

Economy Scrutiny Committee

Minutes of the meeting held on Thursday, 9 March 2023

Present:

Councillor Johns (Chair) – in the Chair
Councillors Moran, Noor, Raikes, I Robinson and Shilton Godwin

Also present:

Councillor Hacking, Executive Member for Skills, Employment and Leisure
Councillor White, Executive Member for Housing and Development
John Thornhill, Chief Executive, LTE Group
Rachel Curry, Principal, The Manchester College, and Group Deputy CEO
Peter Cox, Managing Director, Novus

Apologies: Councillor Good and Taylor

Thanks

At the commencement of the meeting, the Chair noted that this was Councillor Raikes' last Economy Scrutiny Committee meeting before the end of his term as an elected member in May. The Chair wished Councillor Raikes well and thanked him for his work on the committee.

ESC/23/14 Minutes

Decision: That the minutes of the meeting held on Thursday, 9 February 2023 be approved as a correct record.

ESC/23/15 The LTE Group Update: Strategy and Performance

The committee considered a report of the LTE Group which provided an update on The Manchester College's progress, performance and contribution to Manchester's work and skills outcomes since the last update in 2022 and an update from Novus on the work undertaken providing learning, skills and opportunity for offenders within prisons in the region and on release.

Key themes and points within the report included:

- Providing an introduction and background to the LTE Group, The Manchester College and Novus;
- The recent reclassification of Further Education and Skills providers;
- The College's T-Level Strategy, College Vision 2027 Strategy and transformational estates strategy;
- Specific case studies on the College's work within the digital sector as requested;
- Learner outcomes and performance;
- The Novus Works service, which provided qualifying organisations with a free pre-selection, upskilling, placement and integration service and learners with

an opportunity to build a better future through employment on release from custody; and

- Case studies of Novus' work in resettlement, developing education and working with employers.

In opening the item, the Chair stated that Councillors Noor, I Robinson, Shilton Godwin and himself had visited The Manchester College's City campus earlier in the week and wished to place on record their thanks to those who facilitated their visit.

Key points and themes that arose from the committee's discussions included:

- The contradiction between the devolution trailblazer scheme for Greater Manchester and the reclassification of FE providers;
- The impact of reclassification on the Group's ability to finance capital projects;
- Suggesting that the committee recommends that the Executive Member for Skills, Employment and Leisure write to the Secretary of State for Education to support the Group's lobbying efforts;
- Highlighting the importance of work experience;
- What, if anything, The Manchester College would change about T-Levels;
- How The Manchester College was preparing for future changes in ways of working, such as increased need for green and digital skills and biodiversity work;
- If FE policy instability and unpredictability had impacted the College's ability to build relationships with partners and employers;
- What prevented more educational and employment help being available to those in custody;
- The diversity of employers engaged with Novus;
- How Novus highlighted the positive contributions of their work;
- Clarifying whether the 17% of learners who secured employment after leaving custody had received a qualification whilst in custody or if this was a general figure; and
- Reoffence rates amongst those who secured qualifications and employment upon leaving custody.

The Chief Executive, LTE Group explained that the Group was operating in a significantly different context than at its last update to the committee in 2022 following the reclassification of Further Education (FE) providers into the public sector. He explained that there were challenges in the implementation of this, such as being unable to use normal banking arrangements and loans which had been key to the operation of the LTE Group. He stated that work was ongoing between the Group, the Council, Members of Parliament (MPs) and senior officials in the Department for Education (DfE) to identify how the previous practice could be replaced with a government loan arrangement. He explained that these changes could mean that work within the FE sector would be delayed and there could be a need in the future for help from the Council in lobbying the government and the Treasury to ensure that services continue to be available to young people and vulnerable adults.

In response to a member's query, the Chief Executive, LTE Group explained that the reclassification of FE providers had been pitched as a government change to control

and effectively commission public expenditure. He stated that ongoing work with the DfE aimed to highlight the day-to-day impact on delivery and that there were some implications on devolution and levelling up for Greater Manchester as the DfE was responsible for FE providers' budgets. It was unclear what impact this would have on accountability and how projects could be delivered, and the LTE Group hoped to be used as a case study to work with the DfE and the Treasury.

