

## **Economy Scrutiny Committee**

### **Minutes of the meeting held on Thursday, 8 September 2022**

#### **Present:**

Councillor Johns (Chair) – in the Chair

Councillors Good, Moran, Raikes, I Robinson and Shilton Godwin

#### **Also present:**

Councillor Akbar (Executive Member for Finance and Resources)

Councillor Hacking (Executive Member for Skills, Employment and Leisure)

Councillor White (Executive Member for Housing and Development)

Councillor Doswell

Councillor Wright

Joe Crolla (Industry Skills Intelligence Lead - GMCA)

Chris Wright (Assistant Principal – The Manchester College)

**Apologies:** Councillor Bell, Noor and Taylor

#### **ESC/22/33 Minutes**

The Chair requested that item 8 of the minutes of the previous meeting be amended to reflect that the committee endorsed in principle the proposal to begin enforcement of moving traffic offences.

#### **Decision:**

That the minutes of the previous meeting be approved as a correct record subject to the amendment outlined above.

#### **ESC/22/34 Green Skills and Jobs**

The Committee considered a report of the Director of Inclusive Economy which provided an update on the opportunities and challenges faced by Manchester as the city makes the transition to a zero-carbon future.

Key points and themes of the report included:

- Challenges and opportunities in the skills system and implications for the city's clean and economic growth;
- Green skills, low carbon employment opportunities and business growth and innovation were fundamental components of Manchester's growth and were crucial to ensuring an inclusive economy for all residents;
- How skills reforms would support more people into green jobs and help to grow future talent pipelines; and
- Initiatives that the Council is involved in to enable development of skills.

Some of the key points and queries that arose from the Committee's discussions included:

- The impact of the cost of living crisis on the need to address the skills and jobs gap in Manchester;
- Whether leadership and management training was offered within courses;
- The inflexibility of qualifications and how colleges respond to need from industry;
- Whether large-scale funding would help to facilitate retrofitting or whether demand was required first;
- Engagement with businesses to improve carbon literacy; and
- The ability of the Green Skills programme to help eligible candidates get into work.

The Executive Member for Skills, Employment and Leisure acknowledged the impact of the cost of living crisis as vital on the need to address the skills and jobs gap in Manchester and explained that the Council's strategy was to increase household incomes and lower costs and green jobs and retrofitting would help with these aims.

The Director of Inclusive Economy commented that work was needed to emphasise STEM (Science, Technology, Engineering and Math) and the value of trade. The Growth Company was opening a centre in Trafford Park with a focus on these areas and to work with employers.

In response to a query regarding leadership and management training, the Director of Inclusive Economy explained that the Council works with universities on this subject and particularly those which offer MBA courses. The Growth Company are also involved in a wider leadership programmes in co-operation with universities and Greater Manchester Combined Authority (GMCA).

The Industry Skills Intelligence Lead (GMCA) acknowledged challenges in upskilling and explained that less than 1% of the construction workforce in Manchester were fully qualified in retrofitting. An increase in the workforce was required to encourage competition and specialisation and to ensure the workforce is better prepared for the scale of retrofitting.

Members were also informed that GMCA had received funding for upskilling and that this had recently been reissued.

Regarding supply and demand for retrofitting and how large-scale funding would help with this, the Industry Skills Intelligence Lead (GMCA) explained that conversations have taken place with the Department for Business, Energy and Industrial Strategy within central government about requirements and challenges surrounding retrofit. Issues around materials, equipment, capacity and deliverability of organisations, and functions within local authorities and housing providers were cited as potential challenges to large-scale retrofitting.

It was stated, however, that the amount of time taken to pay for green equipment, such as solar panels and heat pumps, had decreased which improved accessibility to green infrastructure. As demand for this increases, employers would also need to employ additional staff to deal with the scale of demand.

Members were advised that authorities were able to apply for additional funding for social housing decarbonisation and this had been undertaken in coordination with housing providers with Greater Manchester expecting to receive £90 million.

The Director of Inclusive Economy explained that Manchester Adult Education Service (MAES) was working to embed carbon literacy into their work as an added qualification within their offer. Carbon literacy training was also taking place in work clubs to upskill club leaders.

