

Manchester City Council Report for Information

Report to: Economy Scrutiny Committee – 24 June 2021

Subject: Refresh of the Manchester’s Work and Skills Strategy

Report of: Director of Inclusive Economy

Summary

Manchester’s Work and Skills strategy set out the city’s approach to developing a work and skills system that meets the needs of residents and businesses, connecting businesses to talent and residents to sustainable and healthy work opportunities. The strategy has now reached the end of its life.

This report sets out the approach to refreshing the strategy, taking into account the challenging circumstances created in the wake of the COVID-19 pandemic and the wider strategic and policy context in the city. It introduces the themes which are likely to be the main focuses of the new strategy, the work that will need to be undertaken to fully understand and develop them, key issues and dependencies and an indicative timeline for delivery.

Recommendations

Members are recommended to comment on and endorse the proposed approach.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

Climate change and zero-carbon will be placed as an important theme in the new strategy and will seek to address how we can ensure that our residents have the skills needed to support the transition to zero-carbon and businesses have access to the skills & talent needed to deliver key programmes. The final Strategy will also consider how our education and training providers can become equipped to deliver the necessary courses and qualifications to support the City’s zero carbon target.

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	The refreshed Work and Skills Strategy will define how Manchester works together to create skills, employment and training opportunities that supports business growth and connects employment opportunities to our residents.

A highly skilled city: world class and home-grown talent sustaining the city's economic success	The refreshed Work and Skills Strategy will define how Manchester works together to ensure that our residents are able to gain the skills and experience they need to be successful in the labour market, moving into more highly skilled, more sustainable and better paid opportunities.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The refreshed Work and Skills Strategy will directly address the theme of inclusion, and how we can ensure that more of our residents are able to benefit from the city's economic success.
A liveable and low carbon city: a destination of choice to live, visit, work	The refreshed Work and Skills Strategy address how we can ensure that our residents have the skills needed to support the transition to zero-carbon, and how our education and training providers can become equipped to deliver the necessary courses and qualifications to support this.
A connected city: world class infrastructure and connectivity to drive growth	The refreshed Work and Skills Strategy will directly address the theme of digital skills and how we can ensure that residents can develop the digital skills they need to access and be successful in the labour market and digital businesses in the city have the access to the talent they need to continue to grow.

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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 – Forward to 2025, Executive (March 2021)
Manchester Digital Strategy, Economy Scrutiny Committee (December 2020)
Economy Scrutiny (January 2021)
COVID-19 Forward Recovery Planning, Executive (May 2020)
Work and Skills Strategy 2016-21

1. Introduction

- 1.1. Skills, employment and business growth remain fundamental components of Manchester's current & future growth and are crucial to making sure that we build an inclusive economy in which all our residents can benefit from the city's success.
- 1.2. Manchester's Work and Skills Strategy 2016-21 has reached the end of its life and needs to be revised and updated to consider the significant changes and challenges that we have experienced over the last five years.
- 1.3. This paper is intended to set out the approach to refreshing the strategy, the key drivers from a strategic and policy context, and identify any key issues, dependencies and opportunities. The purpose of the paper is to facilitate and inform discussion between senior officers and Economy Scrutiny Members to agree the parameters of the refresh, its goals and objectives, and agree the outline of a project plan to take this work through to completion in early 2022.

2. Work and Skills Strategy 2016-2021

- 2.1. Manchester's Work and Skills Strategy was developed during 2015 alongside the original Our Manchester Strategy, with the implementation period running from 2016 to 2021. The purpose of the 2016 strategy was:

To develop a work and skills system which meets the growth needs of all businesses and enables residents from all backgrounds to obtain the skills and attributes employers require. New and existing businesses will benefit from a growing pool of local talent, while residents will be much better equipped to compete within the local labour market. Increasing numbers of residents will be able to access sustainable and healthy work with opportunities for in work progression, resulting in a fairer and more equal city.

