

## **Economy Scrutiny Committee**

### **Minutes of the meeting held on Thursday, 5 December 2019**

#### **Present:**

Councillor H Priest (Chair) – in the Chair

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

#### **Also present:**

Councillor Rahman, Executive Member for Skills, Culture and Leisure

Gemma Marsh, Greater Manchester Combined Authority

Sharon Kelly, Greater Manchester Combined Authority

John Thornhill, Chief Executive, LTE Group

**Apologies:** Councillor Hacking

### **ESC/19/51 Minutes**

#### **Decisions**

- (1) To approve the minutes of the meeting held on the 7 November 2019 as a correct record.
- (2) To receive the minutes of the District Centre Sub Group meeting held on 31 October 2019.

### **ESC/19/52 Devolution of the Adult Skills Budget**

The Committee considered the report of the Head of Work and Skills that provided an update on the progress of the devolution of the Adult Education Budget (AEB) to Greater Manchester Combined Authority (GMCA) from 1 August 2019 for the 2019/20 academic year onwards.

The Head of Work and Skills referred to the main points and themes within the report which included: -

- Providing a description and context of the Adult Education Budget;
- The importance of Adult education and skills provision as a key element in ensuring Manchester reached its Our Manchester Strategy vision by 2025;
- Describing the national context for adult education;
- The ability through devolved AEB funds that had influenced the introduction of 8 new flexibilities to the funding stream;
- Describing the Manchester provision; and
- Describing future opportunities.

The Executive Member for Skills, Culture and Leisure commented that the devolution of the Adult Education budget presented an opportunity and flexibility as to how the council spent this money locally, giving greater ability to deliver better outcomes. He highlighted the main concern was that Adult education providers were already

overspent on the current budget to meet demand and that the anticipated future funding would not meet the level of demand.

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

- It was pleasing to note that all of Greater Manchester Further Education (FE) providers are now rated Good or Outstanding by Ofsted;
- It was noted that there had been a shift to focus more on longer-term career ambitions of Manchester residents to meet the skills needed for the City;
- There was concern about the ability of Manchester residents to access FE providers across the City given the current inadequacy of local public transport;
- What buy in had there been from employers in regards to influencing adult education and skills provision, co-investing in upskilling their workers and developing the skills needed for their organisations to thrive;
- What provision was being made in relation to the retraining of the City's workforce to enable residents to move between employment industries, given that most people no longer remained in the same job for most of their working life;
- What conversations had taken place around potential future employment opportunities within the developing green economy within the city and the skills required for this sector;
- Would it be possible to have a future report on the work being undertaken with employers;
- It was suggested that there should be capacity within the proposal to provide free learning for employed residents earning below the national living wage to address those employed in shift work; and
- What work was taking place to ensure that the Adult Education Budget was adequately funded should there be any removal of European Social Funding.

The Head of Work and Skills advised that in terms of accessibility to further education, Manchester College would operate a Centre of Excellence within the city centre and three community hubs across the city – Wythenshawe, Openshaw and Harpurhey. It was commented that in terms of the Adult Education budget, in regards to accessibility, providers, colleges and local authorities were scored against this and had to demonstrate how their offer/provision could be accessed in all areas as well as their adaptability to change.

In terms of retraining, it was reported that there was a national scheme, however, the Council and FE providers were still awaiting the detail of what this scheme would offer and how it would be delivered. It was reported that employer engagement was taking place and with the introduction of T Levels there would be a greater need to ensure more organisations were engaging in investing in the skills of their employees to ensure the city was where it needed to be in order to meet the demand of future labour markets

The Committee was advised that at present no one was able to articulate what the jobs of the green economy would be that required filling and the associated skills required for these jobs. The GMCA had started a piece of work across all employment sectors to try and identify what these jobs would be in order to work with colleges and providers to deliver the training and skills development required

In terms of future European Social Funding, it was explained that the potential future impact was currently unknown and there were ongoing conversations with DfE to re-baseline the AEB budget to ensure that there was adequate funding in future years.

## **Decision**

The Committee:-

- (1) Notes the report
- (2) Agrees to consider receiving a future report on the work being undertaken with employers in influencing adult education and skills provision and co-investing in upskilling their workers at a future meeting.

