

Manchester Work and Skills Strategy 2022-27

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Foreword

(To be prepared).

Introduction to the Work and Skills Strategy

Manchester's Work and Skills Strategy is a strategy for the city. It sets out how we will use learning and employment to meet the Our Manchester Strategy vision of being a more highly skilled city, and how we will help create a more inclusive and zero carbon economy in Manchester where more of our residents are connected to our city's success.

This strategy succeeds the Work and Skills Strategy 2015-2020, building on its success and taking into consideration the significant changes we have experienced in the city since that strategy was produced. While over the life of the previous strategy we have seen gradual improvements in learning and employment outcomes for our residents, the impact of the COVID-19 pandemic has had a profound effect on the labour market including a doubling of Universal Credit Claimants, the impacts and consequences are yet to be fully determined as a result of the current economic climate. However, by the end of 2019 the city benefitted from a more highly skilled and better paid workforce, with a lower rate of residents out of work or claiming out of work benefits when compared to the previous ten years.

While the new strategy inevitably responds to many of the effects of the pandemic, its purpose is not only to help us recover from the impacts of COVID-19, but to continue to drive forward improvements in the lives of our residents, to continue to grow our businesses and to meet our wider aims of becoming a more inclusive, prosperous and zero-carbon city.

Context

City Context

Over the last decade Manchester has continued on our journey towards meeting our ambition of being a "world-class" city by 2025. Compared to 2010 we now have a significantly higher population, a larger workforce and more businesses operating in the city. Our economy has become more diverse, with digital, creative, technology and health innovation businesses now thriving alongside more traditional sectors, such as financial and professional services. This economic growth, building on the strengths of our existing communities, has helped to attract a younger, more diverse and higher-skilled population.

According to the [2021 State of the City Report](#):

- Our 2020 population was estimated to be 579,400 with 627,000 forecast for 2025. Our population has grown 31% since 2001.
- International immigration is the main driver of population growth; 18% of city's residents were non-British in 2020.
- Total employment for Manchester residents has improved to 273,900 in December 2021 from the pre pandemic level of 262,300 in December 2019.
- Since 2015 there has been a 38% rise in active enterprises, from 17,045 in 2015 to 23,565 in 2021.

Manchester's high-growth sectors in terms of Gross Value Added (GVA) and number of jobs have remained consistent over recent years. These sectors are:

- Business, financial and professional services
- Cultural, creative, and digital
- Wholesale and retail

In addition to these sectors, we know that there are also significant opportunities for growth in science, health innovation and health technology, advanced manufacturing and construction.

At the same time our economy and labour market are underpinned by what we call the foundational economy: the part of the economy that creates and distributes goods and services that are consumed by all, and which can be considered a part of everyday life. These types of roles will continue to make up a significant proportion of the employment opportunities created in the city, and although it is hard to provide an exact figure, we estimate that around half of all jobs are in the foundational economy.

Opportunities

While the changes we have experienced in recent years have not been easy, there are opportunities that we can harness and build upon to create more opportunities for our residents, create more ways to connect our residents to these opportunities, and contribute to tackling some of our greatest challenges.

The digitisation of the economy has created more highly skilled and highly paid opportunities as well as giving our residents the chance to work for companies around the country and globally through remote working. Labour shortages in some sectors have resulted in increasing wages and reduced competition for jobs. Investment in Manchester continues to be strong, both in terms of businesses coming to Manchester and creating jobs here, and in terms of our strong capital investment pipeline, particularly in North Manchester and Wythenshawe. Wider changes to skills policy and the skills system provide an opportunity to shape local delivery of learning and skills to maximise the benefits of this investment.

Ultimately, Manchester remains an attractive city in which to live, work, invest or grow a business.

Challenges

Despite our successes the city still experiences some significant challenges. Manchester is at a critical point, due to the combined challenges of the continued impacts of COVID-19, the UK exiting the European Union, and the uncertainties in our well-established international relationships and trade. While wealth inequality existed pre-COVID-19, the pandemic and related economic conditions have exacerbated the issue, further highlighting communities that are not well connected to the city's success.

- 23.8% of employees living in Manchester were paid less than the Real Living Wage in 2020.
- By the end of 2020, 37% of Universal Credit (UC) claimants were in work but eligible for benefits.
- COVID-19 has caused the out of work claimant count to nearly double compared to March 2020.
- Key groups of residents in unemployment include young people, graduates, older workers, and ethnic minority groups.
- Low-skilled residents are more vulnerable to job losses. Over half of residents with low or no qualifications are unemployed.

Poverty in Manchester is a huge challenge and continues to have a significant impact on the life and outcomes of too many of the city's residents. This challenge is reflected in the number of children living in poverty, with the End Child Poverty Coalition estimating that around 46,700 children (42%) in Manchester were living in poverty at the end of March 2020.

We also face the challenge of a changing climate. In 2019, Manchester City Council declared a climate emergency and the city has set an ambitious target to become zero carbon by 2038 at the latest. The skills of our residents will play a vital role in meeting this goal and therefore we need to ensure that the supply and demand for these skills are increased over time. We must also ensure that the transition to a zero carbon economy happens in a way that is just and fair, and to connect our residents to the opportunities that this transition creates.

Inequality is another major problem. We know that there are inequalities in the learning and employment system for many different people, including communities experiencing racial inequalities, older people, women, and people with disabilities. In responding to this challenge, we must make the best use of available intelligence and data to design and target specific interventions as necessary. We cannot assume that people will automatically be connected to opportunities as they are created.

Impact of COVID-19

Manchester has experienced particularly damaging longer-term economic, social and health effects from national and local lockdowns, which will further damage health and widen inequalities. The city is the sixth most deprived Local Authority area in England and consequently many neighbourhoods and communities were less resilient to the economic shock caused by the pandemic compared to other less deprived areas of the country.

Consequences of the pandemic include:

- strains in public finances, affecting community and environmental conditions
- widening inequalities in attendance and attainment in education and early years
- increasing poverty, debt and income inequality
- rising unemployment and economic inactivity, particularly for residents living in communities experiencing racial inequality, poorer neighbourhoods and those in insecure employment
- deteriorating mental health for all age groups, but particularly for young people
- The pandemic continued the slowing of business births compared to pre-pandemic levels, based on monthly Experian data.