The Chief Executive, LTE Group noted that the Chair's suggestion of the committee recommending the Executive Member for Skills, Employment and Leisure to write to the Secretary of State for Education to support the Group's lobbying efforts could be helpful in the future. He stated, however, that officers and the relevant Executive Members were aware of emerging discussions with stakeholders and were supporting the Group with these in the interim.

The Principal of The Manchester College and Group Deputy CEO informed the committee of the College's continuing ambitions in T-Levels and commitment to the new T-Level curriculum offer, of which, she stated, the College was considered to be a flagship provider across the country. She explained that there were now over 300 students undertaking either a T-Level course or a transition course which would lead to undertaking a T-Level and these students benefitted from direct contact and exposure to employers, who co-designed the curriculum offer. She also highlighted the performance of the College and its students and expressed hope that the College would be shown to be performing well against national benchmarks once these were released. She also stated that there would be challenges in responding to increases in cohorts over the next several years and that the College had worked closely with the Council on three bids for post-16 capacity funding, which would enable the College to create additional space for post-16 students. These bids were currently with the Secretary of State for Education and a decision was anticipated in spring 2023.

The Chair noted comments around increased numbers of students in future and queried when this peak was expected. In response, the Principal of The Manchester College explained that a gradual increase was forecasted with the peak number of students expected in the 8th year. She explained that future modelling had been undertaken, which estimated an additional 800 students in the next 8 years. The College was examining how to address this increase in student numbers and hoped to create additional space at their Wythenshawe, Openshaw and City campuses.

In response to a query regarding what, if anything, the Principal of The Manchester College would change about T-Levels, members were informed that the College was a positive advocate for T-Levels and attendance on these courses was high with positive student and employer feedback. The Principal of The Manchester College noted that T-Levels were challenging and technical, and transition courses were available to prepare students. She explained that the College had taken part in the Ofsted Thematic Survey and provided feedback on what could work better and differently.

The Principal of The Manchester College noted, however, that she had been notified that day that the DfE had deferred some T-Level routes starting in September, which

would be unsettling for those students intending to undertake these courses, and she stated that better preparation and stability on the part of the DfE would be beneficial.

The committee was advised that work placement opportunities provided students with an understanding of what employers needed and to contribute towards their placement. The Principal of The Manchester College explained that digital skills were embedded into the curriculum and provided an example of a student on a work placement who used their skills to digitalise their company's employee induction programme, which was now being rolled out in the company's offices nationwide. She explained that the green agenda was being addressed within the construction T-Level course and there were certain elements within the curriculum which referred to this.

Members were also advised that the DfE had recently amended the T-Level guidance to allow remote placements, which demonstrated how the T-Level offer was adapting to changing ways of work.

In response to a query from the Chair, the Principal of The Manchester College stated that the College was fortunate to have employers embedded within the organisation and who were committed to co-designing and co-delivering the T-Level offer, which meant that the instability in FE policy did not significantly impact partnerships with employers. She commented that this instability would not prevent the College from delivering equivalent offers, such as BTECs, for those students affected by the postponement of some courses.

The Managing Director of Novus provided an overview of the provider and explained that the curriculum mirrored that offered in mainstream colleges to work with offenders and support their rehabilitation and transition from custody to the community. The committee was informed that there were 2,500 learners from across Greater Manchester with a 93% qualification rate. He also stated that Novus worked with learners to support a transition into work at the end of their sentence and offered members of the committee the opportunity to visit a Novus department, which was welcomed.

In response to a member's queries, the Managing Director of Novus explained that there were four main providers of prison education across England and Milton Keynes College delivered education at HMP Manchester as part of a high-security estate procurement lot by the Ministry of Justice.

He also explained that prisons were complex delivery environments with complex cohorts of learners and there were challenges around prison operations, officer recruitment and the impact of this on the running of a prison, the stability of learners, and changes in stay and the impact that movement between prisons can have on opportunities to learn. He commented that Novus tried to link the curriculum between sites so that learners could continue their studies seamlessly.

He explained that Novus worked with several employers across the construction, hospitality and other industries and provided a unique and supportive offer to employers. He acknowledged that there could be concerns over the reliability and

public perception of offenders and explained that Novus worked with employers to mitigate these concerns.

The Chief Executive of the LTE Group commented that the Group continuously lobbied for change and had been successful in changing legislation on apprenticeships to enable offenders who could be released on temporary licence to undertake these programmes whilst completing their custodial sentence.

