

Economy Scrutiny Committee

Minutes of the meeting held on 10 February 2022

Present:

Councillor H Priest – in the Chair
Councillors Bayunu, Doswell, Farrell, Moore, Noor and Raikes

Apologies: Councillor Johns, Shilton Godwin and Stanton

Also present:

Councillor Craig, Leader
Councillor White, Executive Member for Housing and Employment
Councillor Rawlins, Executive Member for Environment
Brian Henry, Head of MAES
Lisa O’Loughlin, Principal and Deputy Chief Executive: The Manchester College/LTE Group
John Thornhill, Chief Executive LTE Group

ESC/22/05 Minutes

Decision

The minutes of the meeting held on 13 January 2022 were approved as a correct record.

ESC/22/06 Growth & Development Directorate Budget 2022/23

Further to minute (ESC/21/53), the Committee considered a report of the Strategic Director (Growth and Development), which provided a further update on the saving proposals being proposed as part of the 2022/23 budget process.

Key points and themes of the report included:-

- Following the Spending Review announcements and provisional local government finance settlement 2022/23 the Council was forecasting a balanced budget for 2022/23, a gap of £37m in 2023/24 and £58m by 2024/25;
- Overall, the settlement announcement was towards the positive end of expectations and it was expected that mitigations in the region of £7.7m, as previously identified, would be sufficient to balance the 2022/23 budget;
- The budget assumptions that underpinned 2022/23 to 2024/25 included the commitments made as part of the 2021/22 budget process to fund ongoing demand pressures as well as provision to meet other known pressures such as inflation and any pay awards (estimated at 3% from 2022/23);
- Whilst this contributed to the scale of the budget gap it was important that a realistic budget was set which reflected ongoing cost and demand pressures;

- The focus would now be on identifying savings and mitigations to keep the Council on a sustainable financial footing; and
- It was proposed that budget cuts and savings of £60m over three years would be developed for Member consideration which equated to just under 12% of 2022/23 directorate budgets. In addition, £30m of risk-based reserves had been identified as available to manage risk and timing differences.

The Leader advised that whilst there were no major changes to the proposed budget following the report in November, a decade of austerity had resulted in £420 million having been removed from the Council's budget, resulting in a 15% reduction in spending power compared to a national average of 2.4% and if Manchester had had the national average applied to its budget, it would have a further £85 million in its budget today.

The Strategic Director (Growth and Development) commented that the 2021/22 budget process had included £393k savings in respect of holding/deleting 11 posts in planning and building control. Whilst the service redesign was expected to be completed in the first quarter of 2022, it would take time to implement the changes and recruit to all the posts. To allow for service delivery, and succession planning it was necessary to amend the structure and invest in some areas, therefore it was anticipated that ongoing savings of c£150k would be realised from reduced staffing costs across planning and building control. This would require alternative savings of £243k to be identified and delivered in 2022/23.

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

- There was concern in relation to the ability to effectively ensure the enforcement of illegal planning if it was still proposed to reduce the number of staff within planning and building control;
- Was it possible to have a breakdown of the proposed savings at a ward or neighbourhood level;
- What opportunities had been identified from the review of Council assets to help tackle the level of savings needed in future years; and
- Had there been any work undertaken around the anticipation of additional costs and pressures on the service as the Council emerged from the impact of covid.

The Strategic Director (Growth and Development) commented that the original saving of £393k had been identified through existing vacant posts and through the forthcoming service redesign, additional resource would be added to the service to ensure it operated effectively. She also advised that due to the nature of the work of the Directorate, it was difficult to break this down to a ward or neighbourhood level as a large part of the Directorate's budget was made up from staff costs who worked across the city. It was proposed that a more detailed overview of the work of the team could be provided for Members.

The Executive Member for Housing and Employment acknowledged the need to improve how the work of the Directorate was reported back to ward members on work in their respective wards.

In terms of Asset Management, it was reported that this was something that the Directorate was actively looking at and a Strategic Asset Management Plan would be implemented this year which would look to ensure that the assets held by the Council across its Development, Operational and Commercial estates were used to maximise the benefits to the city.