Clinical Impact

Inequalities in infection and mortality from COVID-19 in Manchester have been affected by the following factors:

- **Health conditions** – some existing health conditions significantly increase the risk of dying from COVID-19.
- **Deprivation and inequalities** – the more deprived a local authority is the higher the COVID-19 mortality rate has been during the pandemic.
- **Living conditions** – overcrowded living conditions and poor-quality housing are associated with higher risks of mortality from COVID-19. These housing conditions are more common in deprived areas and are often inhabited by people from lower incomes.
- **Occupation** – there are clear differences in the mortality risk related to occupations. For example, being in a key worker role, unable to work from home and being near others

increases risk. Occupations particularly at risk include security guards, leisure and transport workers and health and social care workers.

- **Communities Experiencing Racial Inequalities (CERI)** - mortality from COVID-19 is much higher among many CERI, especially Black residents, than among White groups. CERI are more likely to be affected by the factors identified here.
- **Cumulative risks** - the risks of mortality from COVID-19 are cumulative – being male, older, from a minority ethnic group, having an underlying health condition, working in a higher risk occupation and living in a deprived area with overcrowding have led to much higher rates of COVID-19.

Economic impact

The scale of the challenge of poverty and unemployment has been further exacerbated in Manchester by the COVID-19 pandemic and its associated lockdowns and restrictions. The claimant count in Manchester, made up of Jobseeker's Allowance (JSA) and unemployed UC, increased 104% between March 2020 to March 2021 (from 17,740 to 36,100) and stood at 24,320 in April 2022. The initial spike in claimants came in the period March-May 2020 and then stabilised. In Manchester, residents under 25 were initially the most severely economically impacted by COVID-19. However, all age groups saw increases, and the 25-49 age group is currently the most impacted. Unemployment increased in wards corresponding to communities experiencing racial inequalities and those that were already employment and income deprived.

Job losses have been greatest in sectors that were most severely impacted by the COVID-19 restrictions and lockdowns including retail, hospitality, accommodation, leisure and tourism and personal care activities. Generally, these are sectors which employ more young people and people from CERI and tend to be lower paid and have a larger number of employees on casual contracts. However, there are now a greater number of jobs in Manchester post-pandemic compared to pre-pandemic, with skills and workforce shortages across the foundational economy.

Overall, poorer residents and residents experiencing racial inequalities were more likely to experience more severe clinical and economic effects of COVID-19.

Strategic and Policy Context

The Our Manchester Strategy 2016 –2025 provides the overall strategic framework for the city and sets the vision for the future of the city that we want to see. As a citywide strategy, the Work and Skills Strategy directly delivers on most of the Our Manchester Strategy themes and priorities:

- **Thriving and Sustainable** – by supporting development and growth of a vibrant and more inclusive economy, and by ensuring that opportunities created in this economy are fair and of good quality.
- **Highly Skilled** – by ensuring there is support for our young people to be work ready and that there are opportunities for all our residents to learn and develop the skills they need to meet their own goals and ambitions.
- **Progressive and Equitable** – by supporting all our residents to thrive from a skills perspective, and by contributing to improved health and wellbeing by addressing some of the most significant social determinants of health.
- **Liveable and zero carbon** – by growing the supply of training opportunities that we need to transition to a zero carbon economy, and by promoting the opportunities this creates for our residents and businesses.
- **Connected** – by growing the supply of training opportunities that enable our residents to access services and employment in an increasingly digitised world.

In addition to its connection to the Our Manchester Strategy, the Work and Skills Strategy directly supports and is supported by other major citywide and regional strategies.

The main strategies supporting the Work and Skills Strategy are:

- **Manchester Digital Strategy 2021-26** – the Digital Strategy will support business growth, employment, skills and training in the digital sector specifically.
- **Manchester Adult Education and Skills Plan 2016-25** – this plan sets out the actions that adult education and training providers will take to make Manchester the best city in the UK for adult education and skills, with delivery of training and qualifications for our adult residents.
- **Greater Manchester Transport Strategy and City Centre Transport Strategy to 2040** – these transport strategies will work to provide the transport connections our residents need to access learning and employment opportunities around the city and wider conurbation.

The main strategies that the Work and Skills Strategy will support are:

- **Manchester Climate Change Framework** – by supporting development of the skills we need to transition to a zero carbon economy.
- **Our Manchester Disability Plan** – by supporting skills and training opportunities for disabled residents.
- **Manchester’s Cultural Ambition 2016-26** – by increasing routes into employment in creative industries and supporting the conditions for growth of the creative and cultural sector.
- **Manchester Inclusion Strategy** – by supporting employer-led careers information advice and guidance for young people and contributing to a reduction in Manchester’s rate of young people not in education, employment or training (NEET).
- **Manchester Poverty Strategy** – by providing support for people to access employment and better quality employment as a route out of poverty.
- **Manchester Youth Offer** – by providing support for skills and training opportunities for young people, including skills for life.
- **Manchester Adult Education and Skills Plan** – by connecting adult education services with employers and labour market information.
- **Manchester: A Great Place to Grow Older** – by supporting skills and training opportunities for older people.
- **Developing a More Inclusive Economy: Our Manchester Local Industrial Strategy** – supporting development of a more inclusive economy by encouraging growth in good quality and sustainable employment.

Build Back Fairer in Greater Manchester – The Marmot Review

The Marmot report ‘Build Back Fairer in Greater Manchester: Health Equity and Dignified Lives’ highlights how levels of social, environmental and economic inequalities in society are damaging health and wellbeing. It explores how these inequalities have been exposed and magnified by the COVID-19 pandemic and its impacts. It provides a framework for how Greater Manchester (GM) can ‘Build Back Fairer’ in the aftermath of the COVID-19 pandemic. The framework calls for health equity to be placed at the heart of governance in GM, including resource allocation, and for all policies in the region to be geared towards achieving greater health equity.

The report states that, to achieve a permanent reduction in health inequalities, GM needs to focus on the social determinants of health. These are factors outside health care that affect health, including:

- income, poverty and debt
- work and unemployment.