## **ESC/19/53 Manchester Adult Education Service (MAES) Update**

The Committee considered the report of the Head of Adult Education Service that provided information on MAES 2018/19 performance and 2019/20 improvement actions to include an update on the Manchester ESOL strategy.

The Head of Adult Education Service referred to the main points and themes within the report which included: -

- Providing a background and description of MAES;
- Describing the 2018/19 funding and provision;
- Providing an update on the Manchester ESOL strategy;
- Providing information on the take up of MAES;
- Information on the MAES Self-assessment and Improvement Plan;
- Information on the MAES self-assessment 2018/19;
- Describing the effectiveness of Leadership and Management;
- Information on the quality of Teaching, Learning and Assessment;
- A breakdown on the outcomes of learners;
- Information on destinations and how this data was collected; and
- Information on the MAES Improvement Plan 2019/20.

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

- Concern was raised in relation to the volume of people who were still waiting to access ESOL courses;
- More information was requested on the pilot project for higher level professionals as part of the priority to develop targeted provision for underrepresented groups;
- What comparisons could be made to the outcomes of the ESOL for Work programme to put these in to context;
- How were the library locations for the 10 free Read and Feed workshops determined;
- Context was sought on learners on benefits at the start of the programme, were sustained employment rate had decreased from 35% to 27%.; and

- Under the new inspection framework, what would be the biggest challenge in terms of the changes the framework had brought to the sector.

The Committee was advised that in terms of unmet need for ESOL, 39% of those wishing to access courses had been placed into spaces in classes across the city since September 2019, which was a higher proportion than what would normally be placed. It was also reported that a piece of work would be undertaken with Manchester College to identify the average number of learners per class to see if there was the ability to move resources around in order to provide additional places for those still waiting.

It was explained that work had taken place with Price Waterhouse Coopers (PWC) to identify what learners with professional qualifications from other countries would need to obtain positions within PWC which had resulted in a paid placement scheme for ESOL learners being developed. Subsequently a course was developed in conjunction with PWC and mock interviews were undertaken with the learners. Those that were successful had their CV's passed on to PWC for consideration on the placement scheme.

The Head of Adult Education Service advised that Manchester's ESOL performance compared very favourably to other local authority providers and had very good achievement rates as well as destination rates in comparison to other core cities. It was acknowledged that there were still too many people going into part time employment.

The Exec Member for Skills, Culture and Leisure commented that MAES exemplified the Our Manchester approach in delivering much needed services for Manchester residents in light of limited budgets.

The Head of Adult Education Service advised that the library locations for the Read and Feed workshops were determined based on the areas of highest deprivation across the city. The Committee was advised that the cohort of learners had changed over the years and now more learners were in work whilst studying which had resulted in a reduction in the figures of learners on benefit.

In terms of the new inspection framework, it was reported that the changes focussed on intent and impact which now enabled to track the journey of the learner. This had resulted in changes to the improvement plan format to track how staff actions complemented the learners journey. The biggest challenge was considered to be persuading potential funders and employers around the wider value of learning and its positive impact.

## **Decision**

The Committee notes the report.

## **ESC/19/54 LTE Group performance update**

The Committee considered the report of the Chief Executive, LTE Group that provided an update on activity.

The Chief Executive, LTE Group referred to the main points and themes within the report which included: -

- The Manchester College was performing strongly and was in the top 10% for learning outcomes nationally;
- Significant increases in work experience and employability had not only contributed to high employer ratings of students but also a very strong “Grade 2” OFSTED earlier this year;
- In terms of the development of the new city centre campus, concerns raised by the Committee at previous meetings had been incorporated into the LTE Group’s negotiations with banks and the final agreement on the full project funding had been able to measurably improve the value of Manchester City Council’s first charge security for the land loan;
- Total People continued to perform in the top 3 of the largest 20 UK providers for apprentice quality and perform better on total starts and numbers of apprentices in learning than the national position and also for Manchester learners on outcomes;
- The steps being undertaken to understand the implications for employers and learners in relation to the DfE’s proposed changes in 2020 to the way training provider performance was calculated;
- The Manchester College was supporting strong engagement on NEET and creating capacity for significant population growth but currently had no funding for nearly 300 new 16-18 year old students who started their studies in September 2019. Consequently, this with other unfunded learners meant there was a significant in year funding gap (£2m) between demand and available funding; and
- The allocation of Non-Levy funding to Manchester and GM providers looked to be significantly below the level needed to deliver the economic and social aspirations. This meant that unless very significant amounts of funding could be “gifted” from large employers to SME’s, then SME’s in Manchester would be disadvantaged.