The Leader commented that there had been a number of areas as part of the wider budget setting process that had been looked at as to how they would likely be impacted as the Council emerged from the impact of covid, such as the discretionary support the Council had been able to give to residents and the support to businesses. She added that the current competitive environment for government funding was not helpful and was not a long term sustainable approach.

Decisions

The Committee:-

- (1) Note the forecast medium term revenue budget position.
- (2) Endorse and recommend that the Executive approve the budget proposals.
- (3) Propose that as part of the Committee's Work Programme setting meeting in May 2022, it receives a report that provides a detailed overview of the Directorate and the teams that sit within it.

ESC/22/07 Manchester Work and Skills Strategy Refresh

The Committee considered the report of the Director of Inclusive Economy that provided an update on the development of a new Work and Skills Strategy for Manchester, to replace the previous version which had reached the end of its life.

Key points and themes in the report and accompanying presentation included:

- Providing a context and background;
- The new strategy used the Our Manchester Strategy themes as a structural framework;
- The Work and Skills Strategy would support a range of other city strategies;
- An overview of research and engagement; and
- The timetable for the delivery of the new strategy, noting that this would be presented to Executive for approval in May/June 2022.

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

- Every attempt should be made to ensure all opportunities for employment and retraining were provided to Manchester residents;
- Training opportunities needed to be available to people who were already in employment but wanted to expand their skills set or retrain;
- An exercise should be undertaken to map how this strategy intersected with a range of other Council strategies and identify key priorities;
- Welcoming the inclusion of the real living wage and every lever the Council had should be used to ensure more employers across the city paid this;
- Requesting that papers relating to the work of the Work and Skills Board be circulated to members of the Committee for information;
- The need for parity of esteem between academic and vocational pathways as part of the careers advice service;
- The need to breakdown silo working and encourage improved relationships between the Department of Work and Pensions and Department for Education to ensure that people received the most appropriate support and employment and training pathways;
- The need to promote and articulate the positive experiences and outcomes that could be achieved via an apprenticeship programme;
- The need to recognise that the Digital Inclusion Teams to improve digital skills amongst priority groups, particularly the over 50s, was too prescriptive and needed to address skills gaps and digital behaviours amongst younger people also;
- Supporting the work to address economic inequality and requesting more information on the Poverty Impact Assessment; and
- Would the consultation on the first draft of the strategy include face to face consultation.

The Director of Inclusive Economy stated that entry level jobs and apprenticeships in the Council were ringfenced for Manchester residents. She stated that all levers and spheres of influence were used by the Council to encourage employers and other anchor institutions to support this programme and to pay the Real Living Wage, particularly in the foundation employment sector, supported further by the Greater Manchester Good Employment Charter and using the Shared Prosperity Fund to deliver this programme.

She described that the Our Town Hall Project had delivered a range of good quality work experience opportunities and suggested the Committee might wish to receive a more detailed report on this subject area at a future meeting. She further described that the relationship between good employment and mental health was understood, and this had helped inform the Build Back Fairer in Greater Manchester strategy in line with the recommendations of Professor Michael Marmot that aimed to address a range of inequalities.

The Director of Inclusive Economy advised that consultation on the first draft of the strategy would include face to face consultation. She further advised that key partners were engaged with the Work and Skills Board and she would consult with the Chair on

how best to relay the work of the Board to the Committee, recognising that this would be of interest to Members.

The Director of Inclusive Economy further noted the comment regarding the importance of promoting the many positive aspects of apprenticeships and work was ongoing with schools to ensure the parity of esteem was achieved when delivering careers advice. Recognition was also made to the reference regarding digital skills and behaviours, she advised that this was included in the strategy with the ambition being to ensure all was done to ensure people were ready and equipped to enter the world of employment.

Lisa O'Loughlin, Principal and Deputy Chief Executive: The Manchester College/LTE Group informed the Members on their work to address digital skills and digital access, particularly in the support offered to learners in response to the challenges to online learning that presented during the pandemic.

The Strategy and Economic Policy Manager stated that work was underway to map the intersection between the different strategies and once this exercise was completed this information could be shared with the Members. He further commented that the Poverty Impact Assessment information could also be shared with the Committee once this exercise was completed.