- 2.2. The strategy drew on the themes of the Our Manchester Strategy, setting these "spines" out under retitled headings:

1. Business and Enterprise (Thriving and Sustainable)
2. Resident Skills (Highly Skilled)
3. Addressing Inequality (Progressive and Equitable)

- 2.3. These three spines formed the basis of the structure of the strategy, with each being followed by a set of objectives, outcomes and priorities. The strategy also identified some opportunities and challenges.

- 2.4. The objectives of the 2015 strategy can be summarised as:

- Supporting businesses to grow by making sure they have access to a well-qualified workforce, advice and guidance.
- Influencing the education and skills system to ensure it is led by skills demands and with input from employers.

- Connecting employment, skills and training opportunities to Manchester residents.
- Making sure residents of all ages have access to good quality careers information, advice and guidance.
- Retaining graduates.
- Supporting residents to become more highly qualified.
- Reducing the NEET rate.
- Focusing on those furthest from the labour market.
- Embedding work as an outcome in commissioning and reform programmes.
- Reducing the gap between resident and workplace wages.

3. Strategic context

3.1. Since the 2016 strategy launched the city has experienced significant and largely unforeseen change following a period of growth. The total number of jobs in Manchester increased from 357,000 in 2015 to 410,000 in 2019

3.2. Impact of the COVID-19 Pandemic

The most pressing and current issue is the impact of the COVID-19 pandemic, and while this must be accounted for due to the scale of its impact it is also important to acknowledge that its wider lasting effects are still unknown and will take many years to become understood. For this reason, we should be careful make sure that COVID-19 does not dominate the strategy refresh and recognise the many other significant factors that should be considered.

3.3. While the detailed statistical analysis of COVID-19's impact on the labour market and economy will be considered as part of an evidence base described later in this report, the strategic impacts can be summarised as:

- A state of continuing uncertainty that will persist until the virus is well controlled and the vaccination programme is complete. This applies both domestically and internationally.
- Acceleration of existing business and labour market trends, including:
 - increased home working and more flexible working in some roles and sectors in the short to medium term.
 - decline of physical retail and growth of online retail.
 - digital tools and digital skills becoming ever more important in more roles and sectors.
- Because of the above, the potential of:
 - increased labour market competition for more highly skilled work because of larger or entirely virtual “travel to work” areas.
 - urban transformation based on changing work habits, for example the potential decline of traditional office space and the knock-on impact on associated retail.
- A further divergence between:
 - people in secure and well-paid work who have been able to save, invest and reduce debt and have in some ways enjoyed some positive effects of the pandemic on home and family life.

- people in poorly paid or insecure work who have been more likely to experience negative financial and health impacts.
- Uncertainty around the lasting impact on children, young people and young adults who have faced significant disruption to their education and entry into the labour market.
- Increased labour market competition due to an increase in unemployment that more severely disadvantages those already furthest away from the labour market.

3.4. *Workplace and Workforce Digitisation*

As noted in the preceding section, the impact of digitisation on the economy and labour market is likely accelerating due to the impact of the COVID-19 pandemic, however the basic trends are the same. Manchester is one of Europe's fastest growing technology cities with a strong digital ecosystem. The challenge for the city is to balance the growth of some sectors and occupations against the decline of others, while making sure that residents have the necessary digital skills to access the labour market both in terms of the digital skills required in the workplace and the digital skills required to access the labour market.

- 3.5. With digitisation affecting jobs in more sectors and at higher skill levels, supporting people to transition into new roles and sectors will become increasingly important. Manchester already does some work in this area, primarily in relation to digital inclusion and through learning delivered via MAES (Manchester Adult Education Service).

3.6. *Withdrawal of the United Kingdom from the European Union (Brexit)*

The United Kingdom withdrew from the European Union on 31st January 2020 with transition arrangements ending on 31 December 2020. The consensus of most economists is that Brexit will negatively impact the UK from an economic perspective over the medium to long term, however it is currently too early to judge how Brexit has or will affect residents and businesses locally in Manchester. There are however several emerging trends:

- Many EU workers have left the UK with impacts on staffing in hospitality and leisure sectors including in Manchester. Construction is also heavily affected, particularly in London and the Southeast, with the potential to create labour shortages elsewhere in the U.K. as an already mobile workforce relocate to seek higher pay.
- General increase in costs for some businesses due to higher cost of supplies and higher costs associated with international trade and transactions.