The Build Back Fairer report summarises that:

- *Being in good work is usually protective of health while poor quality work, stressful jobs, and unemployment, particularly long-term unemployment, contribute significantly to poor health and low wellbeing and increase the risk of mortality. Manchester needs to ensure all jobs are of good quality as efforts to increase employment are introduced after the pandemic. The labour market situation before the pandemic influenced and impacted the labour market during the pandemic.*
- *The impacts of COVID-19 containment measures have fallen the most on low-paid workers and have had significant health and health inequality impacts.*
- *As Manchester's economic challenges become clearer through 2021, it is important that those most at risk of being employed in poor quality work or of being unemployed are supported the most to protect their health as well as livelihoods. This includes younger people, those on low pay and insecure contracts and some workers from ethnic minority groups. Manchester is seeing positive indicators that the economy is recovering and the Council and partners have promoted groups such as long term unemployed or those with health conditions into sectors with vacancies or labour/skill shortages.*

Evidence Base

In developing this strategy, we have undertaken research and engagement, building an evidence base to identify and support the priorities and outcomes for the city over the next five years. To date, this evidence base has involved four components: our existing strategic context and wider priorities for the city; making use of the data and intelligence that the Council and partners produce; carrying out desktop research looking at emerging thinking on the labour market, learning and employment; and through carrying out open conversations with our partners and stakeholders. The key messages we have learned, which will be enhanced by (and updated following) further consultation on this draft document in March 2022, are summarised below.

Data and Intelligence

Manchester has experienced some improvement in key indicators though still lags averages across England, and success is not evenly distributed spatially or demographically. This strategy will drive better use of data to target interventions and judge progress and success.

COVID-19 has adversely impacted many years of progress and continues to create volatility in the labour market and careers, employability and skills provision. Evidence shows that policy, strategy and activity must be flexible and responsive in tackling COVID-19 impacts. The 2022 'cost of living crisis' is driven by several factors including conflict and the long-term impact of COVID-19. Inflation has risen to its highest level for a generation hitting the most vulnerable households hardest.

Desktop Research

Manchester has a strong base from which to build. Investment pipelines and growth are strong in the city and we need to harness this for all residents. The number of jobs in the city grew between the end of 2019 and 2021, with a robust performance by our key growth sectors. Wider economic trends must be considered, including digitisation, automation and the importance of the foundational economy and gig economy. Labour shortages and unpredictability in the labour market are likely to continue; matching skills with demand through responsive provision is essential.

A particular opportunity for Manchester is with the most innovative parts of our economy, the contribution of our universities and the wider Corridor Manchester, alongside the potential of ID Manchester and our focus on bioscience, technology and digital for future jobs.

Listening and Engagement

Work is important to many, but accessibility is an issue for some. There are lots of complex reasons that make accessing learning or employment difficult, and that the strategy must address through learning, engagement and action. Equality and diversity in access to opportunities is critical.

Partners recognise the value of data and intelligence, though sharing it in a useful way can be problematic. How opportunities are communicated needs to be improved, as the skills system is seen as confusing and hard to navigate by many. There is an opportunity to try new approaches in how we work with data, how we improve connections between learning and work, and how we help residents demonstrate new skills. There is also demand for prioritising core skills.

The Work and Skills Strategy needs to respond directly to issues around accessibility and equalities. This should form a major theme of future work.

Themes

The Work and Skills Strategy is one of the main city-wide strategies that supports the Our Manchester Strategy. The outcomes that the Work and Skills Strategy will achieve directly connect to each of the five Our Manchester Strategy themes, and for this reason we have used the Our Manchester Strategy themes to structure the priorities, outcomes, and indicators that we will use over the life of this strategy.

A Thriving and Sustainable City

“We will work to ensure Manchester has a strong, inclusive and innovative economy with diverse growth sectors, where our residents are recognised for their contribution via fair contracts and are paid at least the Real Living Wage.”

Case Study - Living Wage Pilot

Anchor institutions are those organisations that are tied to a place through physical assets, relationships or history, as well as those that play a key role in a place through being a large employer or purchaser of goods locally. Anchor institutions collectively wield considerable influence in the areas where they are located.

In Manchester we are working with some of our anchor institutions on a pilot project that is aimed at promoting the living wage in Manchester, with the goal of becoming an accredited living wage city. These employers have already committed to paying the living wage to their own workforce and in their own supply chains but are now working to promote the living wage to other employers in their respective sectors. Participating anchors include universities, large private sector companies, as well as SMEs, the NHS, voluntary sector and cultural organisations.

As well as promoting payment of the living wage, the pilot project will promote awareness of the living wage amongst our residents, encouraging them to look out for roles that are paid a living wage and offer fair terms and conditions.

Nurturing a diverse and growing private sector is critical in creating the opportunities that our residents need to work and learn. Manchester benefits from a growing and maturing economy that

means the city is increasingly seen as a leader in sectors that include technology, digital/creative and cyber security. Our young, diverse and increasingly well-educated workforce is a feature of the city's attractiveness for business and investment. This investment creates more highly skilled and more highly paid employment that has helped our economy to grow and strengthen. Growing our population of talented people remains a crucial factor in generating sustainable economic growth. Furthermore, innovative businesses in fields such as bioscience and health technology, in cluster areas such as the Oxford Road Corridor and around our universities, will help drive future growth in new and sustainable industries.

At the same time, the impact of technology in sectors such as retail and hospitality, combined with increasing casualisation of workforces in sectors such as parts of health and social care, means that many of our residents find themselves in employment which is low paid, with irregular hours and insecure contracts. Our work must continue to encourage and incentivise good employment practices through our campaign for the Real Living Wage and social value approach, while developing progression routes for residents to higher level skills and employment opportunities.

The Work and Skills Strategy will contribute to the delivery of the Thriving and Sustainable theme by making sure that Manchester continues to grow an inclusive and innovative economy which creates employment and learning opportunities for all our residents including those further away from the labour market such as people with disabilities. It seeks to ensure that the employment opportunities created are of good quality, enabling more people to benefit from the city's growth, and providing a basis from which to drive improved living standards, better health and wellbeing, and reduced inequality. We recognise the importance of the foundational economy both as a major source of employment and as a sector that underpins the wider economy. While the foundational economy has experienced some positive change over the course of the pandemic, with upwards pressure on wages and wider conversations about conditions, we need to continue to work to connect employers in these sectors to our wider aspirations on pay and good employment.

