

## **Economy Scrutiny Committee**

### **Minutes of the meeting held on Wednesday, 6 March 2019**

**Present:** Councillor H Priest (Chair) – in the Chair

**Councillors:** Connolly, Davies, Douglas, Green, Hacking, Johns, Newman, Paul, Raikes, Razaq, Shilton Godwin and A Simcock

**Apologies:** Councillor Noor and K Simcock

**Also present:** Councillors:

#### **ESC/19/16 Minutes**

The minutes of the meeting held on 6 February 2019 were agreed as a correct record.

#### **ESC/19/17 Family Poverty Strategy update**

The Committee considered a report of the Head of Work and Skills, which set out the progress that had been made since the Manchester Family Poverty Strategy 2017/22 was adopted by the Council's Executive in September 2017.

The Head of Work and Skills referred to the main points and themes within the report, which included:-

- A summary of the three themes and 10 priorities of the Strategy;
- The governance structure of the Strategy, which comprised of a Core Group, who oversaw the delivery of the strategy;
- The Core Group was underpinned by three working groups which were aligned to three themes of the Strategy:-
  - Sustainable work as a route out of poverty
  - Focus on the basics - raising and protecting family incomes
  - Boosting resilience and building on strengths
- Details of a number of other activities and events which had supported the resilience of families and children living in poverty, including the work of anchor institutions;
- Measures which the Council track that give a citywide percentage estimate of poverty; and
- Next steps, which included strengthening the membership of the Core and working groups.

The Committee also received a presentation from Jane Partington, founder of Bread and Butter Thing, which was a community led charity who provide quality food supplies for low income families and where part of the Core Group.

Some of the key points that arose from the Committees discussion were:-

- How had the established discount supermarket chains reacted to the Bread and Butter Thing venture;
- What relationship had the Bread and Butter Thing with social housing providers;
- How were volunteers and members of the Bread and Butter Thing recruited;
- There was concern around the impact of the threat of homelessness on family welfare, income and poverty and the interaction within a family's existing social networks if they were rehoused in areas unfamiliar to them;
- How was 'in work' poverty reflected in the strategy;
- Was there any examples of where childcare providers had adapted towards more flexible working patterns;
- More detail on the Child North East (CNE) pilot at Cedar Mount Academy was requested; and
- How was the intended impact of the strategy going to be measured and reported to scrutiny.

Jane Partington advised the Committee that she was not sure how the established discount supermarket felt about Bread and Butter Thing. She commented that it had not been expected that the venture would get to the sized that it had within 18 months. She advised that food companies, on the whole, wanted to distribute their food and the key aspect of the Bread and Butter Thing model, was that it was not a food pantry nor a foodbank. All the food obtained and issued by the venture was either on date or just within the display until date, which the supermarkets could not sell due to food regulations. As the venture collected and delivered the food in the same day, it meant that all retailers were able to distribute their foods, which otherwise would have gone to waste. In terms of the relationship with social housing providers, Jane reported that they were currently working with One Manchester, Northwards, First Choice, Trafford Housing and Tameside, and that they were a good source of finding the community hubs to work from and getting into the right locations where there was a need for the service. It was explained that members and volunteers were identified through the community hubs and to be a valid member, residents needed to live within the locality served by the hub.

The Deputy Leader advised that the Family Poverty Strategy was targeted at people who may be 'just about managing' but acknowledged there was a clear link between those who were 'just about managing' and those becoming homelessness, if there was a crisis or unexpected change of circumstances in their lives. There was representatives on the Core Group from Save the Children and the Mustard Tree which provided a link to those at risk of being made homeless or were already.

The Head of Work and Skills advised that there had been a rise of 'in work poverty' but it was still the case of that most children living in families in poverty, came from a home where parents and carers were not working. There were limitations with the measurement of family poverty and to ensure that the Council captured both in-work and out of work poverty, as well as the effect of Universal Credit, the Council had moved to the End Child Poverty indicator, away from the HMRC data which was traditionally used.

The Council was also working with Anchor Institutions within the City to get them to lean into this agenda more. An example of this was getting these Institutions to sign

up to the GM Mayor Good Employment Charter, which recommends the minimum provision of the living wage for all staff, investment in training and progression.

