

Economy Scrutiny Committee

Minutes of the meeting held on 11 February 2021

This Scrutiny meeting was conducted via Zoom, in accordance with the provisions of The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

Present:

Councillor H Priest (Chair) – in the Chair

Councillors Green, Hacking, Johns, Noor, Raikes, Shilton Godwin and Stanton

Apologies: Councillor K Simcock

Also present:

Councillor Leese, Leader

Councillor Rahman, Executive Member for Skills, Culture and Leisure

Adele Reynolds, Principal Skills Manager, Greater Manchester Combined Authority

Nichola Wallworth: Industry Skills Intelligence Lead, Greater Manchester Combined Authority

Lisa O'Loughlin, Principal and Deputy Chief Executive The Manchester College/LTE Group

John Thornhill, Chief Executive LTE Group

ESC/21/08 Minutes

Decision

To approve the minutes of the meeting held on 14 January 2021 as a correct record.

ESC/21/09 Growth and Development Directorate Budget - Final Proposals 2021/22

Further to minute ESC/21/2 (Growth and Development Directorate Budget Proposals 2021/22), the Committee considered a report of the Strategic Director – Growth and Development, which provided a further update on the savings proposals being proposed as part of the 2021/22 budget process which reflected any feedback from the November 2020 meeting.

The Leader advised that that the changes contained in the report were either as a result of recommendations previously made by the Committee or where of such a minor nature that they did not significantly impact on the overall budget proposals. He made the Committee aware that the proposal to reduce the number of posts on Planning and Building Control was being reviewed as there was concern that this proposal would result in a loss of income. It was planned that the outcome of this review would be reported to the Executive on 17 February 2021.

Key points to note were:-

- As at December 2020 the Directorate was forecasting a net overspend of £2.965m, this included Covid-19 related pressures of £5.527m, offset by in year mitigation of £2.562m;
- The Covid-19 pressures are made up of a combination of £4.523m reductions in income and increased cost pressures of £0.992m;
- The main loss of income had arisen within the Investment estate due to tenants not being in a position to pay their rents because their business has been impacted by Covid-19;
- In addition to the income reductions, there have been increased costs with the main costs being in respect of supporting the Corporate response to supporting the City's most vulnerable residents, this was forecast to cost net c.£0.783m in the current financial year; and
- As part of the ongoing work seeking to mitigate the above pressures in year forecast savings of £2.562m had already been identified, this was largely due to staff savings because of vacant posts and reduced running costs across all services.

The Committee was invited to comment on the report prior to it being considered by Executive.

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

- It was welcomed that the concerns raised by the Committee at its previous meeting had been taken into account in the budget proposals;
- Whilst acknowledging the budget constraints the Council faced, it was disappointing to see that the Council would have to end its support to My Future ILM and the impact this would have on the ability to coordinate skills, training and employment support offered at a local level; and
- It was proposed that the views of the Committee in regard to the changes to the budget savings associated with Planning and Building Control be taken into account as part of the service redesign that would be taking place.

The Leader commented that it would be important for local government to continue lobbying central government to take a devolved approach to skills and employment programmes with the capacity to join these up with national programmes, in order to ensure the best outputs and value for money.

Decision

The Committee agree the saving proposals as described within the report and endorse these to the Executive.

ESC/21/10 Skills and Adult Education: Overview and Context

The Committee considered the report of the Director of Inclusive Economy that provided an overview of the supply and demand of skills and adult education in the city. The report provided an overview of the city's skills shortages and challenges and on the impact of Covid-19 on skills provision and labour market requirements. It also provides an update of some of the national and regional

policy responses and commissioning, which are to support local delivery in responding to these challenges and opportunities

The key points and themes included:-

- Describing the pre-pandemic labour market growth and demand;
- Describing pre-pandemic labour market and skills in Manchester
- Impact of the Covid pandemic on Manchester's labour market and demand for skills;
- Residents most affected by the changes of labour market;
- Additional skills challenges and opportunities;
- National policy response to skills and labour market issues; and
- Responding to skills challenges and opportunities through local funds, programmes and initiatives

The Chair recommended that this report be considered in conjunction with the following presentation, following which she would invite comments and questions on both items from the Members.

ESC/21/11 GM Digital 'Economic Growth – ensuring an appropriate talent pipeline'

The Committee received the presentation of the Skills Intelligence Lead (Greater Manchester Combined Authority) provides an oversight on how the Combined Authority is ensuring an appropriate talent pipeline for the economic growth of the city region.

Having regard for the presentation and previous report some of the key points that arose from the Committee's discussions were:-

- Was that funding to address the digital skills gap being made available by central government enough;
- Welcoming the focus on retrofitting, commenting that when describing this activity an explanation should be provided so that this term was understood by the lay reader of these reports;
- Recognising the importance of smaller business outside of the city centre, what support was being offered to support them to upskill;
- The need to encourage and support women in this activity;
- How was this work being promoted;
- The need to continue retain graduates in Manchester, noting the particular challenge that Covid had presented;

The Director of Inclusive Growth stated that the scale and ambition of the programme and the funding made available to deliver this was a challenge, commenting that the true scale on the unemployment rates across the city are yet to be realised as the furlough scheme still existed. She advised that support was available to smaller business to upskill intelligence obtained from MIDAS and the Business Hub would enable relationships and dialogue to develop around the issue of skills and development. She further acknowledged the comments made regarding the

challenges and barriers experienced by women in the labour market and stated that this continued to be monitored and consideration given to appropriate support.