The strategy will also seek to maximise the opportunities generated for our residents through the significant investment into our city, as well as strengthening the pathways into those opportunities. This is particularly relevant for communities in North Manchester, given the Council's partnership with Far East Consortium (FEC) to deliver 15,000 homes and for communities in Wythenshawe, given the scale of investment in the Airport and Airport Enterprise Zone. As the city centre will remain the major driver of growth in Manchester and will continue to account for most jobs created and sustained, we must continue to focus on connecting Manchester residents across the city to these opportunities.

Finally, the priorities in this theme are important in helping us to meet our wider ambitions for the city, particularly our commitments to reducing poverty and inequality. The priorities under this theme also contribute to the delivery of recommendations in *Building Back Fairer in Greater Manchester*, specifically in increasing quality of employment.

Our priorities to create a thriving and sustainable city are to:

1. Develop and grow Manchester's business support ecosystem and promote awareness of the city's business support offer to our business community to enable them to innovate and grow.
2. Influence Manchester's business support ecosystem to support sustainable self-employment and business start-up, as well as promoting sustainable models of ownership including co-operatives and social enterprises.
3. Encourage and support employers to offer good quality employment, including secure contracts, predictable hours, pay at least the Real Living Wage.

4. Work with our partners to develop and deliver specific labour market interventions to connect residents to more highly paid opportunities in growth sectors.
5. Ensure the maximum possible skills and employment benefit from the city's capital and inward investment pipeline.
6. Maximise the skills and employment benefit from place based public and private investment and regeneration in North Manchester, Wythenshawe and other major capital projects, especially in the city centre.

The outcomes we expect to achieve by meeting these priorities are:

- To become an accredited living wage city.
- To increase the proportion of Manchester residents who are paid a Real Living Wage.
- To increase the number of active enterprises operating in the city.
- To increase the employment base in the city.
- To increase the proportion of Manchester residents working in growth sectors.

We will use the following indicators to track progress against this theme:

- The number of Manchester residents being paid a Real Living Wage (*Office of National Statistics, Annual Survey of Hours and Earnings, Annual*)
- The change in and number of active enterprises (*Office of National Statistics, Business Counts Data, Annual*)
- The number of opportunities created through the Council's capital projects pipeline (*Manchester City Council (MCC)*)
- The number of Manchester businesses signed up to the GM Good Employment Charter (*Greater Manchester Combined Authority (GMCA)*)

A Highly Skilled City

"We will ensure that all of Manchester's young people have access to good quality education, and we will support them to be work ready"

"We will continue to support all our residents to learn, progress, upskill and retrain so they can access the city's current and future employment opportunities."

Case Study – Digital Skills Bootcamps

The UK Government is investing £2.5 billion in the National Skills Fund as part of its Plan for Jobs, and has funded a wide variety of Skills Bootcamps which offer adults aged 19 and over the opportunity to build up sector specific skills and to fast-track to an interview with a local employer.

Manchester City Council's Work and Skills Team works in partnership with the Greater Manchester Combined Authority to support eleven digital bootcamp providers to deliver high quality training that directly connects with employers in a high growth, highly skilled and highly paid sector.

By making these sessions accessible and affordable, bootcamp attendance has been far more diverse than is common in the wider sector, with broadly even numbers of men and women participating, and over half of participants experiencing racial inequalities. Of people moving into employment, 78% were previously unemployed and 48% moved into roles starting on at least £25k per year.

MCC continues to work with GMCA and Government to shape future inclusive bootcamp provision in the city beyond digital. In future years, bootcamps can be extended and support employment pathways into sectors with growth and shortages such as construction, green skills and logistics.

Making sure that our residents of all ages have the careers advice, skills and qualifications they need to thrive in the labour market is central to improving living standards in Manchester. We know that the level of skills and qualifications needed to gain employment has been rising and that at the same time many of the jobs created in Manchester's growth sectors also require these higher-level skills. This means that, to capture the benefits of the city's growth, we need to make sure that we connect our residents who are entering work for the first time, changing career or becoming economically active, to these opportunities, and provide a pathway to employment that is easy to navigate.

People have told us that learning and gaining new skills is important to our residents even when this is not directly related to finding employment. For some people, this type of learning can help them improve the quality of their lives by making it easier to access services, improve their health and wellbeing, or better connect with and help in their community. Employers also tell us that they value core skills: those skills such as communication and teamwork that are fundamental to their business but for which there is not a formal qualification route.

We also know that it is of critical importance to make sure that our children and young people are connected to the opportunities that living in Manchester presents. For many young people growing up in the city, there is a disconnect between their experience and that of people who have moved to Manchester. It is important that they know that the opportunities to learn and work in Manchester are for them, and that we make sure that there are clear routes for them to take advantage of these opportunities.

The city's education system includes good quality schools, colleges, independent training providers, universities and adult education institutions, with significant investment made in our Further Education and university facilities, creating world class learning environments. To make sure that our skills and training system is fit for purpose, we need to make it more responsive to the changing needs of employers and the wider labour market in both the short term, to combat instability creating skills shortages (such as hospitality in 2022), and in the medium to longer term, to prevent crisis in other sectors (such as health and social care). This may require new qualifications and learning pathways, including maximising the impact of T Levels and strengthening all technical and vocational solutions to meet the gaps in the labour market at Level 4 and 5.

Employer involvement in the development of learning, and more employer led training, including apprenticeships, is essential. This has been seen with the success of digital bootcamps that have provided a clear pathway into work based around industry needs. We need to continue to forge a stronger link between learning and work scaling up successes such as Enterprise Advisor work and co-design of the Further Education curriculum, ensuring that delivery of training and qualifications by providers is more frequently and routinely linked to vacancies and employment. This will enable Manchester's economy to be more responsive to the demand from employers, especially across our growth sectors.

Investment in world class education facilities and system is vital to the city becoming the best UK city for adult education by 2025, as set out in the Manchester Adult Education and Skills Plan. There has been significant investment in schools, colleges and university facilities in the city. However, this investment has not been across the board and there is a need to invest in the city's adult education facilities and to increase capacity in the post-16 sector to meet the demand of the rising population growth that has come through the city's school system and is reaching the post-16 system over the next 5 years.