In response to other questions, the Head of Work and Skills said that few terms of childcare providers had adapted towards more flexible working patterns, which were more prevalent in the labour market. However the working group was doing further work with parents, businesses and providers to understand the implications and roll out good practise. It was also reported that it was too early in the life stage of the Poverty Proofing pilot at Cedar Mount Academy to identify any lessons learnt, but it was hoping that when these were identified, they could be rolled out to other schools within the City.

Officers advised that in terms of monitoring the success of the strategy, it was possible to monitor against national indicators, such as child poverty strategy measures. Further work would be undertaken around the Logic model to identify how to measure the impact of the strategy without resulting in duplication of reporting. Members welcomed the Logic Model.

### **Decision:**

The Committee:-

- (1) Thanks Jane Partington for her presentation and the work of the Bread and Butter Thing; and
- (2) Notes the positive progress that is being made in delivering the Family Poverty Strategy.

### **ESC/19/18 The Impact of Welfare Reform and Universal Credit on the Manchester Economy**

The Committee considered a report of the Head of Work and Skills, which provided an update on the implementation of welfare reform in Manchester. It analysed the impacts of welfare reforms on the city so far, specifically Universal Credit (UC) and the anticipated impact from the continued roll out. The report also summarised the Council's response to the reforms and where the Council and partners had opportunities to focus efforts to mitigate some of the impacts in the future.

The Head of the Work and Skills referred to the main points and themes within the report which included:-

- The economic context of the city, including worklessness levels, the number of UC claimants and the impact of macro economics on employment;
- An overview of the various welfare reforms which had been introduced since 2012;
- National research that had been undertaken on the impact of these welfare reforms on residents;
- The development, purpose and findings of the Welfare Reform Monitoring report by the Council's Performance, Research and Intelligence team;
- The findings and recommendations from a Manchester Resident Impact Analysis of Universal Credit;

- The risk of a rise in homelessness brought about by welfare reform;
- The increased demand on the Council's Welfare Provision Scheme and Advice Services; and
- Examples of support provided by the Council which focussed on supporting residents moving into meaningful employment.

Some of the key points that arose from the Committees discussions were:-

- A mitigating impact of Universal Credit was the speed of intervention and how quickly was the Council able to help residents affected by Universal Credit;
- Was it possible for Local Authorities to share data around those facing multiple disadvantages with Utilities Companies, as highlighted in the Digital Economy act 2017, in order to improve targeting, and speed of intervention;
- There was concern about the impact of Universal Credit and associated rental and Council Tax arrears and what help could the Council provide to those facing arrears;
- It was proposed that the Council invited the Secretary for Work and Pension to Manchester to discuss with the Council and residents the challenges being faced by those affected by Universal Credit;
- What was the relationship between the Local Housing Allowance (LHA) and Universal Credit as the LHA was set at a lower level in Wythenshawe compared to the rest of the City.

The Head of Work and Skills advised that in terms of speed of intervention and support, the Council had been able to identify people likely to be affected early by working with colleagues in Revenue and Benefits when the introduction of the benefit cap was introduced. The Council had also commissioned services to be proactive in areas where people might be vulnerable, particularly in the private rented sector where landlords were unlikely to be providing advice to their tenants.

In terms of sharing data with utility companies, the Council had had contact with United Utilities who had established a hardship map across the North West and was seeking the Council's help in populating to identify vulnerable households. It was agreed that this would be explored further, as part of the Family Poverty work.

In terms of rent arrears, it was commented that the introduction and rollout of UC had had a clear impact. Work was being undertaken with social landlords to ensure the right support was available for tenants who were vulnerable. The Council had also commissioned services from Shelter and Citizens Advice Bureau to target private rented sector in areas where residents had historically relied on housing benefits to pay rents. In terms of Council Tax support, there were proposals for additional support to be provided in order to mitigate the impact of Universal Credit which had been considered and supported by the Council's Resources and Governance Scrutiny Committee in February 2019.

The Committee was advised that in terms of the impact of UC on LHA, a third of the median rent in an area was calculated into an individual's benefits allowance which had consequences where the benefit allowance was not enough to begin with and UC meant that individuals had the responsibility for paying their own rent. The Deputy Leader commented that in terms of LHA was one of the drivers for

homelessness in the city and the Council was looking at how it could intervene earlier where people were struggling to afford to pay their rents.