The Executive Member for Housing and Employment stated that the promotion of apprenticeships needed to be a continual programme of engagement and communication to articulate the many positive experiences and promote this as an attractive pathway into employment. He said the strategy would be delivered in collaboration with a number of partners in the city that included employers and local businesses.

Decisions

The Committee recommend;

- (1) Recommend that the Director of Inclusive Economy, in consultation with the Chair, agree how the work of the Work and Skills Board is periodically shared with the Committee for information outside of the formal meeting structure.
- (2) Recommend that a report on the delivery of work and skills through the Our Town Hall Project is included on the Committee's Work Programme for consideration at an appropriate time.

ESC/22/08 LTE Group Update

The Committee considered the report of the Principal and Deputy Chief Executive: The Manchester College/LTE Group and the Chief Executive LTE Group that provided an update on key areas of activity.

Key points and themes in the report included:

- 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 2021;
- Progress update and next steps on LTE Group estates and infrastructure plans including site disposals; and
- Progress on apprentice provision via Total People.

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

- Welcoming the progress reported, in particular in relation to the gender balance of learners and the number of employment placements provided; and
- What support was offered to learners who transitioned from Community Hubs into the Centres of Excellence.

Lisa O'Loughlin, Principal and Deputy Chief Executive: The Manchester College/LTE Group stated that the College had strong, well established relationships with employers that had assisted with securing good quality work experience placements. She stated that whilst COVID-19 had impacted on this she was confident that this would remain, adding that they were seeking to improve the two week placement offer. She further described that their learners were very diverse, and they were regarded as a trusted provider across the city. She stated that the Manchester College worked to challenge and remove the barriers experienced by young people accessing quality employment, noting that they had witnessed an increase in the numbers of females entering the construction industry.

Lisa O'Loughlin, Principal and Deputy Chief Executive: The Manchester College/LTE Group stated that there was a programme established to support learners to orientate and familiarise themselves as they transitioned to the centres of excellence. She further noted that numbers of SEND learners were increasing year on year.

Decision

The Committee note the report.

ESC/22/09 Manchester Adult Education Service

The Committee considered the report of the Director of Inclusive Economy and Head of MAES.

Key points and themes in the report included:

- An introduction and background, noting that the vision for MAES continued to be 'To deliver inspirational adult education that connects Manchester's adults to their potential, their community and their future';
- The response to COVID-19;

- MAES performance in 2020/21; and
- The skills challenges in the city.

The key point that arose from the Committee's discussions was: -

- Noting the resources needed to deliver the work and ambition of the service at scale for the benefit of Manchester residents.

The Director of Inclusive Economy commented that the central government funding to deliver adult education had reduced by over 40% during the previous ten years. She described that despite this challenging environment the service remained committed to improving opportunities for residents. She advised that it was recognised that the physical infrastructure of the estate needed to be improved, and monies from the Shared Prosperity Fund would support this. She commented that the Greenheys Adult Learning Centre had been identified as a priority site. She further advised that MAES would continue to strengthen and build upon their relationships with local employers and the Job Centre Plus to promote this offer recognising that they were a visible and trusted provider that were rooted in local communities.

The Director of Inclusive Economy also discussed the wider engagement work that was delivered collaboratively with the Voluntary Community and Social Enterprise (VCSE). The Chair recommended that a report on this work with the Voluntary Community and Social Enterprise sector be added to the Committee's work programme for consideration at a future meeting.

The Head of MAES informed the Committee that the intention was to increase the Level 3 provision for adults, noting that it was recognised that there was a need for this.

Decision

The Committee:-

- (1) Recommends that a report on the MAES External Review is provided to the Committee for consideration at an appropriate time.
- (2) Recommends that a report on the work delivered in partnership between MAES and the Voluntary Community and Social Enterprise sector is provided to the Committee for consideration at an appropriate time.

ESC/22/10 Update on COVID-19 Activity

The Committee considered a 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.

Decision

The Committee notes the report.

ESC/22/11 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.

In response to a question from a Member who enquired when a report on purpose-built student accommodation would be submitted for consideration, the Chair advised that this would form part of discussion on the wider Housing Strategy. She advised this would be considered in the new municipal year.

Decision

The Committee note the report and agree the work programme, noting the recommendations arising from consideration of the previous agenda items.