The Work and Skills Strategy will contribute to the delivery of the *Highly Skilled* theme by making sure there are good quality learning and training opportunities for all our residents and particularly our young people.

Our priorities to create a highly skilled city are to:

1. Ensure 16 and 17 year olds are able and supported to access and participate in quality provision in education, employment or training, and that the offer is effectively communicated and expands to meet the needs of a growing population of this age group offering choice and opportunity.
2. Retain and attract more highly skilled graduates in the city and increase the number of Manchester young people accessing advanced and higher-level skills provision, including apprenticeships, T Levels and Higher Education.
3. Create opportunities for people to learn and demonstrate core skills and entrepreneurship.
4. Strengthen the link between Manchester universities, post-16 colleges, training providers, adult education and employers, to drive inward investment and raise competitiveness at national and international level.
5. Ensure that good quality careers education, information advice and guidance, supported by labour market intelligence, is well communicated and available to all Manchester residents, and supports them to learn about and attain higher skilled/higher paid employment opportunities, particularly those within the foundational economy, to benefit from in-work progression.
6. Work with employers to create more in work training and progression opportunities (placements, apprenticeships, internships)
7. Work with education and training providers to ensure training meets the demands of the labour market, is of good quality, and can respond to changes in the economy and growth sectors.
8. Influence the development and delivery of the GM Local Skills Improvement Plan to ensure the best outcomes for Manchester residents.
9. Widen access to learning across Manchester's communities by increasing the availability of learning opportunities (e.g. bootcamps) that fall outside of traditional settings and engagement methods.
10. Extend the reach of adult education in the city into our most disadvantaged communities particularly those experiencing health inequalities, ensuring that there is a good quality offer in improved learning environments.
11. Maximise the impact of available government funding (including the Levelling Up Fund and Shared Prosperity Fund) on employment and skills outcomes in Manchester, with a focus in areas of the city with the highest needs.

The outcomes we expect to achieve by meeting these priorities are:

- More Manchester residents moving into highly paid and highly skilled careers.
- Improved quality of careers education, information, advice and guidance.
- Greater range of choice in learning and qualification routes and sufficiency of provision for the growth in the number of young people reaching the post-16 sector.
- Reduced number of people with no or low qualifications and increase the number of people with higher level qualifications.
- Fewer businesses citing skills needs as a barrier to growth.
- Reduced not in education, employment or training (NEET) rate.
- Increased graduate retention.
- Increased take up of technical and vocational education.
- Continued investment in education facilities in the city to ensure that all learners have access to high quality 21st century learning environments.

We will use the following indicators to track progress against this theme:

- The percentage of 16-17 year olds who are NEET or Unknown (*Monthly*)
- The percentage of the resident working age population (aged 16 to 64) with no qualifications (*Annual*)
- The percentage of the resident working age population (aged 16 to 64) with level 2 qualifications (*Annual*)
- The percentage of working age residents with qualifications at level 4+
- Number of young people in the state sector who reach Level 3 qualification
- Apprenticeships starts & Apprenticeship achievements
- The number of schools achieving the Gatsby Benchmarks
- The graduate retention rate (*Higher Education Statistics Agency (HESA) Graduate Outcomes Survey, Annual*)

A Progressive and Equitable City

“We will strive to create a truly equal and inclusive city, where everyone can thrive at all stages of their life, and quickly and easily reach support to get back on track when needed.”

“We will improve physical and mental health outcomes and ensure good access to integrated health and care services across the city.”

Case Study - The Factory

Manchester is home to The Factory, a new venue for creativity and the arts, in the heart of the city. The Factory will present bold new work by the world’s most exciting artists, and will be home to The Factory Academy, which helps people from all backgrounds to start new careers in the creative industries.

Working in partnership with cultural organisations across the city, The Factory Academy is a skills and training programme that offers a variety of training opportunities including paid internships, training academies and work experience programmes. Its aim is to help build the next generation of technicians, producers and other creative talent that will bring the future alive, creating a highly skilled city via opportunities for all.

“The access and the resources that The Factory Academy gives, to be able to apply for these jobs, is just so important. There was nothing else that I had on my resume that could even get me close to a job like this.” Broadcast and Film Production Academy Trainee

One of our biggest challenges is to tackle some of the deep inequalities that exist in our city. While Manchester was already a place that experienced deep inequality, with significant differences across the city in income, employment, health and wellbeing outcomes, the COVID-19 pandemic has served to make these disparities even more pronounced.

To tackle these inequalities, we need to be more focused in identifying exactly where they exist and understanding who is affected so we can better target interventions accordingly. We must also make sure that we do not generalise the people and communities affected, but use language that accurately describes who they are, and understand why an inequality exists.

We know that health and wellbeing outcomes in Manchester are significantly below national averages, and that there is a large disparity between our healthiest and least healthy residents. In his report *Building Back Fairer in Greater Manchester*, Professor Sir Michael Marmot made several recommendations for improving health outcomes in Manchester. The report recognises the importance of employment and employers in improving health outcomes, and the Work and Skills

Strategy will directly contribute to further integrating work and health systems by improving health and employment outcomes, particularly through quality employment.

The priorities set out to achieve the *Progressive and Equitable* theme include enhanced use of data and intelligence and better designed services for residents experiencing inequalities for example people with disabilities and those with severe mental illness.

In tackling these issues, we need to make sure that, as partners, we use our collective influence to create learning and work opportunities for all Manchester residents equally. We also need to take advantage of the significant investment in Manchester, harnessing this and making sure that it benefits the people who call the city home. We can do this by using our statutory powers and influence to maximise the social value generated by investment in the city.

The Work and Skills Strategy will contribute to the delivery of the *Progressive and Equitable* theme by making sure that opportunities are of good quality and are available to all.