## **Decision**

The Committee:-

- (1) Agrees that the Chair of the Committee writes to Secretary for Work and Pension to invite her Manchester to discuss with the Council and residents the challenges being faced by those affected by Universal Credit and multiple reforms to the welfare system; and
- (2) Request that the Committee is provided with the report considered by the Resources and Governance Scrutiny Committee on the proposed changes to the Council's Council Tax Support Scheme.

## **ESC/19/19 The impact of low skills on residents' ability to enter the labour market and sustain quality work**

The Committee considered a report of the Head of Work and Skills, which explored the issues that affected a high proportion of the City's working age population who had no or very low qualifications and outlined the emerging Adult Education and Skills Plan, which aimed to address the skills challenges faced in the City by residents, employers and the skills providers.

The Head of Work and Skills referred to the main points and themes in the report, which included:-

- Skills Levels in Manchester at a ward level which had been compiled from the 2011 census as this had contained the most up to date information, highlighting that residents in Miles Platting and Newton Heath and Harpurhey wards of the city held relatively low qualifications;
- The level of unemployment and economic inactivity in Manchester, which remained slightly higher than the national rate, although, to a degree, this could be attributed to Manchester's large student population, which was 13.6% higher than the national figure;
- Manchester's Labour Market and Skills Demand which had seen rapid growth in the last twenty years and was set to continue. However some sectors reported particular skills shortages, notably digital, whilst health and social care and construction were the industries which were most affected by having an ageing workforce and not being able to meet replacement demand;
- The findings of the Social Mobility Commission's report, which looked at the skills gap in Britain and the role that adult education and training might be able to play in closing it;
- The offer of a wide range of programmes for adult learners by the Manchester College although an initial look at all adult learners across their provision demonstrated a significant weighting towards Preparation for Work and Life programmes;
- The learning offer from Manchester Adult Education Service; and

- The creation of a Manchester Adult Skills and Education Plan which would initially outline the skills challenges and opportunities for Manchester residents, for businesses and for the system itself.

Some of the key points that arose from the Committees discussions were:-

- There was concern around the issue of middle aged residents gaining meaningful employment;
- There was a need to acknowledge the employment benefits that could be derived from those residents who had declared that English was not their main language but were able to speak English very well;
- Members praised the work of Talk English in helping those with very limited English prior to undertaking an ESOL course;
- There was a clear link between a lack of skills and family poverty;
- How could the Council gather the destination outcome measures in a more joined up way in order to provide a more consistent picture of transitions from adult education into employment;
- How was the Council going to enable the city's 50+ population feel valued in terms of what they could offer as potential employees and support work to help more of this age group who were out of work to gain meaningful employment;
- Were there any clear pathways for learners wishing to undertake level 2 qualifications, which was considered to be the level which was needed for individuals to sustain work;
- Was there any insight into the number of people who worked in the city but lived out of the city compared to those who both worked and lived within the city; and
- Was access to the labour market dependent on what ward people lived in as well as the qualifications they had;

The Deputy Leader advised that Government had announced that additional investment would be made for ESOL and Talk English as it had been recognised of the benefit these courses had had on individuals developing the necessary skills to gain employment. The Head of Work and Skills noted the comments made around middle aged people of working age and commented that the Council had started to undertake some broader work around this, as it was recognised that this group of people were not benefiting from the economic growth of the city and were becoming excluded more than any other age group.

In terms of gathering destination outcome measures in a more joined up way, it was reported that at present, there was not a Greater Manchester (GM) system that could be used to collect this data in a cohesive fashion, but by collecting this information in a clear and consistent way, it could put pressure on the need for a GM system rather than 10 individual systems for collecting the same data. The Head of MAES added that Manchester College and the Growth Company were involved in developing the Adults Skills Education Plan which would look at current provision and be more explicit as to what the pathways to different employment sectors were, this included how those residents aged over 50 could gain better or new skills to help them obtain new or better employment, through bespoke pathways.

The Deputy Leader noted the challenges faced by those aged over 50 in gaining meaningful employment and suggested that this was an area that would be useful for Scrutiny to look at this in the next Municipal Year.

The Head of Work and Skills advised that the data held on the number of people who worked in the city but lived out of the city compared to those who both worked and lived within the city was accurately measured but noted that the gap in earnings between these two groups was higher in Manchester than other core cities. The Committee was also advised that from the age of the data available, it was not possible to determine whether there was a correlation between access to the labour market dependent on what ward people lived in as well as the qualifications they had.

