

## **Economy Scrutiny Committee**

### **Minutes of the meeting held on 19 June 2013**

#### **Present:**

Councillor Green – in the Chair  
Councillors Barrett, Chamberlain, Davies, Hackett, Ollerhead, Raikes, Simcock, Smitheman, Stogia, and Walters.

Councillor S Murphy, Deputy Leader of the Council

Rebecca Heron, Greater Manchester Strategy Coordinator, AGMA  
Carol Bartram, Chamber of Commerce  
James Farr, New Economy

#### **Apologies**

Councillors Chappell, Karney, Keegan, Pritchard, Razaq, Richards and Taylor

### **ESC/13/27            Minutes**

#### **Decision**

To approve the minutes of the meetings on 22 May 2013.

### **ESC/13/28            Greater Manchester Strategy Refresh**

A report of the Chief Executive was submitted to the Committee which provided an overview of the refresh of the Greater Manchester Strategy (GMS). The full refreshed GMS was attached as an appendix. The Head of City Policy explained that the covering report drew out the elements of the strategy most relevant to Manchester, and demonstrated how it was fully aligned to Manchester's priorities. The Committee welcomed Rebecca Heron, Greater Manchester Strategy Coordinator, to the meeting.

The Committee noted there was a conference for members and partners to debate the strategy and asked for the details to be circulated again. A member offered to provide feedback on the conference to the Committee, which the Committee welcomed. Members asked why the conference was taking place after the end of the consultation. Ms Heron explained it was not possible to find a suitable date for the conference within the official consultation period, but confirmed that the deadline was not strict, and the conference would form part of the consultation.

The Committee discussed one of the key opportunities identified in the strategy, to secure greater management and direction of future northern rail franchises. The Head of City Policy explained that the government was keen for responsibility for rail franchising to be devolved. Greater Manchester, South and West Yorkshire had developed proposals related to the Northern and Transpennine rail services that had broad support across the transport authorities in the North. She said there was a

significant amount of work involved, but the proposal was credible and this was a good opportunity for Greater Manchester.

The Committee discussed the section of the strategy on how to make the most of Greater Manchester's science and technology assets. Members welcomed having science, technology, research and development as central to the city's plans for growth, but queried how this would be achieved in practice. A member noted that graphene, which was invented at Manchester University, provided a significant opportunity for the city, yet China had taken out more patents than the UK for its development. The Head of Policy agreed that moving from research to commercialisation was extremely important in terms of boosting economic growth and creating jobs, but doing this successfully is complex. She explained there was a Greater Manchester science and technology review currently being carried out with this purpose. She said that the patents that had been taken out by the UK for graphene were smaller in number but of a quality that provided a good platform for future commercial application. The Deputy Leader said the most important thing was to have local control to decide local priorities, without central government interfering. The GMS and the City Deal were key instruments in gaining this local control, and once they are in place it was vital to be able to get on with the work, without interference from civil servants and central government.

A member commented that each of the ten Council leaders of the GMCA led on a different aspect of the strategy, and queried whether there was a risk of any elements being lost without explicit responsibility. She gave the example of innovation, which was not identified as an explicit priority. Ms Heron acknowledged this risk, but reassured members that it was the role of the GMCA to monitor and identify anything being missed. She said that Councillor Richard Leese, leader of Manchester Council, led on economic growth, and Councillor Peter Smith, leader of Wigan Council, led on reform which would both play a part in supporting innovation. She recognised that innovation needed to be more explicit in the GMS and agreed to take that on board.

A member noted that schools should play an important part in supporting skills development, but did not feel that this was evident. Ms Heron reassured the Committee that schools were an important part of the strategy, but noted that this needed to be more explicit in the strategy.

A member welcomed that one of the priorities of the GMS was to transition to a low carbon economy. He felt that there were particular benefits from being one of the first cities to do this, and suggested that the strategy should reflect this. He also suggested that the strategy should be more explicit in the support that will be provided for small and medium enterprises.

Members were shocked that 40% of children in Greater Manchester are not school ready, and asked what evidence there was for this. The Head of City Policy confirmed it was based on well tested methodology, and that Manchester's figures were higher than the national average. She reassured members that there was a target in place to reduce it to the national average and action to support this. She noted that there was some pioneering work taking place in the city, which built on a strong evidence base including that developed through the Ardwick pilot.