Our priorities to create a progressive and equitable city are to:

1. Use data and intelligence to identify residents most in need of learning and employment support, and design and target interventions accordingly.
2. Work with employers to understand barriers to recruitment and ensure careers, skills and employment services respond to employer's needs.
3. Proactively work to reduce and remove the barriers (such as managing health conditions) that some people and communities face when accessing learning and employment.
4. Contribute to the implementation of the recommendations set out in *Building Back Fairer for Greater Manchester* to better integrate the Work and Skills and health systems to improve work and health inequalities experienced by residents.
5. Work with employers to adopt and promote simplified and flexible local recruitment and working practices that make employment accessible to more of our residents.
6. Promote routes for residents and employers to access finance to pay for training and qualifications where lack of funding is a barrier to participation including Lifelong Learning Fund and Apprenticeship Levy.
7. Use social value to connect learning and employment opportunities, created through supply chains and investment in Manchester, to the people and communities who will benefit most, particularly those experiencing inequalities.
8. Work collectively to make sure more employers consider social value in their own employment and procurement practices.
9. Work with employers and partners to ensure that local delivery of regional and national labour market interventions (such as work and health programmes) responds to local priorities.

The outcomes we expect to achieve by meeting these priorities are:

- Improved health and wellbeing of residents.
- Reduced inequalities in the access to skills and employment opportunities for CERI
- Increased volume of learning and employment opportunities through social value.
- Reduced number of working age residents dependent on out of work benefits.
- Reduction in residents claiming Universal Credit in-work benefits.
- Increase the number of people with a disability in employment

We will use the following indicators to track progress against this theme:

- Health related out of work benefit claimants (economically inactive due to long term sickness) as a percentage of the working age population (*ONS, Quarterly*)
- Number of residents claiming UC and JSA out of work benefits (*ONS, Quarterly*)
- The number of residents claiming Universal Credit in work benefit (*Office for National Statistics (ONS), Quarterly*)
- The proportion of residents with a disability in paid employment (*Annual Measure 1E Adult Social Care Outcomes Framework*)

A Liveable and Zero Carbon City

“We will achieve our zero carbon ambition by 2038 at the latest via green growth, sustainable design, low carbon energy, retrofitting buildings, green infrastructure, and increasing climate resilience.”

Case Study - One Manchester

One Manchester has been awarded community renewal funding to deliver an innovative project that will create 125 supported green jobs in sustainability, retrofit, construction, environmental management, recycling and reuse, renewable energy, and electric vehicles, focused on North Manchester.

This project provides an opportunity for employers in Manchester to create and test new job roles relevant to the green economy. Businesses will develop new role descriptions to be considered for funding, and recruitment will be targeted to Manchester residents who are unemployed and who face barriers to employment. These new jobs will be funded for up to six months and will be paid a Real Living Wage.

Individuals recruited to these roles will benefit from a Green Employment Coach who can provide employment support, coaching, and referral into further training offers. All employees will also receive carbon literacy training.

A Green Employment and Skills Partnership will bring together a group of Manchester based social enterprises, offering employment and skills development in relation to green jobs, creating a vehicle to support collaboration, innovation and growth. Programmes delivering and driving green skill provision and employment will be encouraged and supported across the city to boost our efforts to meet our zero carbon ambitions.

Manchester has an ambitious target to become zero carbon by 2038, twelve years ahead of the UK Government’s target of 2050. Manchester City Council’s Climate Change Action Plan 2020-25 sits alongside a citywide Manchester Climate Change Framework produced by Manchester Climate Change Partnership. The Framework sets out what Manchester collectively needs to do to 'play its full part in limiting the effects of climate change', whereas the Climate Change Action Plan will be delivered by the Council.

The Climate Change Framework includes two actions relevant to the Work and Skills Strategy:

1. Embed climate change throughout the city’s education and training system to help Manchester become a Carbon Literate city.
2. As we invest in infrastructure to become a zero carbon city, we need a proportionate investment in the skills sector to ensure that our education and training providers can respond. In particular, we need to develop the green skills the city needs to deliver the projects and programmes planned for 2020-25 and to prepare for further initiatives from 2026.

The Our Manchester Local Industrial Strategy *Developing a More Inclusive Economy* recognises that the city's economic success must be built on clean growth, green innovation, and the development of green skills. It sets out the city's commitment to create good green jobs. Manchester will be required to focus on buildings and transport and needs to capitalise on those sectors that will drive our net zero ambition including Construction in terms of retrofitting existing housing stock, and transport infrastructure and engineering sector which will focus on the technical roles that will support the transition to vehicle electrification.

The Our Manchester Local Industrial Strategy also recognises the need to support socially responsible businesses to thrive, to secure investment for zero carbon and climate resilient infrastructure, and to establish the products, services and business models such as circular economy principles, that support our transition to zero carbon.

Making sure that the city's workforce has the necessary skills to make this transition, in a way which is fair and equitable, is crucial to helping us meet this goal. The Work and Skills Strategy will play a role in the delivery of this element of the Manchester Climate Change Framework and ensure that we have a work and skills system in Manchester that supports the city to meet its 2038 zero carbon target.

Work is underway on the development of a zero carbon skills framework to understand the skill needs and level for each sector. These include:

- **Retrofitting buildings** – requiring construction related skills and technological advancements.
- **Low carbon heating** – understanding the skills needed to meet increasing demand for the design, specification, installation, and ongoing maintenance of heat pumps.
- **Low carbon transport** – skill requirements in the ongoing maintenance of electric vehicles.
- **Consultancies and financial services** – requiring the highly skilled to ensure service sector organisations can respond to emerging opportunities.

We know that one of the main barriers to delivering the right training and qualifications at scale is a lack of demand for training from employers and residents. Using the example of housing, we know that to drastically cut carbon emissions in Manchester we must make our housing stock much more energy efficient, and that to do this at scale will require a large volume of skills and expertise. However, without significant incentives or regulatory change, we must look at other ways to create demand using the assets and levers that we have available to us.

This will require close work with partners and stakeholders who have the means to drive demand, connecting them with training providers, and marketing the opportunities created to Manchester residents and businesses.

A detailed Green Skills Plan will outline how the city can play its part to transition towards a low carbon economy at the local level. Building on the GMCA Skills Intelligence – Green Economy Study (Feb 2022) We will work with and ensure skills development is co-developed with employers and training organisations to support the opportunities that will be derived. More emphasis will be placed on Carbon Literacy ensuring this is embedded into skills development programmes.

It is crucial that high quality Labour Market Intelligence about green jobs is made available for schools and colleges to ensure careers, information advice and guidance advisers and teachers understand the high growth opportunities within the key green sectors including construction, engineering, transport, research and development alongside technical advancements to ensure young people have a better understanding about jobs in the future. The upcoming refresh of the Manchester's Climate Change Framework will re-emphasise the urgent need for rapid scaled-up action to across the board to deliver a 50% reduction in CO2 emissions as soon as possible. In

focussing on creating a highly skilled zero carbon workforce the Council will look to engage partners in the delivery of a Green Skills Action plan.