The Director of Inclusive Growth advised that she acknowledged the importance of retaining graduates in Manchester, noting that the numbers of students enrolled compared to those actually living in Manchester was different as a result of the pandemic. She advised that discussions were ongoing with the Universities to explore opportunities for linking graduates with local SME's, noting that often their ability to recruit was more agile compared to larger organisations. In response to comments regarding different employment sectors she stated that Manchester was committed to the Living Wage and work was underway for all of Greater Manchester to adopt the Living Wage.

In response to comments made regarding digital inclusion the Director of Inclusive Growth directed Member to the report that was submitted to the Communities and Equalities Scrutiny Committee meeting of 3 December 2020 that provided an update on the digital inclusion challenge within Manchester, the impact of Covid on those who were excluded and the initiatives that were being developed in aim to scale up efforts to tackle the challenges.

The Principal Skills Manager at Greater Manchester Combined Authority stated that whilst the scale of the ambition and funding available was a challenge, noting that only £20m had been allocated nationally, discussions were ongoing and would continue with the Department for Education to discuss alternative funding options. She stated that it was acknowledged that the terminology and pathways for digital roles could be off putting and they were working closely with industry to clarify the employment pathways and job descriptions, and this in turn informed the awareness training and supported events provided by the Job Centre Plus and Careers Service. She further advised that specific targeted work was undertaken with particular groups, including the over 50s who had traditionally felt excluded from such initiatives and training opportunities.

The Principal Skills Manager at Greater Manchester Combined Authority further advised that a Greater Manchester Digital Inclusion Task force had been established to drive this activity, however noted that it was recognised that linking local residents to the local offers and opportunities in the localities was central to achieving the ambitions and promoting and progressing digital transformation across all sectors.

The Industry Skills Intelligence Lead stated that a total of sixty thousand homes per year would need to be retrofitted to achieve the target set for Greater Manchester and meet its carbon reduction ambitions. She advised that in addition to larger construction companies discussions were underway with both local smaller and sole traders to discuss the options for upskilling to meet this demand. She commented that it was important to ensure that businesses were confident that this work would materialise and it to their benefit to recruit, train and upskill their work force to deliver the retrofitting work as previous experience following government announcements had resulted in a degree of scepticism within the sector. In addition to engagement with employers discussions were also underway with the various skills and training providers so that they could adequately plan for and embed the required training for both existing construction workers and new recruits to the industry.

Decision

The Committee notes the report and presentation.

ESC/21/12 Manchester Adult Education Service (MAES) update

The Committee considered the report of the Head of MAES that provided information on MAES performance in 2019/20, the challenges of COVID-19 and the impact on residents in 2019/20 and 20/21 academic years and the service response and how this will affect future delivery.

The key points and themes included:-

- Providing an introduction and background;
- Information on the Centres that were open between September 2019 to March 2020;
- Information on the Centred that were closed between March 2020 and September 2020 and how the service had adapted in order to meet the needs of its learners;
- Centres open September 2020 - December 2020 and January 2021 lockdown;
- Information on new programmes developed in response to the Covid pandemic and its existing priorities;
- An overview of Performance and Funding 19/20;
- Information relating to Digital Inclusion;
- ESOL Advice Service; and
- Future delivery and priorities.

Some of the key points that arose from the Committee's discussions were:-

- Was the scale of the provision delivered by MAE sufficient to meet the demand;
- What access was available to refugees and those without recourse to public funds;
- How had staff responded to delivering online classes; and
- Was engagement with employers still ongoing to support and facilitate employment and training opportunities.

The Head of MAES described that the Covid had highlighted the issue of digital exclusion and issues surrounding low digital skill and confidence experienced by learners. She stated that over 700 lap top devices had been loaned to learners, in addition to data packages and learners are now required to undertake an introduction to digital skills module prior to learning.

The Head of MAES stated that the issue of funding to meet the increasing demand presented a significant challenge, noting that the demand on the service would continue to increase. She advised that lobbying for appropriate levels for funding would continue.

The Head of MAES described that the pandemic had accelerated the Digital Learning Strategy and all staff had adapted well to the new model of delivery. She stated that to support this experienced staff had supported colleagues, in addition to the support offered by their IT department. She stated that this had allowed for a consistent quality offer to be delivered to all learners. In regard to employers, she advised that this engagement was still ongoing, albeit in a virtual setting noting the importance of maintaining these relationships was recognised.

The Area Adult Education Manager, MAES informed the Members that they worked closely via the ESOL Advice Service with a range of VCSE organisations across the city to support and direct refugees to the most appropriate provider.

