

Manchester City Council Report for Resolution

Report to: Executive – 29 June 2022

Subject: Manchester Work and Skills Strategy 2022-27

Report of: Director of Inclusive Economy

Summary

This report is to accompany Manchester's new Work and Skills Strategy (Appendix A) and to seek approval for its adoption. The report sets out the process which has been undertaken to develop the new strategy and details the consultation and engagement work which has taken place to date.

The new strategy proposes a number of priorities, outcomes and measures that are aligned to the Our Manchester Strategy objectives and which will help us on our journey towards developing a more inclusive economy for Manchester.

Recommendations

The Executive is asked to consider and adopt the new Work and Skills Strategy.

Wards Affected – All

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

The new Work and Skills strategy will contribute to Manchester's net-zero target from a skills and employment perspective. The new strategy includes a number of priorities and commitments under the theme "liveable and zero carbon" and recommends the creation of a green skills action plan.

Our Manchester Strategy outcomes	Contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The Strategy will define how Manchester works together to create skills, employment and training opportunities that support business growth and connect employment opportunities to our residents.

A highly skilled city: world class and home-grown talent sustaining the city's economic success	The Strategy will define how partners across Manchester work together to ensure that 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 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 Strategy will 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 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 that digital businesses in the city have the access to the talent they need to continue to grow.

Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None.

Financial Consequences – Capital

None.

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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.

- Manchester Work and Skills Strategy Refresh, Economy Scrutiny (February 2022)
- Refresh of Manchester's Work and Skills Strategy, Economy Scrutiny (June 2021)
- Our Manchester Strategy – Forward to 2025, Executive (March 2021)
- Work and Skills Strategy 2016-21

1. Introduction

- 1.1. Skills, employment and business growth remain fundamental components of Manchester's current and future economic success. They are crucial to making sure that the city continues to grow and to build a more 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 work has been underway since last year to revise and update the Strategy to respond to the significant changes and challenges the city has experienced over the last five years.
- 1.3. Officers have undertaken research and engagement work to determine the main themes and priorities for the new strategy. This has consisted of both desktop research using local and national sources and data, alongside a process of listening to our residents, partners and other stakeholders about their experience of the work and skills system in Manchester.
- 1.4. A formal consultation was carried out to find out if our interpretation of the information presented to us was correct, and that the priorities identified for the new strategy were the right ones.
- 1.5. This report provides additional background and context to the refresh as well as detailed overview of the consultation and engagement process that has taken place to support the Strategy's development.

2. External context

- 2.1. Work to develop a new Work and Skills Strategy began as Manchester emerged from the worst phases of the COVID-19 pandemic. Research undertaken and commissioned by the Council's Work and Skills Team at that time and more recently provided a good understanding of how the clinical and economic consequences of the pandemic played out.
- 2.2. For our residents the impacts included:
 - Increasing divergence between those who are doing well and those who are struggling – i.e. those in secure, more highly skilled and better paid work were more likely to experience some benefits from lockdown such as lower exposure to the virus, increased flexibility in work and increased rates of saving, while those in insecure, lower skilled and lower paid work tended to experience negative consequences such as increased exposure to the virus, reduced income and reduced economic resilience.
 - Disproportionate clinical and economic consequences for certain groups, and in particular people and communities who experience racial inequalities.
- 2.3. For businesses the impacts included:
 - Retail, hospitality and the visitor economy were amongst the worst affected by

lockdowns, leading to increased pressures on the workforce and a shortage of labour when emerging from the pandemic.

- General uncertainty and increased business risk, disrupted supply chains and highly variable business and market conditions.
- 2.4. Since starting work on the new strategy several new significant external factors have emerged:
- The war in Ukraine has led to unprecedented geo-political instability which has in turn contributed to increasing prices.
 - The “cost of living crisis” has seen surging inflation rates affecting prices of essentials such as food, energy and housing costs.
 - At the same time the implications of the UK’s decision to leave the European Union are still emerging, with the full consequences on the labour market, proving hard to separate from the other external factors considered here.
- 2.5. For Manchester, it is likely that our most vulnerable residents will be the worst affected by these new factors and that these will likely be many of the same people that were worst affected by the COVID-19 pandemic. It is therefore critical that we focus on improving the quality of work, increasing household incomes by moving people into more high paid work, and helping people become more resilient to future labour market changes.
- 2.6. Many businesses in the city, following a period of re-opening and building back to full operations, are currently struggling to recruit the workforce they need. There is competition for talent across the frontier economy, as well as in sectors and industries where this has been a longer-term issue such as digital and construction. It is reported nationally that over one million people have left the labour market and there has been a rise in economic inactivity, as well as unemployment in the city.
- 2.7. The labour market is experiencing a period of volatility and it is likely that this period of uncertainty will continue for some time. Therefore, it is important that the new Work and Skills Strategy can respond to these challenges without making itself vulnerable to becoming out of date by focusing too closely on external events, especially as the new Strategy is expected to be in place for a period of five years.