Our priorities to create a liveable and zero carbon city are to:

1. Use our collective influence and spending power to create demand for green skills such as in retrofit and construction, maintenance of green infrastructure, green energy and biodiversity, building on the Combined Authority's Green Economy Skills Deep Dive.
2. Support and enhance ongoing carbon literacy and communications with businesses, schools, colleges and other learning and training providers by working with GMCA and commissioners to embed Carbon Literacy into new and existing programmes
3. Use research and intelligence to ensure that information about future job opportunities in the zero carbon economy is included in labour market information and guidance that is shared with schools, colleges, and other learning and training providers.
4. Develop and deliver a green skills action plan for the city that will ensure businesses and residents are supported with the skills needed to deliver the zero carbon agenda.
5. Work with training providers and employers to plan for and build capacity for identified future skills needs.

The outcomes we expect to achieve by meeting these priorities are:

- Increased carbon literacy amongst Manchester's young people, residents and businesses.
- Increased volume of learning and training to support transition to a zero carbon economy.
- Reduced carbon emissions.
- Increased commissioned provision of green skills training in Manchester that will
 - Support existing workforces to diversify and upskill for jobs in the green economy specifically retrofit and mechanical electrical engineers for electric vehicles.
 - Establish new routes and pathways particularly in technical education and Higher Education so that future workforces have the skills needed for the growth in the green economy.

Fewer indicators are available for this theme than the others, and data relating to green skills is not routinely collated and published by statistical agencies at a frequency that allows us to track progress. Historically, we have commissioned bespoke research work to gather this information at a local level. For Example, the ONS produces two different estimates of green jobs and they indicate that the term 'green job' has no one particular meaning. This is a complex area and ONS highlights the challenges of obtaining data under the various definitions. We will continue to work with colleagues at GMCA, Manchester Climate Change Agency (MCCA) and others to develop new sources of information and intelligence, and explore use of proxy indicators.

We will use the following indicators to track progress against this theme:

- The number of people who have completed carbon literacy training in Manchester (*MCC*)
- Spend in GM on commissioned green skills provision (*MCC, bespoke, Adult Education Budget, Community Renewal Fund*)
- *Current numbers of green economy jobs advertised by sectors/types of jobs (Labour Insight: Burning Glass)*
- *Number of Businesses supported to Transition into Net Zero (Business Growth Hub)*

A Connected City

"We will become a digitally inclusive city, with better digital infrastructure, access to digital technology and strong digital skills."

Case Study – Digital Inclusion

Digital exclusion exists where a person lacks one or more of the following: skills, access to the internet, confidence to use the internet, or motivation to use the internet. In 2019, an estimated 27,000 adults in Manchester were digitally excluded, though we suspect the number is much higher.

The City Council needed to support community organisations to help more residents be confident regular online users. There are already many organisations supporting digital, including libraries, Manchester Adult Education Service, Citizens Advice, housing associations and local community organisations. The Council's Work and Skills Team and Libraries Team set up a Digital Inclusion Working Group to develop approaches to increasing the number of residents who are online.

The working group identified motivation as being a challenging barrier to residents engaging with digital, and commissioned work to promote positive stories of how 'being digital' has enhanced the lives of individual residents. The group also identified lack of internet access at home as a barrier to being a confident online user.

Members of the Digital Inclusion Working Group have come together to resource a digital support service managed by libraries. Support has been given on things such as how to turn on a device, making video calls, doing online supermarket shopping, and accessing health information. This Our Manchester approach has proved effective in positively tackling the digital divide in Manchester to develop a Connected City.

The role of digital skills has become ever more important in almost all jobs and in most sectors. Entry level digital skills are required for jobs that traditionally may not have required any use of technology at all, while those roles that require advanced digital skills are some of the most highly skilled and highly paid roles available in the city today.

As well as being an important skillset to gain employment, digital skills are also increasingly important in navigating day-to-day life, such as accessing online services from the Council or a bank, ordering prescriptions online, or booking a session at one of our leisure centres. Digital skills are also becoming more important in the process of finding and applying for learning and employment opportunities, with the wide range of online services now available acting as both a useful tool but also a barrier for some of our residents.

To support the city's digital growth ambitions, we will work with a range of digital businesses and organisations for example the Digital Security Hub (DiSH) which is a new initiative to help drive innovation and growth in Greater Manchester and the wider UK's digital and cyber security sectors, with an aim to support 500 start-ups and create over 1,000 jobs in Greater Manchester.

In 2021 Manchester adopted a new Digital Strategy which sets the vision for Manchester's digital future. One of the Digital Strategy's four themes is *Smart People*, which aims to:

- Ensure that Manchester residents of all ages can gain and sustain the skills, aspirations and confidence to fully participate in the digital world.
- Aid mainstream education in building its capacity to ensure all young people are equipped with the skills to take advantage of the opportunities that the growing and diverse digital sector in the city presents.
- Create new routes into higher level, high value jobs and entrepreneurship.
- Ensure that digital businesses have access to the talent and skills needed, to provide the basis for Manchester to become an inclusive, diverse, successful and ethical smart city.

These four themes recognise the welcome progress but relatively slow pace of change in diversifying the technical workforce in the digital sector and continued recruitment difficulties for Developers

and DevOps (Development of Technical Operations) roles (as evidenced by Manchester Digital's 2022 Skills Audit).

The Digital Strategy will be supported by a delivery plan, which will be overseen through a Digital Strategy Governance Board.

Transport is also a key issue for residents accessing learning and employment opportunities. We know that lack of good quality public transport and the cost of transport can be a barrier for many, particularly in the north of the city. The Greater Manchester Transport Strategy and Manchester City Centre Transport Strategy provide the overall framework for transport in the city and city region, and both recognise the importance of connecting residents to opportunities. Re-regulation of the bus network provides an important opportunity to influence future bus networks to make them work better in connecting people to learning and work. Therefore, while improving access to transport is beyond the scope of the Work and Skills Strategy, it will be important to influence transport policy from a skills and affordable access to jobs perspective.