In response to the member query regarding how the Green Skills programme would help candidates get into work, the Director of Inclusive Economy explained that the example provided in the report was the Community Renewal Fund which had created a programme with a number of partners including the Council to provide work placements and progress candidates into permanent roles.

The programme was due to be completed in December 2022. Further information could be provided after this and members were assured that the Council anticipated more than 50 people would be in jobs at the end of the programme.

**Decision:**

That the Committee notes the report and endorses the proposed approach.

**ESC/22/35 Green Skills and Housing Retrofit**

The Committee considered a report of the Director of Inclusive Economy which provided an update on the skills, opportunities and challenges faced by Manchester City Council to deliver large-scale housing retrofit programmes to achieve low carbon standards.

Key points and themes of the report included:

- In 2019, the Council set a target to become a zero-carbon city by 2038, with a challenging reduction of at least 50% of our direct CO2 emissions by 2025;
- By 2032 over 85% of the homes Manchester residents will be living in will have already been built and a large-scale retrofitting programme is, therefore, essential;
- Large scale investment in retrofit programmes will drive the demand for green skills and provide the foundations to develop a local skills, employment, and business support offer;
- Challenges in funding to undertake retrofit programmes and the costs involved in retrofitting; and
- The work of colleges and the GM Low Carbon Academy in delivering retrofit training.

Some of the key points and queries that arose from the Committee's discussions included:

- Responding to needs of the industry given the inflexibility of green skills qualifications and how The Manchester College navigates this;

- Lack of incentives for small and medium enterprises (SMEs) to take up green skills training and how this could be improved;
- How much funding in total had been provided for retrofitting by the government;
- If the Council could prioritise contracts for retrofitting with companies who employ local people; and
- Addressing the gender imbalance within the construction industry;
- The scale and number of jobs needed to meet retrofitting targets; and
- Welcomed the sentiment that “every job is a green job”.

The Assistant Principal of The Manchester College explained that green skills qualifications are structured by the awarding organisations and may not be up-to-date in terms of the current needs and practices of the industry. The Manchester College works with contractors in Manchester to develop bespoke modules to complement the curriculum and deliver additional skillsets, thereby responding to the needs of the industry.

Access to skills for SMEs was acknowledged as an issue and The Manchester College had recently been involved in delivering free solar thermal training which provided existing plumbers an upskilling opportunity. This training was delivered to 58 students, 9% of whom were female, and a number of students were able to get work in retrofitting upon completion.

The Assistant Principal of The Manchester College commented that a single Green Skills Academy for Greater Manchester may be useful as a single point of access and information for SMEs. Discussions were also underway with One Manchester and the Institute for Apprenticeships and Technical Education (IFATE) to develop programmes.

The Executive Member for Housing and Development confirmed that there is a funding shortfall for retrofit although some social housing pilots had taken place in past years and the Council would continue to apply for relevant funding. The Executive Member also stated that the Council had spent £83 million on housing stock in North Manchester since 2005, which had resulted in a 49% reduction in carbon emissions.

The Work and Skills Lead and the Assistant Principal at The Manchester College explained that diversity within green jobs and the construction industry was encouraged through work in schools, careers advice and guidance and myth-busting sessions. Members were also advised that the female demographic with The Manchester College’s Transition and T-Level courses in construction had increased to 12% and the new intake of the Construction and Built Environment T-Level course was a 50:50 gender split.

The Committee was informed that between 8000 and 12,000 new jobs were required to meet retrofit needs. Approximately 3000 learners complete construction courses each year from all further education colleges in Greater Manchester and around 1000 begin construction apprenticeships each year. Other schemes such as skills bootcamps were also being held to increase the number of people in the construction industry.

With regards to whether the Council could prioritise contracts for retrofitting with companies who employ local people, the Director of Inclusive Economy explained that where the Council has levers, such as in procurement, it will seek organisations which employ local people but there was no capacity to monitor this. There were varying degrees of influence in other areas, such as joint contracts and land, and this could be requested through the planning process.

