NHS critical maintenance and A&E capacity.
- Modernising the NHS mental health estate – up to £250m in 2020/21 to replace mental health dormitories with single bedrooms across 25 mental health providers in England.
- Further Education estate funding – £200m of the £1.5bn commitment for FE capital funding made at Budget in March will be brought forward to 2020/21 to support colleges to carry out maintenance projects.
- School estate funding – additional £560m for schools to improve their buildings and estates in 2020/21. This is in addition to £1.4 bn announced for school maintenance earlier this year.
- School rebuilding programme – £1bn to fund the first 50 projects of a new ten year school rebuilding programme. These projects will be confirmed in the autumn, with construction starting on site in September 2021. Further detail on future waves will be confirmed at the CSR later this year.
- Court modernisation – £102m to modernise the court estate, including £10m for local regeneration projects outside London and the South East to support employment and economic growth.
- Prison and probation estate funding – £143m to improve the prison and probation estate.

6.4 Other creating job announcements included:

- Construction Talent Retention Scheme – scheme to match workers at risk of redundancy to construction opportunities across the UK.

- Office for Talent – scheme aiming to attract, retain and develop research and science talent; this will be based in No.10, with delivery teams across government departments.

6.5 Given the majority of these announcements had been made previously by the Prime Minister, the lack of detail is disappointing. Initial statements suggest that funding for the majority will either be made available to Combined Authorities (such as the shovel ready projects) or will be via competitive funds. Green infrastructure announcements align well with Manchester's zero carbon initiatives but are not as ambitious as many hoped for and will require an aligned skills programme to allow those who most need the created jobs to access them. Manchester is well placed to capitalise on the R&D / universities announcements.

7.0 Conclusion

7.1 The Statement announced a substantial level of investment, mainly aimed at job creation and protection, and with a focus on young people. Whilst this is welcome, there is a lack of detail on proposals, limited announcements to support over 50s and long term unemployed, and little support for struggling sectors other than hospitality and tourism. Public funding was also a key omission, with further detail now hoped for in the Autumn Budget.