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

- What would be the impact on those students who had started their courses in September were the College did not have the funding for them;
- It was acknowledged that further scrutiny would be required on the final agreement on the funding between banks and LTE Group for the College’s new city centre campus;
- What did the LTE Group consider to be the key challenges of the new Ofsted inspection framework; and
- Were the issues described with apprenticeship funding and drop in apprenticeship numbers acute to 2015 onwards.

The Chief Executive, LTE Group advised that the LTE Group was meeting with the Education and Skills Funding Agency (ESFA) to discuss the financial requirements needed to support SME’s in taking on apprentices. The Group was also adopting an Our Manchester approach and working with large employers to gift their levy to other SME’s. In terms of the College, it was explained that it was also intended to hold discussions with the ESFA on the funding required to support the several hundred

learners in completing their studies and to provide for a strategic approach to supporting a ten-year population surge of 16-18 years olds.

The Head of Work and Skills agreed that a report on the final agreement on the funding for the College's new city centre campus could be submitted to Scrutiny in the new year.

In terms of the new Ofsted inspection framework, the main challenge would be the ability to provide enough resource to ensure that the change in methodology to tracking a learner's journey and skills development could be adequately monitored.

## **Decisions**

The Committee: -

- (1) Notes the report; and
- (2) Supports the request from the LTE Group to support an in year funding ask to the Education and Skills Funding Agency (ESFA) to support several hundred learners in completing their studies and to provide for a strategic approach to supporting a ten-year population surge of 16-18 years olds.

[Councillor Johns and Raikes declared prejudicial interests in this item as the LTE Group had sponsored work undertaken by their employer and withdrew from the meeting during consideration of this item]

## **ESC/19/55 Economy Dashboard 2019/20 – Quarter 2**

The Committee considered the Economy Dashboard for Quarter 2 of 2019/20.

Officers referred to the main points within the dashboard and advised that the Dashboard would now start to detail new content in order to more closely align this document with the principles expressed in Developing an Inclusive Economy - Our Manchester Industrial Strategy. It was explained that key metrics for understanding and tracking Manchester's inclusive economy had yet to be agreed but these would be based around the Our Manchester Industrial Strategy three main themes of, people, prosperity and place. It was noted that these would be developed and their content expanded over the coming year.

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

- The transition of the dashboard to take account of the Inclusive Economy was welcomed and it was suggested that it would be helpful to understand what information might be available at Place level to help the Committee's focus going forward;
- It was suggested that comparative data with other core cities or, if possible, European cities would also be helpful;
- It was suggested that future dashboards contained zero carbon measures;
- It was queried as to whether the decline in employment within the Arts and Entertainment sector between 2015-18 could be attributed to big entertainment employers relocating to Salford (i.e. MediaCity);

- It was noted that some metrics on the dashboard included parts of Salford (e.g. City Centre residential stats) and some were for Manchester only, which was confusing in some instances;
- In terms of broadband speeds, it was highlighted that as well as Miles Platting and Newton heath, there was parts of Didsbury where premises could not obtain speeds above 30Mbps/s; and
- It was suggested that the GMCA's GM Strategy monitoring dashboard should be used as an exemplar of how the Council may wish to present future dashboards.

Officers acknowledged that points raised by Members and advised that the points raised would be taken into consideration as the key metrics for understanding and tracking Manchester's inclusive economy were developed and expanded.

### **Decision**

The Committee notes the report

### **ESC/19/56 Overview Report**

The Committee considered a report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit and responses to previous recommendations was submitted for comment. Members were also invited to agree the Committee's future work programme.

The Chair informed the Committee that the report entitled 'Withington Village Development Plan' and 'District Centres' would be considered at the 5 March 2020 meeting.

### **Decision**

The Committee notes the report and approves the work programme subject to the above amendments.