3.7. *Election of a new Government in 2019*

The election of Boris Johnson as Prime Minister in 2019 marked a significant shift from previous Conservative party policy, with a new focus on higher spending on infrastructure and particularly on the concept of "levelling up" parts of the country that have been disconnected from the economic growth enjoyed elsewhere.

3.8. The Conservative Party manifesto made several relevant commitments, with some progress now being seen following the focus on responding to the COVID-19 pandemic:

- Increasing the National Living Wage
- Continuing to roll out Universal Credit
- Reform of the FE system
- Reform to immigration policy with the aim of reducing low-skilled migration

3.9. *Climate change and zero-carbon*

Manchester has declared a climate emergency and aims to be zero carbon by 2038. This theme is cross cutting across all of the organisation's work. It will be important to draw out exactly how the new Work and Skills Strategy contributes to achieving net zero from an employment, skills and business perspective. The main themes under this heading will include:

- Carbon literacy – increasing the basic understanding and awareness of human attributed climate change, and the actions and required to change how individuals, organisations and societies behave and function to respond to climate change
- Skills shortages – ensuring that we have the skills to enact the change required to meet our zero-carbon target, for example by retrofitting properties to be more energy efficient.
- Future jobs - Upskilling existing workers and connecting people to new opportunities in occupations and sectors created through the transition to a zero-carbon economy. There is a need to ensure that this is an inclusive transition so that people who have lost out on previous labour market shifts are equipped with the skills and attributes to succeed in a zero-carbon economy.
- Supply and demand challenges – overcoming the perceived lack of demand for some “green” skills that undermines attempts to put in place green training and qualification routes and funding any time lag.

3.10. Manchester's Climate Change Framework and Action Plan is the city's high-level strategy for tackling climate change and runs from 2020-2025. The Work and Skills Strategy will run alongside the Climate Change, reinforcing its objectives of carbon literacy, investment in skills and training, and building the skills of our residents.

3.11. *Present state of the labour market*

Since the previous strategy rolled out, we have continued to track progress through the transition from Job Seekers Allowance (JSA) to Universal Credit (UC) making like-for-like comparison over the years difficult. However, until the pandemic there was an overall reduction in unemployment in the city and the unemployed claimant count in February 2020 was at 17,410, the lowest it has been in recent decades. In 2019, for the first time, the unemployment rate of minority ethnic residents was lower than the unemployment rate across all residents but this has effectively been reversed by the pandemic.

- 3.12. In terms of skill levels, those residents aged 16-64 without any NVQ qualifications has decreased in percentage terms from just over 10% in 2016 to just under 8% in 2020. Manchester has a higher percentage than both Greater Manchester and England but there is some evidence that in 2020 the gap, particularly with GM, has started to narrow. Conversely, 47.7% of residents hold a higher level (level 4+) qualification in 2020, ahead of the England average and approximately 8% more than in 2016.
- 3.13. While there is a lag in some data 36,100 residents were furloughed in March 2021, there was a 66% increase in out of work benefit claims due to the pandemic with the largest single group being the 20-34 cohort. However, unlike other areas in GM and nationally, there was a significant growth in the claimant count across all age groups under 65 in the City.
- 3.14. In the short and medium term, we anticipate continued labour shortages in digital, health and social care, hospitality, tourism and leisure and construction. There have been longer term skill shortages for digital particularly at higher /technical levels and construction for some time.
- 3.15. *Existing Inequalities*
Many of the inequalities already referenced in this report existed prior to COVID and have been made more acute because of it. This because people and communities that already experienced challenging circumstances have often been disproportionately affected by both the clinical and economic impact of the pandemic. Since the start of the pandemic every area in Manchester experienced an increase in the out of work claimant count. However, most areas that were already classified as employment deprived in the 2019 Indices of Multiple Deprivation (IMD) experienced a greater increase. This correlates strongly with wards in North and East Manchester.
- 3.16. Areas with high numbers of BAME residents have also experienced disproportionate increases, with Moss Side being one of the most affected wards in the city. At Lower Super Output Area (LSOA - the smallest geographical area used for statistical purposes) level, eighteen of the twenty areas with the greatest increase in claimant count also had BAME populations proportionately larger than the city average. Data also shows disproportionate increases in claims from young people, older works (aged 50+), and women.
- 3.17. The Work and Skills Team will be working closely with the Combined Authority and the Greater Manchester Independent Inequalities Commission to further develop a response to inequalities in the city and this will form an important part of the strategy refresh.
- 3.18. *Local organisations and networks*
Manchester benefits from a strong community of businesses, with a range of trade and sector specific industry and a wider network of organisations that support businesses to thrive and grow. Organisations including MIDAS work on attracting investment into Manchester, working directly with companies to secure investment often in the face of competition from other cities in the UK and Europe. In terms of key sectors such as Digital, MiDAS report that a