The Managing Director of Novus acknowledged the need to publicise positive stories around their work and achievements of learners. He highlighted changes to legislation, work with combined authorities across the country to better link the transition from custody to the community and highlighting positive case studies in the media, although he noted that this required permission from the Ministry of Justice.

In response to queries around employment and reoffending rates, members were informed that the 17% figure listed within the report reflected the whole population released from custody, rather than just those who had achieved a qualification during their custodial sentence, and was a statistic provided by the Ministry of Justice. It was stated that this figure rose to 30% for some Novus initiatives. Members were also informed that Novus had undertaken a study with Manchester Metropolitan University on the reduction in reoffending rates which demonstrated that those who undertook education courses and progressed into employment upon release from custody were 24% less likely to reoffend than those who did not transition into the workforce.

The Director of Inclusive Economy also took the opportunity to highlight that Jobcentre Plus were co-hosting an employer roundtable event with Timpson and Kier on recruiting ex-offenders in March 2023, which demonstrated the ongoing work to utilise the talent of those leaving custody.

Decision:

That the committee

1. notes the report, and
2. recommends that a report on training and skills provisions for offenders and ex-offenders be considered in the next municipal year, to support the reintegration of offenders into the economy and to promote further joint working between the LTE Group and Manchester City Council.

ESC/23/16 Labour Market and Recruitment

The committee considered a report of the Director of Inclusive Economy which provided an overview of the labour market in Manchester, how it had changed in the last 3 years and the current issues and opportunities.

Key points and themes within the report included:

- The approaches being used by Manchester City Council in collaboration with partners to meet skill and labour market needs to combat challenges faced by

businesses and residents as a result of the volatile economy and labour market conditions, and the successes of this;

- The Manchester Employment Partnership's strategic approach and activity to co-ordinate a response and shape the future labour market;
- Examples of sector recruitment activity supporting health and social care, construction, digital and hospitality sectors;
- Examples of area recruitment activity supporting North, Central and South areas of the city; and
- The businesses supported by the Council's Work and Skills Team.

Key points and queries that arose from the committee's discussions included:

- Commending the Work and Skills Team for their work on hosting recruitment and careers events;
- Noting that Manchester had the fifth-highest childcare costs in the UK, and how this impacted employment rates;
- The consequences for women returning to work;
- How engaged the Council was with the Jobcentre Plus;
- Whether employers were improving their offer to attract prospective applicants for vacant roles;
- What differences residents and employers might see if there was local control over Jobcentres;
- Why there had been a low take-up of apprenticeships, and what solutions were available to address this; and
- How the Council was consulted on the Local Skills Improvement Plan to ensure it embeds with the Council's policy priorities.

The Executive Member for Skills, Employment and Leisure stated that Manchester's labour market was tight with many sectors reporting skill shortages and unfulfilled vacancies. He commented that Brexit and the Russian invasion of Ukraine had impacted the labour market, and this remained volatile. He noted that professional, scientific and technological services remained the biggest employing sector in Manchester and that unemployment and economic inactivity had risen over the previous three years despite growth in vacancies. He highlighted that the Work and Skills Team led strongly on a partnership approach to connect Manchester residents to employment opportunities and to support businesses to recruit the talent that they require, for example through recruitment fairs and focused support where required.

The Director of Inclusive Economy commented that some sectors had been worse hit by the Covid pandemic and energy crisis. She noted that 1 in 5 vacant Greater Manchester roles were in Manchester city centre and there were now 27% more jobs in the city than in 2015. She highlighted other aspects of the labour market such as job posting statistics; size of businesses; economic inactivity; and challenges in recruitment. She also highlighted the work being undertaken to address these challenges, such as the Work and Skills Strategy that was approved by the Executive in 2022, the work and focus of Jobcentre Plus, different work programmes such as Restart and Kickstart, the Adult Education Programme and the partnership working between agencies in Manchester.

In response to discussions around the significant cost of childcare and the impact this had on parents returning to work, the Director of Inclusive Economy acknowledged the issue and the impact of low wages on the viability of working. She noted that childcare businesses had been impacted by the Covid pandemic and many providers received business grants to maintain provisions. The committee was also informed that the childcare sector was competitive, and it was noted that there was some work required to encourage providers to become Real Living Wage-accredited.

The Executive Member for Skills, Employment and Leisure highlighted the need to view childcare provisions as national infrastructure, which was reiterated by committee members who suggested adult social care provisions should also be considered.