Given the strong strategic framework established by the Digital Strategy, the role of the Work and Skills Strategy in the *Connected City* theme is to support and enhance delivery of the Digital Strategy.

Our priorities to create a connected city are to:

1. Work closely with partners delivering the Manchester Digital Strategy, and the Digital Inclusion Team, to ensure that residents have access to the devices and networks they need to get online.
2. Connect Manchester's VCSE organisations and Work Clubs to the Digital Strategy and Digital Inclusion Teams to improve digital skills amongst priority groups.
3. Ensure that basic digital skills support is provided as standard by services providing employment and skills support.
4. Ensure that residents have the digital skills they need, to access employment opportunities, especially highly skilled opportunities that meet the needs of the city's digital sector.
5. Support the city's growing digital sector to develop recruitment and training pathways for all residents to benefit from these opportunities.
6. Influence transport policy in Manchester and use the opportunity of the re-regulation of bus services in Greater Manchester, to ensure that residents are connected to opportunities through public transport and good quality active travel options.

The outcomes we expect to achieve by meeting these priorities are:

- More residents have access to the devices and networks that they need to get online.
- More residents have the confidence to use digital skills to find and access learning and employment opportunities.
- More residents accessing learning to enhance digital skills at all levels, from wherever they are and using a device which suits them.

Increased use of public transport and good quality active travel options monitored through TfGM modal transport data, ensuring travel meets the needs of key employment sites. We will use the following indicators to track progress against this theme:

- Manchester Digital Device Scheme and Skills Support Data (*MCC, Monthly*)
- Digital Exclusion Index (*MCC*)
- Reduction in digital businesses unable to fill their vacancies (*Manchester Digital Skills Audit*)
- Increase in diversity of digital business technical workforce - gender and ethnicity (*Manchester Digital Skills Audit*)

Delivering the Work and Skills Strategy

Governance

Delivery of the Manchester Work and Skills Strategy will be overseen by the Work and Skills Board. The Work and Skills Board is made up of strategic partners who are responsible for learning and work outcomes in Manchester, with the expertise and influence necessary to ensure that the strategy is a success. The Work and Skills Board will review progress against the agreed priorities, outcomes and indicators on a periodic basis, taking action to celebrate success, remove barriers and solve issues or problems.

At a more strategic level, the Work and Skills Strategy will be monitored through its connection to the Our Manchester Strategy, and through reporting by exception to the Our Manchester Forum and Our Manchester Investment Board.

Once the Strategy has been adopted, the Work and Skills Board, working with Council officers, will develop a delivery plan to implement the identified priorities. The delivery plan will be reviewed annually to ensure that it remains responsive to changing labour market and wider economic circumstances.

Our priorities in delivering and governing the strategy include:

- Creation of an annual delivery plan that sets actions and milestones for delivery of the strategy.
- Creation of an index of the indicators identified in this strategy, to track progress and act accordingly.
- Maintain a productive partnership of stakeholders.
- Working to align Work and Skills Strategy priorities to emerging funding opportunities created by central government and other funding agencies.

Partnerships and Communication

As a citywide strategy, successful delivery of the Work and Skills Strategy will rely on partners and stakeholders working collaboratively to achieve our shared priorities.

The Council's Work and Skills Team will lead on managing this network of relationships and providing opportunities for partners to connect, share best practice and remove barriers.

A communications campaign will also be developed, alongside the delivery plan, to ensure that key messages and opportunities are communicated to residents in the city including those who could benefit the most. It will also focus on providing clarity to businesses seeking to recruit talent, engage with the skills system and/or upskill their own employees.

Indicators Baseline

The baseline data for indicators included in this strategy are set out below:

Priorities	Indicator	2018	2019	2020	2021
Thriving and Sustainable City	The number of Manchester residents being paid a Real Living Wage	72.4%	78.2%	77.0%	76.9%
	The change in and number of active enterprises	23,845	22,630	22,850	23,565

	The number of opportunities created through the City Council's capital projects pipeline			2,251	2,303
	The number of Greater Manchester businesses signed up to (members) the GM Good Employment Charter				49
Highly Skilled City	The percentage of 16-17 year olds who are NEET or Unknown	928	860	981	771
	The percentage of the resident working age population (aged 16 to 64) with zero qualifications	10.5%	10.7%	7.4%	10.3%
	The percentage of the resident working age population (aged 16 to 64) with level 2 qualifications	72.6%	72.0%	74.6%	71.4%
	The percentage of working age residents with qualifications at level 4+	44.0%	43.4%	48.0%	44.7%
	Number of young people in the state sector who reached Level 3 qualification	26,975	24,365	23,395	25,740
	Apprenticeships starts (by academic year - e.g. 2021 is 2020/21 academic year)	N/A	3691	2839	2902
	Apprenticeship achievements	N/A	1420	1201	1337
	The number of schools achieving the Gatsby Benchmarks	N/A	N/A	N/A	40
	The graduate retention rate	N/A	12%	N/A	N/A
Progressive and Equitable City	Health related out of work benefit claimants (Economically Inactive due to long term sickness) as a percentage of the working age population	6.13%	6.53%	5.36%	5.00%
	Number of residents claiming UC and JSA out of work benefits	14,005	16,325	34,335	25,960
	The number of residents claiming Universal Credit in work benefit	10,022	12,852	28,989	29,400
	The proportion of residents with a disability in paid employment	1.9%	1.1%	1.1%	1.2%
Liveable and Zero Carbon City	The number of MCC staff and elected members who have completed carbon literacy training	N/A	N/A	N/A	1,333
	Spend in GM on commissioned green skills provision	N/A	N/A	N/A	£337,983
	Number of businesses supported to transition into Net Zero		93		
	No. of Green Jobs advertised in Greater Manchester	N/A	N/A	N/A	£7,305
Connected City	Manchester Digital Device Scheme and Skills Support	N/A	N/A	N/A	1,322
	Percentage of digital businesses unable to fill their vacancies	29%	25%	18%	54%
	Percentage of females in digital business technical workforce	20%	16%	18%	24%
	Percentage of CERI in business technical workforce	15%	19%	11%	21%
	Digital Exclusion Index (increased levels of inclusion)	N/A	N/A	N/A	N/A