The Executive Member for Skills, Culture and Leisure stated that the pandemic had highlighted a number of inequalities in addition to the digital exclusion, such as the ability to access a quiet and appropriate place to study in the home. He advised the Adult Education had been underfunded for many years and he called upon the government to recognise the scale of the demand and adequately fund the provision in Manchester.

Decision

The Committee notes the report.

ESC/21/13 The Manchester College Strategy and Performance Update

The Committee considered the report of the Principal and Deputy Chief Executive The Manchester College/LTE Group that provided an update on The Manchester College's progress, performance and contribution to Manchester's work and skills outcomes since the last report to the Economy Scrutiny Committee in 2019.

The key points and themes included:-

- Providing an introduction and background;
- Update on performance against 'College 2020 Strategy';
- 'College Vision 2025 Strategy' and associated curriculum strategy;
- The Centres of Excellence Property Strategy;
- Learner outcomes performance 2019/20;
- In-year learner progress 2020/21; and
- FE policy and future strategic challenges.

Some of the key points that arose from the Committee's discussions were:-

- Congratulating both the staff and students for their achievements despite the challenges presented by the pandemic;
- What was being done to ensure the wellbeing of staff at the College; and
- Were employers still engaged with the College to support and facilitate employment and training opportunities.

The Principal and Deputy Chief Executive, The Manchester College/LTE Group paid tribute to both the staff and students at the college and informed the Committee that

staff wellbeing was paramount and staff had been supported in a number of ways to help and support them deliver their work. She described that this had been achieved by organising staff coffee mornings, ensuring staff had regular breaks and flexible working patterns where possible. In addition to this regular information relating to Covid safety was communicated to staff.

The Principal and Deputy Chief Executive, The Manchester College/LTE Group stated that relationships with employers had been maintained, and the methods of work experience delivery had been adapted in response to the pandemic.

Decision

The Committee:-

- (1) Notes the report.
- (2) Support the proposal that the LTE Group and the Council submit a collaborative response to the consultations associated with the FE White Paper and the LTE Group's commitment to progressing Phase 2 of its Estates Transformation Strategy.

ESC/21/14 LTE Estates Strategy

The Committee considered the report of the Strategic Director – Growth and Development and the Chief Executive, LTE Group that provided an update on the delivery of the LTE Estate Strategy, during which leading edge facilities would be developed for post-16 education and skills training serving Manchester and the wider Greater Manchester (GM) Area.

The main points and themes within the report included: -

- Progress on developing the strategy and its implementation;
- An overview of the existing LTE estate;
- An update on the City Centre Campus development;
- An update on the Openshaw Campus development, currently the College's largest site;
- Information on the progress to date with surplus site disposals;
- An update on completed asset disposals and those currently in progress;
- The associated social value benefits for Manchester residents; and
- Delivery of an improved College and UCEN curriculum strategy and vision to 2025.

The Committee was invited to consider and comment on the report prior to it being considered by Executive.

A key point that arose from the Committees discussions were: -

- When considering disposal of assets due regard should be given to achieving the maximum community value so as to enhance economic, social and environmental outcomes and improvements for neighbourhoods.

The Chief Executive, LTE Group advised the Committee that prior to the disposal of any asset the Group undertook pre discussion with the Growth and Development Team to ensure that any proposals were aligned with the strategic vision, values and ambitions of the Council, and these discussions would then inform the proposals brought forward by developers.

The Leader said he welcomed the LTE group's approach to delivering high quality education and training, he stated that this would benefit residents from all wards in the City. The Chair stated that local Members should be involved with any discussions regarding the development of the estate.

Decision

The Committee:-

- (1) Notes the report.
- (2) Request the Executive take account of the comments made, particularly around the need for balance and ongoing conversations in relation to the Fielden campus.

[Councillor Hacking declared and personal and prejudicial interest in this item as he is a Board Member of LTE Group and Chair of one of its divisional subsidiaries. He left the meeting during consideration of this item].

[Councillor Johns declared a personal and non-prejudicial interest in this item as his employer previously received funding from the LTE Group].

ESC/21/15 Economy COVID19 Sit Rep Report

the Committee considered the report of the Strategic Director (Growth and Development), which provided a further update of the current situation in the city in relation to COVID-19 and an update on the work progressing in Manchester in relation to areas within the remit of the Committee.

Some of the key points that arose from the Committee's discussions were:-

- If available could comparative data on the levels of cycling and walking data be provided; and
- Further information was sought on the proposal to extend the eligibility criteria for additional restriction grant scheme and which groups could benefit from this.

The Director of City Centre Growth and Infrastructure stated that the extended scheme was aimed to support those business that had previously been excluded, including taxi drivers, cultural and tourism related businesses. In response to the question regarding comparative data relating to levels of journeys undertaken by cycling and walking this would be provided following the meeting.

Decision

The Committee notes the report.

ESC/21/16 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. Members were also invited to agree the Committee's future work programme.

Decision

The Committee note the report and agree the work programme.