## **Decision**

The Committee:-

- (1) Endorses the emerging Manchester Adult Skills and Education Plan;
- (2) Suggests that the Committee receives further information on the following areas, at a suitable point in the next Municipal Year:-
  - the work being undertaken to help support the 50-64 age group in the context of addressing low skills;
  - the issue of employers and the underutilisation of employee's skills.

## **ESC/19/20 The Impact of Procurement Policies on Small and Medium Businesses**

The Committee considered a report of the City Treasurer, which provided an update on the impact of the Council's procurement policies on small and medium businesses (SME) in the City. The report also identified challenges and what more could be done in the future to enable SMEs in the City to compete for Council contracts and commissioned services.

The Head of Procurement referred to the main points and themes within the report, which included: -

- The Council's work with SME's through policies and procedures, which had included the introduction of a Sustainable Procurement Policy, with an aim to increase the support for SME's to secure business through the Council's supply chain;
- Additional action the Council had taken to support a diverse supply chain, which had included the incorporation of GMCA Social Value Policy into Council policies and procedures and the introduction of a social fund to help smaller suppliers that may find it difficult to demonstrate "in kind" social value in the tender process but may be able to pay a small percentage of the contract value into the social fund as an alternative;
- Examples of wider business support for SME's from the Council, in addition to the measures introduced through policies and procedures;
- How the Council measured the impact of its procurement policies, utilising the Centre for Local Economic Strategies (CLES) to undertake annual reviews of

- the impact the sustainable procurement policy with the Council's top 300 suppliers and contractors; and
- Next steps, including developing links with the University, Manchester Metropolitan University and NHS procurement teams, and working with the Work and Skills teams to identify how best to promote opportunities and support SME's.

Some of the key points that arose from the Committees discussions were: -

- Was there any analysis undertaken regarding the breakdown of different categories of SME's – micro, small and medium;
- Was there any gap analysis undertaken of SME's with regards to different contracts and how they competed;
- What work was being done around cooperatives;
- Noting the good work of Central Library's Business and Intellectual Property Centre; and
- What was being done to support specific groups in the employment market, such as 50 years plus.

Officers stated that an analysis and breakdown could be given between companies that employed more than 100 people and those that employed fewer and this would be included in future update reports. Procurement would look to see if this could be further broken down in the work that CLES undertook annually. With regard to gap analysis it was reported that SME's were invited to tender for contracts and were included in any soft market tendering exercises to ensure that they were represented, work was also ongoing to support cooperatives and social enterprises. Officer's reported that compared to other cities, Manchester had led the way in regard to social value and ethical procurement and specific engagement was undertaken with employers and providers in regard to a number of specific priority groups, including the 50yr plus age group.

The Executive Member for Finance and Human Resources described the achievements that had been realised through social value and ethical procurement, noting that this area of work had been a priority for him and he had worked with officers to ensure that all contracts included these elements. He said that whilst progress had been made, work on this important area would continue to ensure this was firmly embedded in every contract.

## **Decision**

The Committee:-

- (1) Notes the report; and
- (2) Recommends that any future update report include analysis of the numbers of different types of SMEs – micro, small and medium.



The Committee considered the Quarterly Economy Dashboard for quarter 3 of 2018/10, which provided statistical data on economic development, housing and the visitor economy.

The Performance Analyst and Governance Lead presented the report to the Committee.

Some of the key points that arose from the committees discussions were:-

- Further information was requested in relation to business rates and providers of private car parking, and sample sizes of rental markets in neighbourhoods for comparison; and
- What were the challenges to delivering ultra-fast internet broadband for businesses and residents.

Officers stated that the additional information requested would be circulated to the Committee. In regard to the issue of ultra-fast broad band it was reported that the challenge to delivering this related to the retrofitting of apartment blocks within the city centre. Officers stated that discussions were ongoing with a range of providers to address this and an update would be provided to the Committee at an appropriate time.

The Chair noted the importance of ultra-fast broad band to the economy of the city and this would be considered in further detail at meeting of the Committee in the new municipal year.

### **Decision**

The Committee notes the report.

### **ESC/19/22 Overview Report**

The Committee considered a report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit and responses to previous recommendations was submitted for comment. Members were also invited to agree the Committee's future work programme.

### **Decision**

The Committee notes the report