It was also noted that the income gap between men and women was lower in Manchester than nationally, but this was largely as a result of men earning less. The Work and Skills Lead noted that increases in economic inactivity during the pandemic was driven by female economic inactivity, which could be a consequence of high childcare costs or other caring responsibilities.

It was stated that the Council had a good working relationship with Jobcentre Plus and the Director of Inclusive Economy commented that the organisation was willing to work locally with the Council. She cited the Kickstart scheme as an example of where local input and design could have resulted in better outcomes more quickly.

Members were also advised that the employer offer had improved given the tight labour market with increases in the median wage.

In response to a query around apprenticeship take-up, the Director of Inclusive Economy commented that there had been low numbers of apprenticeships in the city in previous years, which was largely due to the nature of Manchester's economy and where the demand for skills was. She also explained that apprenticeships had been negatively impacted more than other learning and educational provisions during the Covid pandemic and many apprentices were furloughed which interrupted their studies. She also commented that the replacement of apprenticeship frameworks to standards had been challenged for apprenticeship providers and the resources available to them and they did not receive the same level of support during the pandemic as other learning providers. It was also stated that the apprenticeship levy had not generated the employer buy-in that was anticipated. The Director of Inclusive Economy advised members that there would be a focus on apprenticeships in the next year to promote them as an alternative offer.

In response to the Chair's query regarding consultation on the Local Skills Improvement Plan, the Executive Member for Skills, Employment and Leisure advised that the Council was engaged in this through the Leader's input at Greater Manchester level. The Council's Work and Skills Team also met with the Greater Manchester Combined Authority (GMCA) and Greater Manchester Chamber of Commerce to discuss the content of the Plan and ensure that there was a focus on low-skilled and unskilled workers.

The Executive Member for Skills, Employment and Leisure welcomed the committee's discussion on this subject and advised that regular briefings were provided through Area Committees, which he encouraged all members to engage with.

Decision:

That the report be noted.

ESC/23/17 Manchester Adult Education Service (MAES) Performance Update

The committee considered a report of the Director of Inclusive Economy and the Head of MAES which outline performance in 2021/22 and the skills challenges in the city.

Key points and themes within the report included:

- Providing an introduction and background to MAES;
- Current and upcoming projects;
- Key performance indicators and funding in the 2021/22 teaching year;
- Enrolment by each curriculum area;
- Outcomes of a review of the Quality of Education and areas for improvement;
- The work of the English for Speakers of Other Languages (ESOL) Advice Service; and
- Priorities for the current academic year.

Key points and queries that arose from the committee's discussions included:

- Welcoming the use of data in the ESOL provision;
- What a more stable adult education system might look like;
- Noting that 61% of people assessed as requiring an ESOL course were enrolled, and querying whether this figure was satisfactory;
- Expressing frustration over funding constraints and the impact this had on the support that MAES could provide; and
- How the service was addressing changing skillset need.

The Executive Member for Skills, Employment and Leisure introduced the item and explained that MAES was a successful service which delivered core provisions aligned to the skills needs of the city and city region. He commented that MAES aimed to develop an inclusive economy and to ensure that all Manchester residents had access to the skills they required to participate in the economy. He stated that there were significant funding challenges as the adult education budget had not increased since 2006, which impacted on capacity to deliver, but highlighted success in the opening of a new adult educational facility in the Gorton Hub, which he encouraged committee members to visit.

The Head of MAES reiterated the Executive Member's comments and explained that the service worked with residents to help them be in a position to enter the job market or undertake further adult education. He commented that MAES aimed to get service

users to be economically active by improving their educational prospects. He acknowledged challenges in the service, such as the Covid pandemic which had impacted recruitment, and MAES estate was noted as a significant challenge to being able to provide services. Members were advised that some progress had been made to address this issue, such as reviewing options for the update of Greenheys and Withington Adult Learning Centres.

In response to the Chair's query regarding the percentage of people accessing an ESOL course, the Head of MAES explained that there was demand but the service was experiencing a lack of funding and staffing resources to meet this. He stated that the service tried to recruit ESOL tutors with limited success and work was underway to develop and train new tutors to deliver this provision.

In response to a supplementary question as to the cause of issues in recruiting ESOL tutors, the committee heard that there was a national shortage. The Head of MAES commented that many adult education providers were developing their own tutors to address the shortfall.