A member asked whether existing employment schemes just for Manchester residents would continue, or would become for Greater Manchester residents. The Interim Head of Regeneration explained there would be a combination. Some would be for Greater Manchester residents, such as the Greater Manchester Youth Officer. Manchester City Council's apprenticeship scheme was for Manchester residents, as was recruitment in many regeneration projects. The Deputy Leader confirmed there was an interesting mix, for example the digital programme in the digital strategy was for Manchester and Oldham.

The Committee welcomed the refreshed GMS, and found that it had improved significantly on the original. Members in particular welcomed the focus on trading with new parts of the world and the work with other universities on science and technology developments.

### **Decision**

1. To request that the Greater Manchester Strategy Coordinator circulate details of the conference through the Scrutiny Support Officer.
2. To request that Councillor Simcock provide feedback on the conference for committee members who are unable to attend.
3. With regards to the Greater Manchester Strategy, to recommend that:
  - Innovation is made more explicit as a priority;
  - The role schools play is made more explicit;
  - The benefits that being one of the first cities to transition to a low carbon economy would bring;
  - The support that will be available for small and medium enterprises is made more explicit.

### **ESC/13/29      Greater Manchester City Deal**

The Committee considered a report of the Chief Executive which provided an update on the implementation of the City Deal. The City Deal is an agreement with the government to localise decision making for a number of key areas to the Greater Manchester Combined Authority. The City Deal was agreed in the government's 2012 budget and an implementation plan was produced in September 2012 setting out the high level actions to be carried out by the government and Greater Manchester partners.

The Committee discussed the reasons that some aspects of the implementation of the development plan had been slower than anticipated. The Head of City Policy explained that the Earnback model would generate greater tax revenues for central government, of which Manchester would receive a portion, through investment targeted on economic growth. However, the formula to underpin this has been complex to develop and agree. The Head of City Policy explained there were also some cultural issues in government that hampered implementation of elements of the City Deal including Earnback.. She hoped that the detailed arrangements for the Earnback Model would be agreed within the next few weeks.

A member queried whether growth in employment would be a better aim than growth in capital and tax revenues. The Head of City Policy explained the aim was to, through the Earnback model, boost economic growth which would result in creating jobs. There were opportunities in future to link this to public sector reform that would reduce dependency. Individual government departments could not make these kind of cross cutting improvements, but a single geographical area could. The Deputy Leader added that there was an opportunity to secure some funding from the Department for Work and Pensions, which would require boosting employment levels, and there was an announcement on whether this would be happening next week. The Deputy Leader also expected that the national Spending Review, due the following week, would contain an outline of what the government intended to devolve further, but it would only be clear once the detail was confirmed.

A member asked for an update on the other city deals that were being developed. The Head of City Policy said that Greater Manchester's was the broadest and most comprehensive. Its early agreement meant that implementation was well underway. She said other cities were struggling with similar issues to Manchester. She explained that the next step for all city deals was to work towards the next round of devolution and establish a strong connection between economic growth and reducing dependency on the state. She said that the combined authority had proven to be a very strong model for governance, which had impressed central government.

The Committee discussed whether Greater Manchester would benefit from a mayor on the London model, and the likelihood of this happening. The Deputy Leader was not aware of any plans for this, although said a debate on what benefits it might bring would be interesting. She emphasised that the level of devolution and control that Greater Manchester had was what was really important, rather than whether a mayor or the combined authority wielded it.

## **Decision**

To note the report

## **ESC/13/30 Greater Manchester Skills Development**

The Committee considered a report which provided an overview of the development and implementation of activity relating to skills in Greater Manchester, including the Skills and Employment Partnership action plan. The Committee welcomed James Farr, of the New Economy, and Carol Bartram, of the Chamber of Commerce, to the meeting.

A member noted that the aim of the skills funding pilot was for the Local Economic Partnership and the Greater Manchester Combined Authority to jointly agree evidence based skills priorities to shape the curriculum offer in Greater Manchester. A member asked for more details on the agreements that were being developed with providers to fulfil this aim. Mr Farr explained this aspect of the pilot was more complex, as the level to which individual providers respond to these priorities is not simple. Encouraging the providers to see the benefits of responding to these priorities is difficult, as they need to offer courses which people want to do. He said New

Economy was carrying out discussions with further education providers about taking up these priorities and many, but not all, were keen.