skilled supply of talent is one of the key attractors for businesses to locate /invest in the City.

3.19. Other organisations including the Business Growth Hub and the Greater Manchester Chamber of Commerce support businesses of all sizes in the city to access support, advice and guidance including access to finance. The Chamber will be leading the development of the Local Skills Improvement Plan (LSIP) in GM to ensure that employers are at the heart of the GM skills system and to maximise opportunities from the recently published Skills White Paper

3.20. Working with these organisations will be an important part of delivering the refreshed strategy and will form an important part of the consultation processes.

3.21. *Investment in Manchester*

The investment pipeline remains resilient with a relatively minor pause early on in the pandemic. The current pipeline of development work includes:

- £4bn Victoria North, totalling £4.5bn+ when combined with the redevelopment of the North Manchester General Hospital site
- £1.5bn ID Manchester, a new “innovation district” at the site of the old UMIST campus, with Bruntwood recently been chosen as the development partner to University of Manchester.
- Significant new projects including Mayfield Depot, Manchester Life, Kendall Milne Building, Renaissance Hotel, and strong pipeline of residential development across the city.
- Over £100m investment in the Manchester College estate, including the development of a new city centre campus for creative and digital industries, a new Centre of Excellence for Business, Financial and Professional Services (due to open in September 2022), and a new Academy for Construction and Engineering in Openshaw with improvements to facilities to deliver the sports curriculum and wider campus improvements for students (due to open September 2021).

3.22. In addition to this, colleagues at MIDAS report that business enquiries remain relatively strong with several significant deals completing over the last year, particularly in the digital and technology sector. Other sources point to a resilient office market despite the switch to home working. There are changes to requirements to increase flexibility and improvements to collaboration space.

3.23. There was a sustained period between 2018 and mid-2019 that saw business deaths outstrip business births on a monthly basis. Births started to exceed deaths from mid-2019 until the start of the pandemic. Since then deaths have again exceeded births but the pandemic has not reduced the number of new business births to a level below the mid-2019 average.