Members felt that retrofitting was a significant piece of work for the Council which needed to be developed collaboratively between the Economy Scrutiny Committee and the Environment and Climate Change Scrutiny Committee. Councillor Irene Robinson proposed that a working group on housing retrofit be established, seconded by Councillor Mandie Shilton Godwin.

**Decision:**

That the Committee

1. notes the report and
2. recommends that a working group be established and made up of members of the Economy Scrutiny Committee and the Environment and Climate Change Scrutiny Committee to support the delivery of the housing retrofit plan.

**ESC/22/36 Social Value and Climate Change**

The Committee considered a report of the Head of Integrated Commissioning and Procurement which provided an update on how the Council's Social Value Policy, adopted by Executive in 2021, was being used to contribute economically to the Council's ambition to be zero-carbon by 2038, supporting green jobs and skills.

Key points and themes of the report included:

- The objectives and approach of the Social Value policy;
- Outcomes of a review of the Social Value policy in 2021 which included a commitment to a reduction in emissions associated with the goods, services and works contracts that the council procures;
- Priority cohorts had been identified and tenderers were requested to outline how Social Value proposals would benefit these specific groups;
- The introduction of a 10% weighting in the evaluation of tenders specifically in relation to climate change and the environment to ensure that the council's suppliers recognise the climate emergency and share the council's commitment to achieve net zero carbon emissions by 2038 or sooner; and
- Work was underway with authorities across Greater Manchester to establish a more harmonised set of social value measures, whilst retaining flexibility for measures in relation to local priorities.

Some of the key points and queries that arose from the Committee's discussions included:

- The number of people supported through the procurement process and are they carbon literate;
- A request for case studies on what social value means in practice;
- Whether contractors are required to pay the Living Wage and how this can be monitored and enforced;
- A need to increase public communications on social value work to inform and celebrate progress; and
- If and how social value policy applies to arms-length management organisations (ALMO) and social landlords.

The Head of Integrated Commissioning and Procurement agreed to provide case studies of what social value means in practice outside of the meeting and explained that although figures on the number of people supported through the procurement process were unavailable, an annual survey of the top 300 suppliers was undertaken to analyse trends and showcased at an annual event with suppliers.

Members were informed that provisions for carbon literacy training within the supply chain would be covered by the 10% carbon reduction weighting required through the process. Suppliers are expected to outline their current position towards carbon zero, proposals on improving this position, and their target date for achieving net carbon zero as part of the tendering process.

The Head of Integrated Commissioning and Procurement confirmed that as the Council is a Living Wage-accredited organisation, suppliers are also expected to pay the Living Wage. Where suppliers already have a contract with the Council and do not pay the Living Wage, officers would work with the supplier to plan how this could be achieved.

In response to a query regarding how this is monitored and enforced, it was stated that the Council was investing in a Contracts Management System and looking into dedicated social value measurement tools to capture information from suppliers and harmonise monitoring of social value across the council. Suppliers would be expected to upload their own data into the Contracts Management System which would encourage self-service and enable officers to generate data reports quickly. Recruitment was also underway for two posts to monitor the effectiveness of the 10% carbon reduction weighting and these would be funded by the zero carbon programme.

Members were advised that events celebrating social value achievements had been held in the past but became virtual during lockdown. A face-to-face event was held in February 2022 and was well-received with the event for 2023 currently being planned. It was acknowledged that this was an opportunity to publicise social value in the procurement process more widely. The Head of Integrated Commissioning and Procurement confirmed that feedback as to how and where social value funding had been spent would be provided to those contributing to the funding.

The Committee was also informed that social value policies apply to the maintenance contract for the Council's housing management company, Northwards. Social housing providers are included in the Council's action group to become a Living

Wage City and it was acknowledged that many social landlords in Manchester employ local companies and employees.

The Executive Member for Finance and Resources reiterated the Council's encouragement for suppliers to invest in Manchester, commended the Council for reviewing social value policy to maximise social value across all areas and recognised the need to publicise social value work.

**Decision:**

That the Committee

1. notes the report and
2. recommends that the Council improves the public promotion of its social value work and achievements.

**ESC/22/37 Overview Report**

The 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.

**Decision:**

That the Committee note the report.