A member asked for more information about Talent Match, a Big Lottery funded scheme in 21 areas of the country which works with people aged 16-25 who are not in education, employment or training. The Deputy Leader explained that GMCVO (Greater Manchester Centre for Voluntary Organisations) was leading on this the scheme is for the voluntary and community sector. The Deputy Leader was chairing the board which had met for the first time last week. An outline of the programme was in place and work was ongoing. She also told the Committee that the final decision on the funding was due in September 2013 and there was a possibility of additional European Union funding. The Committee asked to receive a report on this and the business plan for the scheme at an appropriate date.

The Committee discussed how to predict labour market trends and establish a realistic understanding of priorities, in order to provide accurate advice for young people. Mr Farr agreed it was important, but cautioned members that accurate forecasting was difficult. It was possible to a certain extent through analysis of current markets and broad trends. He expressed surprise at how little current labour market needs affect further and higher education curriculum development. He also noted that there needed to be demand from young people, so stimulating that demand was necessary.

A member asked how the coordination of employers with schools to increase the level of private sector led careers guidance by the Greater Manchester Skills and Employment Hub would work in practice. Mr Farr explained that the role of the hub in this was to get an understanding of what schools and colleges what from the partnership and to engage with businesses to bring them into schools to support the careers guidance. Ms Bartram gave some more detail on the Employer Ownership of Skills programme which was being developed by the Greater Manchester Chamber of Commerce. This would be a partnership between schools, colleges and businesses, to share intelligence on employment. She said that careers advisors, schools and colleges do not in general understand how sectors have changed over the years. For example, the programming languages used in the industry are different to those used in the past, and finding trainers for current languages was difficult as people with those skills could generally secure larger salaries working in the industry. The Chamber works with businesses to develop employer led training based on the needs of the businesses, often provided by the employer. She confirmed progress with this was good.

The Committee discussed how responsive further education colleges and providers could be to this kind of work. Members noted that generally, they wanted to be flexible and respond to the needs of businesses, but as large organisations this was not always easy to do. Members felt that colleges needed support to do this effectively. A member asked for clarification on how much influence the Skills and Employment Partnership expected to have on the 2013/14 curriculum, as this would already be well established in most organisations by now. Mr Farr confirmed that impact on the 2013/14 curriculum would be minimal with no radical changes. They were working to establish a better, more effective process for 2014/15, with refreshed Greater Manchester skills priorities and better labour market analysis.

Members expressed concern that not enough importance was being placed on careers advice by schools and colleges. Mr Farr explained that education providers now had statutory responsibility to provide careers advice and while Ofsted had a duty to assess it, it was not a high priority. He confirmed that the Greater Manchester Skills and Employment partnership was making representations to Ofsted to put greater emphasis on careers advice and was also developing a service to support schools in providing careers guidance. Mr Farr confirmed that Connexions was provided by a disparate group of providers across Greater Manchester. He explained the Connexions service, which had in the past been universal, now had a much narrower focus, targeting young people in need of intensive support. Mr Farr acknowledged that it was not the case that all schools and colleges in the city had secured high quality, well informed careers guidance, although there were some excellent examples.

The Committee thanked Mr Farr and Ms Bartram for providing the report and attending the meeting.

### **Decision**

To request that a report on the Talent Match programme, including the business plan that is to be developed, is submitted to the Committee at an appropriate date.

## **ESC/13/31      Overview Report**

The Committee considered a report of the Governance and Scrutiny Support Unit which provided a summary of the key decisions due to be taken that are relevant to its remit, an update on actions taken as a result of recommendations and the current work programme. The Overview Report also included the most recent Real Time Economy Dashboard.

The Committee noted that discussion of the work programme for 2013/14 had been deferred from this month's premeeting, and agreed to discuss it at the premeeting in July, and for the premeeting to start at 9.00am.

### **Decision**

1. To agree the work programme.
2. To defer discussing the work programme for the next year in detail to the premeeting of the July meeting of the Committee, and for this to start at 9.00am.