4. Policy context

- 4.1. The Work and Skills Strategy will need to respond to a different policy context. Fundamentally it will need to contribute to the Our Manchester Reset. However, there are several wider local and national policy issues which it is important to understand and consider. The strategy will need to be carefully positioned to be able to drive its own areas of focus while avoiding duplication of existing strategies and supporting them where it can add value.
- 4.2. *Our Manchester – Forward to 2025 (March 2021)*
The Work and Skills Strategy will contribute directly to the delivery of the Our Manchester priorities, adding in the next level of detail to connect local people to the economic success of the city. By developing the skills that the city needs, and addressing current/predicted skills gaps (such as around zero carbon retrofitting), the new Strategy could help ensure employers have the skilled people they need to grow, and local people are able to access new opportunities. The Strategy could also look to support the development of residents' digital skills, not only to access and succeed in work, but also to access services, in order to better connect local people into the life of the city. A distinction would need to be made with the new Digital Strategy.
- 4.3. *Developing a More Inclusive Economy: Our Manchester Industrial Strategy (LIS, Autumn 2019)*
The LIS states that the refreshed Work and Skills Strategy will set out specific activity to ensure residents are equipped with the essential educational, vocational and life skills required to succeed in our city's evolving economy. The Strategy will particularly need to consider how it can contribute to the delivery of the 'People' pillar of the LIS, which includes, for example, developing a digital skills pipeline and building on the Skills for Life work for all young people focused on soft skills and attributes needed to succeed in today's labour market.
- 4.4. A suite of indicators that go beyond traditional income metrics is being developed for the LIS to measure the extent of Manchester's economic inclusivity. These new metrics could have relevance for how the Work and Skills Strategy measures success.
- 4.5. *Powering Recovery: Manchester's Economic Recovery and Investment Plan (November 2020)*
This Plan is aligned with the three LIS pillars of People, Place and Prosperity, and the Skills & Labour Market Recovery work stream delivers to the People elements of the Recovery Plan. The refreshed Work & Skills Plan will need to evaluate progress with delivery and potential funding opportunities to build and sustain the "people" aspects of economic recovery. In the short term, there is a need to ensure that the initiatives and programmes funded through the Plan for Jobs announced by the Chancellor in July 2020 can support the delivery of the City's shorter-term labour market priorities including Kickstart, enhanced incentives for employers to recruit apprentices, JETS and Restart programmes.

- 4.6. In the longer term, there could be opportunities to influence, and build partnerships to support, the focusing and deployment of resources for the Plan's four strategic investment propositions, which would seek to place 'training, skills, innovation, business growth and other public services at the heart of labour-market productivity'. The "people" element of the Economic Recovery and Investment Plan Includes support to stay in education to improve qualifications and skills, upskilling for occupational demand and self-employment, with an additional focus on employer demand for digital skills.
- 4.7. *Manchester City Council Social Value Policy*
Manchester has cultivated a reputation as a leading local authority in making use of the powers granted under the 2014 Social Value act, leveraging our significant spending power to drive positive outcomes for residents and businesses. Of our top 300 suppliers by value, approximately £320m is now spent with suppliers local to Manchester, of which around 50% is with SMEs. These suppliers also create significant employment and training opportunities for Manchester residents. The Social Value Policy was updated in 2021 to respond to the COVID-19 pandemic, identifying priority actions for the medium term. These included:
- Maximise new job creation, increasing overall labour demand in the city, and ensure residents are supported into these opportunities.
 - Support unemployed Manchester residents to re-enter work as quickly as possible - especially priority cohorts.
 - Support and strengthen organisations that make a positive contribution to Manchester and retain money in the local economy.
 - Ensure 'good employment' (e.g. Living Wage) is centre to any opportunities.
- 4.8. *Skills for Jobs: Lifelong learning for opportunity and growth (FE White Paper, January 2021)*
This White Paper sets out major changes to the FE sector, and the Work and Skills Strategy needs to consider how it will support and influence this changing landscape. It will need to consider how the Council and partners can connect in with the development and delivery of new Local Skills Improvement Plans, which will be created by local employers, FE providers and stakeholders to shape local skills provision in response to local need.
- 4.9. *Plan for Jobs (July 2020)*
Again, the Strategy will need to consider how it can support and influence the translation of this national Plan into benefits for Manchester, such as through ensuring national initiatives like Kickstart and Restart are delivered well locally, and by connecting in to devolved programmes such as DWP's Work and Health. The focus of the Plan is short-term recovery from the pandemic, so the Work and Skills Strategy will need to look beyond this.
- 4.10. *UK Shared Prosperity Fund (UKSPF)*
From 2022 onwards, there may be opportunities for work and skills activities to access funding through the UKSPF, which is designed to replace the structural funding that the UK used to receive from the EU pre-Brexit. Full details of the

Fund are yet to be announced, so this is a watching brief at this stage. However, the government has indicated that parts of the Fund will support investment in employment and skills programmes tailored to local need, and initiatives to deliver improved outcomes from those who face barriers to employment.