The Head of MAES acknowledged changes to the types of skills needed in the job market as the economy and working practices changed and he stated that MAES would need to examine the service it provides and its clientele. The committee heard that whilst MAES was not a provider of technical skills education, it would seek to identify niches in the market to help service users into careers where there was demand and need. Work was underway with the Work and Skills Team to reduce skill shortages in the digital sector and all learners gain digital skills through their studies with MAES.

The Resource and Performance Manager reiterated a previous point that adult education funding rates had not increased since 2006 and this impacted on the amount of funding given to MAES. He commented that the Greater Manchester Combined Authority (GMCA) was undertaking due diligence work on the possibility of providing a 1-year uplift in funding to address impacts of the cost-of-living crisis, following discussion with providers and local authorities. This work also included identifying opportunities to increase rates and funding in the future, which the Chair welcomed.

The Resource and Performance Manager stated that cost pressures in wage inflation and particularly energy prices were impacting the service and would continue to do so in the short and medium term.

Decision:

That the report be noted.

ESC/23/18 Selective Licensing - Results of Public Consultation (2022)

The committee considered a report of the Strategic Director (Growth and Development) which provided an evaluation of the recent public consultation undertaken in areas within Moss Side, Levenshulme, Longsight, Cheetham and

Rusholme to establish whether the designation of a Selective Licensing scheme was required in these areas.

A presentation on the findings of the consultation was also provided at the meeting.

Key points and themes within the report included:

- Providing an introduction and background to Selective Licensing;
- The rolling programme and previous schemes in Crumpsall, Moss Side, Moston and Old Moat;
- The evidence base for the introduction of Selective Licensing;
- The process and method of the public consultation;
- The survey response rate including ward and respondent breakdown;
- An analysis of survey responses;
- Formal representations from landlord trade bodies; landlord representations; two petitions; and resident groups;
- The number of internal and external inspections carried out on properties within the proposed Selective Licensing area, and the actions taken arising from these; and
- Next steps, including undertaking an additional round of consultation in Cheetham.

Key points and queries that arose from the committee's discussions included:

- Expressing concern that there may have been a campaign to pressure Cheetham residents to respond to the consultation in a particular way, and querying whether there was any evidence of this;
- How many responses were received in other languages, and how the Council engaged with non-English speakers; and
- Noting the number of category 1 hazards of excess cold in inspected properties, and placing on record hope that the government would impose higher standards for landlords which could be built into Selective Licensing.

The Executive Member for Housing and Development stated that the extension of Selective Licensing was a key manifesto pledge for the administration and a motion had been passed at Full Council in February 2022 to deliver further landlord licensing schemes to tackle rogue landlords and improve housing conditions. He commented that there were a number of successful schemes in place across the city and consultation had been undertaken in 8 proposed new scheme areas, of which 5 were proposed to be implemented. He stated that the three schemes in Cheetham which had been paused were still intended to be implemented in the future, but more work needed to be undertaken to fully understand the results of the consultation in that area.

The Housing Strategy Project Manager explained that there were several different ways of engaging with those residents for whom English was not their first language, including having bilingual staff at drop-in sessions and during the door-knocking stage of the consultation. He acknowledged that there were more ways that this

could be achieved and a 'lessons learnt' exercise would be undertaken which would address some of the points raised by the committee.

The Executive Member for Housing and Development conceded with a member's concern around the number of category 1 hazards in inspected properties and stated that this was also reflected through the consultation responses. He commented that enforcement could currently only be taken against landlords where a property either did not have an Energy Performance Certificate (EPC) or was rated below E for energy efficiency and stated that he would like to see the government revise this to properties rated below C or higher to match changes to social housing regulations by 2030.

The committee was also informed that an ongoing devolution trailblazer discussion between Greater Manchester and the government included devolving decision-making over Selective Licensing.

The Executive Member for Housing and Development thanked officers for their work on the schemes and consultation.

Decision:

That the Committee

1. notes the report, and
2. endorses the proposal to implement a Selective Licensing scheme in the 5 areas detailed in Maps 1 to 4 (Appendix 1).

ESC/23/19 Overview Report

The committee considered a report of the Governance and Scrutiny Support Unit which provided details of key decisions within the committee's remit and its work programme.

Decision:

That the report be noted.