3. Strategic links

- 3.1. In developing the new Strategy, the linkages and dependencies with and between other Manchester strategies have been mapped out, to ensure clear interfaces and avoid duplication.
- 3.2. The Our Manchester Strategy provides the overall strategic framework for the city, and the Work and Skills Strategy is one of the key city-wide strategies that support it, directly delivering on several of the Our Manchester themes. The priorities that have been developed for the new Work and Skills Strategy, in response to the research and engagement conducted, have been mapped back

to at least one of the Our Manchester 'We Wills' to ensure alignment.

3.3. The new strategy uses the Our Manchester Strategy themes as a structural framework. This makes it clear how the Strategy's priorities, outcomes and indicators will contribute to the delivery of the Our Manchester Strategy.

3.4. The Work and Skills Strategy will support a range of other city strategies including:

- Our Manchester Local Industrial Strategy
- Manchester Climate Change Framework
- Our Manchester Disability Plan
- Manchester's Cultural Ambition 2016-26
- Manchester Inclusion Strategy
- Manchester Family Poverty Strategy/refreshed Poverty Strategy
- Youth Offer
- Adult Education and Skills Plan
- Manchester: A Great Place to Grow Older
- Powering Recovery: Manchester's Recovery and Investment Plan

3.5. The main strategies that will themselves support the Work and Skills Strategy include:

- Manchester Digital Strategy 2021-26
- Adult Education and Skills Plan 2016-25
- GM Transport Strategy and City Centre Transport Strategy to 2040

3.6. The Work and Skills Strategy also responds to the recommendations made in the Marmot report 'Build Back Fairer in Greater Manchester', which makes clear connections between work and health outcomes. Build Back Fairer makes two recommendations in relation to employment and skills, both of which are included as priorities in the Work and Skills Strategy:

- To improve the quality of work
- To reduce unemployment and build skills

3.7. The Work and Skills Strategy will directly deliver against these recommendations and forms an important component of the emerging Marmot Action Plan. Officers are working closely as part of a Marmot Action Plan working group to ensure that activities against these recommendations are complementary.

4. Research, engagement and consultation

4.1. A mixed-methods approach to research and engagement was conducted by the Council's Work and Skills Team and the Strategy and Economic Policy Team. This has included:

- The collation and analysis of information from a wide range of sources

including local, regional and national policies and strategies, data and statistics, and other relevant research papers and publications.

- A SWOT (strengths, weaknesses, opportunities, threats) analysis to help understand the themes emerging from the research, the implications and opportunities for Manchester.
- Analysis of findings from previous recent engagement in the city including the Our Manchester Strategy refresh during 2020/21.
- A first phase of engagement with residents, employers, VCSE organisations and employment support providers, learning providers, and other key groups, through 1:1 conversations, focus groups, attendance at wider meetings and online surveys. There has been a particular focus on lived experience.
- A second phase of formal consultation on the draft strategy.

4.2. A list of the organisations and groups consulted in the first phase of engagement is appended to this report (appendix B).

4.3. The findings of our first phase of research and engagement work showed us that:

- Governance arrangements will need to be strong and clear to ensure work between major city-wide themes is not siloed.
- Good links and working relationships between stakeholders working on linked strategies will need to be formed and maintained.
- There is an opportunity to make better use of existing data to judge progress and success, to target interventions to more specific groups or areas, and to improve connections between learning and work.
- We can harness our strengths but we need to make better use of these strengths in capturing the benefits of our own growth for residents.
- The impact of COVID and continued uncertainty, particularly around the changing labour market, means the Strategy will need to be high level. An additional action or delivery plan, operating on a shorter timescale, will enable the Strategy to be responsive to change.
- The Strategy needs to respond directly to issues around accessibility and equalities; this should form a major theme of future work.
- Communication and engagement should be addressed directly; a good stakeholder network exists to support with this.

4.4. We used these findings to develop our initial list of priorities. These were mapped against the themes of the Our Manchester Strategy, as shown in the appended draft, to ensure good strategic alignment with Manchester's wider priorities.

4.5. Following presentation at Economy Scrutiny Committee, a second phase of engagement took place during April and May 2022. Consultees who took part in the first phase of engagement were asked if the draft reflected their input and viewpoints.