4.11. *Community Renewal Fund (CRF)*

The one-year CRF has been set up to help local areas prepare for the launch of the UKSPF. The timeframe is such that programmes will have been planned and potentially partially delivered before the new Work and Skills Plan can be finalised. Manchester is a priority area for this funding, one of 4 in GM and the priority in the City is a focus on North Manchester. As the CRF is designed to pilot new approaches, any schemes that are funded in Manchester could provide learning / opportunities for scaling up from 2022 onwards through applications to the UKSPF.

4.12. *Manchester Adult Education and Skills Plan 2019 - 2025*

The Manchester Adult Education sits beneath the Work & Skills Strategy but is more recent and focuses in greater detail on the skills opportunities and challenges for residents in the City. Two years into the delivery of this Plan, the Work and Skills Strategy will need to reflect on the work that is already being done to support adult education in Manchester and identify areas where value could be added.

4.13. *Greater Manchester Policy and Delivery*

At a Greater Manchester level there has been significant change since the original strategy was written, with further devolution of powers in relation to work and health, the adult education budget local skills improvement plans and some local delivery of national initiatives such as Community Renewal Fund, Working Well, and JETS. GM also have a role in supporting young people towards and into work through programmes such as Bridge GM, older people through GM Aging Hub, and good quality employment through the Good Employment Charter.

4.14. The Work and Skills Strategy refresh will need to identify how we support, influence or locally delivery these activities. The Work & Skills Strategy will need to be aligned with GM objectives but will articulate the specific needs of Manchester, making use of the Skills and Intelligence hub to further support the development of an evidence base, against which GM resources can support delivery.

5. Evidence base

5.1. A robust evidence base will be required to support the development of the strategy and underpin its focus and objectives. Since the development of the original strategy, and particularly during and following the COVID-19 pandemic, a wide range of additional intelligence resources have been produced which will need to be considered. This includes more recent releases of regular statistical analysis as well as research commissioned both internally and externally.

- 5.2. As well as statistical research it is important to ensure a “mixed methods” approach that includes a qualitative perspective which draws on the lived experiences of people and organisations that are part of or are affected by the existing work and skills system, alongside the collection of quantitative data. This evidence can be collected with our partners such as MAES, work clubs, colleges, career connect and other third sector organisations. Taking a mixed methods approach will allow us to better understand the connections between qualitative and quantitative data while giving a strong voice to the people and organisations who can help shape the overall direction of the strategy.
- 5.3. It is also proposed that an initial sift of available intelligence is undertaken to identify any gaps which may be filled by commissioning further research. This may involved further interrogation of the issues and trends identified through other sources.
- 5.4. Examples of existing sources of information will include:
 - Our Manchester Strategy Reset Consultation (see appendix A)
 - Quarterly data provided through a range of official sources including the Office for National Statistics (ONS), in particularly labour market data and welfare data.
 - English Indices of Deprivation 2019 and 2015
 - Planning for the Economic Recovery: Work and Skills research undertaken by Think Trinity Ltd - Economy Overview Report - Jan 2021.pdf (manchester.gov.uk)
 - Construction Skills/Labour Market research commissioned by Work and Skills.
 - Detailed sectoral analysis of impact of Covid and Brexit provided by the Growth Company

6. SWOT Analysis

6.1. The following table presents the strengths, weaknesses, opportunities and threats considered throughout this report in a format which provides an overview of the current context. It provides an early indication of the themes, issues and dependencies that the strategy refresh will need to consider and respond to.

Strengths	Weaknesses
<p>Clear policy context articulated primarily by the Our Manchester Strategy</p> <p>A wide network of engaged and experienced partners willing and able to contribute to the process</p> <p>Strong business support community</p>	<p>Some people and communities lacking the required skills and qualifications, particularly digital skills.</p> <p>Impact of welfare reform continuing to create challenges for some residents in managing periods of unemployment.</p> <p>Supply and demand challenges surrounding delivery of “green” skills</p>