4.6. This second phase of engagement was carried out using an online form and supported by in person engagement. Officers directly contacted people and

organisations in the city, included first round respondents, to ensure consistency through engagement phases. The online consultation was also advertised through MCC's communication channels, including newsletters and social media.

- 4.7. Use of targeted ads on social media provided a generally better than average response and click through rate than other campaigns, with just over 100k impressions resulting in 283 link clicks.
- 4.8. Taking onboard feedback from our partners and stakeholders, officers supported digitally excluded residents to respond to the consultation by holding a number of in person focus groups in partnership with skills, employment and training providers in the city. These sessions were recorded using the same online form, meaning that the actual number of residents directly consulted will be higher than shown in the submitted data.
- 4.9. Across all methods, we have engaged directly with over 220 individuals across 172 organisations in a professional capacity. In addition, we have engaged directly with over 117 individual residents.

5. Summary of consultation responses

- 5.1. The online survey was open between 4 March 2022 and 9 May 2022 and was completed by 150 people. The survey questions asked respondents whether they agreed or disagreed with the priorities set out against each Our Manchester Theme. They were also asked if they had any suggested changes or additions to these priorities.
- 5.2. The responses came from a mix of people and organisations, including:
 - 76 residents of Manchester
 - 17 businesses based in Manchester
 - 24 voluntary or community sector organisations
 - 10 public sector organisations
 - 10 learning or training providers
 - 12 "other" organisations
- 5.3. Responses from residents represented 23 of Manchester's wards. Responses from business were mostly from the city centre wards, while responses from VCS organisations were more evenly spread throughout the city.
- 5.4. Most respondents provided demographic information in addition to the survey questions. This showed us that:
 - Most responses were from females (59%)
 - 16–25-year-olds were underrepresented and comparatively, 50–64-year-olds were overrepresented. It should be noted that the Council's Work and Skills Team carried out specific focus groups to engage directly with young people and which are not captured in the statistics for the online form.
 - While almost all statistical ethnical groups are represented in responses, it

is apparent that within the respondents British/English/Northern Irish/Scottish/Welsh people are comparatively overrepresented.

- The number of respondents with disabilities was approximately in line with the rate of disability in the wider population.
- The number of respondents identifying as belonging to a particular faith group was not high enough to draw accurate conclusions. The number of respondents identifying as not belonging to any faith group was almost double that of the wider population when compared to the 2011 census.

5.5. The vast majority of respondents (88-94%) agreed with the priorities under each Our Manchester theme. Across the analysis, the themes that came across most strongly in the respondents' comments were inclusion and the need to provide targeted support and/or improved access to those facing additional barriers to employment, support, training and online services. Disabled people and those living in poverty were groups that were frequently highlighted in this respect.

5.6. Most comments were given when respondents wanted changes or additions made to the priorities. Those who agreed with a priority and felt it should remain the same did not necessarily provide a comment. Therefore, the analysis appears to give greater weight to those who disagreed and/or wanted changes, over those who agreed and wanted the draft text to stay the same in the final strategy.

5.7. The main themes that emerged from the consultation responses included:

Thriving and Sustainable

- The need to provide support and improve accessibility for groups facing barriers to work and skills opportunities.
- The need to focus on supporting particular groups that faced barriers to accessing employment and training opportunities. Disabled people were the most frequently cited group.
- Diversifying the workforce, and inclusion, equality and diversity, were also mentioned in more general terms.
- The importance of access to training and development.
- The importance of good terms and conditions of employment.

Highly Skilled

- Focusing on the needs of young people.
- Again, the need for targeted support for particular groups facing barriers also came through strongly again.
- Making training more accessible to a wider range of people.
- The provision and/or communication of adult learning opportunities and opportunities for young people.

Progressive and Equitable

- By far the most common theme of responses (40 comments) was the need to provide support for particular groups experiencing barriers to opportunities, and to diversify the workplace.

Liveable and Zero Carbon

- The most common comments were in relation to access to low carbon travel options.
- Responses also focused on how to identify and develop the skills needed to fulfil the 'liveable and zero carbon city' ambition.

Connected

- Again, transport connectivity and low carbon travel options were frequently cited.
- The need to focus on digital inclusion also came up strongly.

5.8. In addition to the main consultation, we received detailed feedback from Manchester Health and Care Commissioning (MHCC) which focused on the need to include more specific references to how we support disabled people to access training and work.

6. Changes made following consultation

6.1. Following analysis of the full consultation data several adjustments have been made to the priorities in the new strategy. These have included:

- Improving the use of language to make priorities clearer and more to the point.
- Making specific reference to priority groups where needed, particularly young people and people with disabilities.
- Strengthening priorities around how the wider skills system communicates with our residents.
- Expanding on definitions of some activities to make it clearer what we mean – e.g. specifying when we mean work placements, apprenticeships etc rather than the catch all “interventions”.
- Added a new priority on access to adult education particularly for disadvantaged communities.
- Added indicators relating to disability in employment.
- Adding a priority around access to digital skills training and support for the digital sector to develop recruitment pathways for our residents.

6.2. One of the most frequently cited themes from the consultation was on priority groups and the need for specific interventions to support people with a range of additional needs with specific interventions.

6.3. The Strategy has been deliberately designed to function at a strategic level, and whilst recognising that it does not include specific priorities for some groups of residents, we are confident that the overarching focus on equalities and inclusion throughout the document is sufficient that the needs of different groups will be considered. The language used has for this reason needed to be broader in nature, and we have therefore used words such as “most vulnerable” and “disadvantaged” in our priorities.

6.4. The work of designing specific programmes of activity and interventions for different groups of residents is something that will happen together with our

partners over the course of delivering the Strategy.

7. Equalities Impact Assessment

7.1. Officers have worked with the Council's Equalities Team to carry out an equalities impact assessment (EIA) at different stages throughout the process, firstly on the initial working draft and then on the final document. Further updates will be made to the assessment based on the delivery plan and any specific actions that are developed as a result of the Strategy. The assessment based on the final draft of the Strategy and examines our evidence base, the content of the strategy, the priorities outcomes and indicators, consultation process and any actions or next steps needed.

7.2. To summarise, the assessment found that:

- The evidence base contained data and research for every protected group except marriage/civil partnership.
- Several protected groups were not referenced specifically in the draft strategy text, specifically sexual orientation, marriage / civil partnership, pregnancy / maternity, gender reassignment, faith / religion / belief, carers, and ex-armed forces.
- The two characteristics of 'Children and Young People' and 'Poverty including jobseekers and worklessness' are well represented. The other characteristics / groups are less well represented.
- Contact has been made with organisations representing or supporting most of the key groups apart from marriage / civil partnership and pregnancy / maternity. The groups that are particularly well represented are: children and young people (which has been taken to include university education and graduates), poverty and particular areas of Manchester. Those groups with more limited representation include sexual orientation, gender reassignment, carers, homeless and ex-armed forces.

7.3. In response to the findings of the EIA and together with the response to our consultation work we have:

- Tightened language relating to some protected characteristics.
- Made it clearer that while the Strategy does not describe specific interventions for all protected groups, it is intended that protected groups are included when we talk about residents furthest from the labour market, or who need the most support.
- Included new indicators relating to protected groups where data is available, noting that in most cases it is not possible to breakdown our KPIs by protected group.
- Committed to developing an overarching equalities framework for the life of the Strategy.
- Committed to briefing the Work and Skills Board to take responsibility for equalities in the delivery of the Strategy.

8. Resourcing and delivering the Strategy

- 8.1. As a strategy for the city, it is the responsibility of the Council and our partners to ensure it is delivered. The Work and Skills Strategy will be overseen by the Work and Skills Board, which includes a range of partners involved in learning and employment, and the Economy Scrutiny Committee.
- 8.2. The Council's Work and Skills Team will take day to day responsibility for coordinating and delivering the Strategy and will work to develop an annual action plan in support of this. This will be supported by an equalities framework as described above in section 7.3.

9. Contributing to a Zero-Carbon City

- 9.1. The new Work and Skills strategy will contribute to Manchester's net-zero target from a skills and employment perspective. The new strategy includes a number of priorities and commitments under the theme "liveable and zero carbon" and recommends the creation of a green skills action plan.

10. Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

- 10.1. The Strategy will define how Manchester works together to create skills, employment and training opportunities that support business growth and connect employment opportunities to our residents.

(b) A highly skilled city

- 10.2. The Strategy will define how partners across Manchester work together to ensure that 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.

(c) A progressive and equitable city

- 10.3. The 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.

(d) A liveable and low carbon city

- 10.4. The Strategy will 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.

(e) A connected city

- 10.5. The 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 that digital businesses in the city have the access to the talent they need to continue to grow.

11. Key Policies and Considerations

(a) Equal Opportunities

11.1. Equal opportunities are covered in Equalities Impact Assessment section of this report.

(b) Risk Management

11.2. No particular risk management issues identified.

(c) Legal Considerations

11.3. No particular legal issues identified.