<p>Strong pipeline of investment in Manchester, early signs of recovery in some sectors</p> <p>Skilled and experienced officers within the Work and Skills Team to help development of the strategy and input into consultation</p>	<p>Some people and communities disconnected from the city's success and disproportionately affected</p> <p>Challenges with local delivery of some national COVID response programmes</p> <p>The strategy will include some dependencies that are not directly within our control (e.g. transport)</p>
Opportunities	Threats
<p>We can build on our social value work to create more employment opportunities</p> <p>We can better link the strategy to the equalities and inclusion agendas</p> <p>The strategy can play an important role in supporting the zero-carbon agenda</p> <p>Increased access to employment opportunities due to widening travel to work areas via home working.</p> <p>There may be an increase in vacancies in some sectors caused by some EU citizens leaving the UK</p> <p>We can influence reform of the Further Education sector to ensure it fits Manchester's needs</p> <p>We can influence the levelling up and attract investment and support from Government</p> <p>The strategy will form the basis of a renewed service plan for the Work and Skills team, supporting the team to focus its work effectively.</p>	<p>There is ongoing economic and labour market uncertainty stemming from the COVID-19 pandemic and Brexit which the strategy must acknowledge and respond to without becoming centred upon.</p> <p>There may be increased competition for good employment opportunities due to widening travel to work areas via home working</p> <p>We may see further divergence in quality of employment between people in secure and well-paid work and those in less secure and less well-paid work, further disadvantaging residents who are the furthest from the labour market</p>

7. Proposed approach

- 7.1. A new strategy should build on the success of the previous strategy while considering the new strategic and policy context, alongside intelligence and evidence from Manchester residents, businesses and the wider labour market. Taking an Our Manchester approach, the new strategy must function **as a strategy for the city**, not just for the Council. It must therefore be developed with a wide range of partners and stakeholders who will have influence over the success of its delivery.

7.2. Taking all the above into consideration it is proposed that the strategy refresh adopts the following approach:

- Retain its original focus of:
 - Connecting Manchester residents to skills, training and employment opportunities in the city, by supporting both residents, businesses and the organisations that support them.
 - Connecting Manchester businesses to services to help them thrive and grow, recruiting and developing more Manchester residents.
- Increase the focus on inequality and inclusion, making sure that we prioritise those that are furthest from the labour market.
- Increase the focus on the zero-carbon agenda and articulate clearly how this will be supported from a work and skills perspective.
- Add focus on influencing and taking advantage of opportunities from central government and devolved skills and employment programmes & funding in GM
- Be flexible enough to account for and be responsive to significant economic uncertainty and changing/evolving government priorities.
- Be developed in partnership with stakeholders across the city (co-design not consultation).
- Run alongside the Our Manchester Strategy to 2026.
- Identify links to other relevant strategies and show how they work together.

8. Next steps

8.1. Following input from Economy Scrutiny and the Executive Member for Work and Skills the strategy refresh will be brought forward as a project managed by the City Policy and Partnership Team with close support from within the Work and Skills Team.

8.2. Next steps will be to:

- Refine the proposed approach following feedback from members
- Take the proposal to Work and Skills Board in July and refine further following input from that group
- Establish a small project team of officers from across City Policy and Work and Skills with input from colleagues in Performance, Research and Intelligence. The team will further develop timescales and milestones to manage the refresh to completion.
- Undertake a review of the evidence base to identify any gaps and undertake any additional research work as required.
- Review existing consultation responses collated through the Our Manchester Strategy refresh, and carry out further consultation work as required with a particular focus on the lived experience of residents

8.3. We anticipate the broad time for delivery of this work to be:

- Q3 2021 – Consultation work, research work

- Q4 2021 – Initial draft produced for comment
- Q1 2022 – Final draft produced, report back to scrutiny, report to Executive in March

9. Conclusion

- 9.1. The refresh of Manchester's Work and Skills Strategy provides the opportunity for Manchester to build on previous work and refocus to ensure that we are more effectively target the people and communities within the city that remain disconnected from much of the city's economic success. It forms an important part of our approach to developing a more inclusive economy which benefits everyone, and will drive the benefits that can be derived from Manchester's most resilient and growing sectors, while responding to the several significant challenges that are likely to persist over the medium term.

10. Recommendations

- 10.1. Members are invited to comment on or seek clarification regarding the issues raised in the report and endorse the proposed approach to refreshing the Work and Skills Strategy.