

GMCA ECONOMY, BUSINESS GROWTH AND SKILLS OVERVIEW AND SCRUTINY COMMITTEE 11 JANUARY 2019 AT 3.00 PM AT TRAFFORD TOWN HALL

Present: Councillor Michael Holly (Rochdale) (in the Chair)

Bolton: Councillor Susan Haworth
Bury: Councillor Robert Caserta
Bury: Councillor Mary Whitby
Oldham: Councillor Chris Goodwin
Oldham: Councillor Valerie Leach
Rochdale: Councillor Daniel Meredith
Salford: Councillor Tanya Burch (substitute)
Stockport: Councillor Mark Hunter
Trafford: Councillor Barry Brotherton
Tameside: Councillor Yvonne Cartey

In attendance

GMCA
Councillor Sean Fielding, Portfolio Lead for Education, Skills, Work and Apprenticeships
Tony Oakman, Portfolio Lead Chief Executive for Digital, City Region
Simon Nokes, Executive Director Policy & Strategy
Phil Swan, Chief Information Officer
Gemma Marsh, Assistant Director – Skills (Policy, Strategy, Delivery)
Mat Ainsworth, Assistant Director – Employment (Policy, Strategy, Delivery)
Emma Stonier, Governance and Scrutiny Officer

DWP
Nick Mellor
Tim Haworth

E01/19 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Luke Raikes (Manchester), Karen Garrido (Salford), Kate Lewis (Salford), Charles Rigby (Wigan) and Jude Wells (Stockport).

E02/19 CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS

The Chair had requested updates on the following items of urgent business:

a. Brexit

Simon Nokes, Executive Director Policy and Strategy, GMCA, provided an update on Brexit. The Government will hold the key vote on Tuesday 15th January 2019. If this is not successful further plans will be brought back within three days. The Growth Company is

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undertaking a substantial amount of work with businesses around preparedness for 29th March, working with the Department for International Trade (DIT). There is also a GM public sector group looking at preparedness of key GM organisations. There will be a substantial item on Brexit at the GMCA meeting at the end of January and Scrutiny will receive a further update at their meeting in February.

Members asked whether there would be a more substantive Brexit update at the next meeting as this was not currently on the work programme. In addition to the monthly Brexit Monitor Brexit updates are scheduled into the work programme every 6 months; the Chair has requested that updates on Brexit are provided under Chair's announcements, over the coming few months.

b. Future of GM

Members had received the Future of GM report for information. This was discussed at the GMCA meeting earlier and sets out the strategic context for taking forward key plans as part of the implementation of the Greater Manchester Strategy. The suite of documents circulated included; the Greater Manchester Spatial Framework (GMSF); Transport Strategy 2040 Delivery Plan and Mayoral Development Corporations (MDCs). A package of measures was outlined which all have the ambition to keep GM moving forward.

A Member stated that Stockport was the first Mayoral Development Corporation and noted their appreciation and thanks for the support and assistance received. This was highlighted as being an exciting opportunity and they looked forward to receiving further updates at this Committee around progress of this work.

E03/19 DECLARATIONS OF INTEREST

There were no declarations of interest received.

E04/19 MINUTES OF THE MEETING HELD ON 7 DECEMBER 2018

The minutes of the meeting held on 7 December 2018 were submitted for approval.

RESOLVED:

That the minutes of the last meeting held on 7 December 2018 be approved as a correct record.

E05/19 WORK PROGRAMME

Simon Nokes, Executive Director Policy and Strategy, GMCA, introduced the work programme. An updated work programme for February and March 2019 had been circulated to Member's prior to the meeting.

It was proposed that the February update on the Local Industrial Strategy (LIS) was for information only, based on the CA report that would be published the previous day, and that a detailed debate about the LIS was scheduled for the March meeting, as more detail would be available to share at this stage. Members were also asked about the item on February's work

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programme about women's employability. GM was proposing to undertake some work on women and equality, with a paper due to be considered at the February GMCA meeting. It was suggested that the Committee also received this paper for discussion at the February meeting.

Members requested that an update on the impact of Brexit on Manchester Airport, be added to the work programme, together with a potential site visit to the airport to be explored.

Members had requested that the Mayor attended the March meeting and this was currently being progressed by the Governance and Scrutiny Officer.

RESOLVED:

1. That the proposed changes to the work programme be approved.
2. That a Manchester Airport update be scheduled into the work programme.
3. That the potential for the Committee to visit Manchester Airport be explored.

E06/19 GREATER MANCHESTER DIGITAL STRATEGY IMPLEMENTATION UPDATE

Tony Oakman, Portfolio Lead Chief Executive, Digital – City Region, presented a report that updated and sought Member's views on progress in the implementation of the Greater Manchester Digital Strategy. Members were specifically asked to review and provide feedback on the actions that had been taken to implement the Greater Manchester Digital Strategy since its approval in February 2018.

Key areas highlighted included:

- Progress overall has generally been positive.
- Resident engagement and research around data sharing has taken place and the permissions around sharing this information with the Committee will be explored. This was highlighted as being key to ensuring residents were supportive of this work. Concerns raised by some residents about the risks of data sharing were acknowledged, as were the opportunities data sharing presents.
- The additional £3m of funding awarded to GM in the Autumn Budget statement for a digital skills pilot to be developed in conjunction with other partners, including businesses.
- GM has secured c.£25m investment to support the growth and implementation of full fibre. A plan and approach has been agreed to ensure that all ten GM local authorities have enhanced connectivity. It is expected that the majority of public sector buildings across GM will have full fibre connectivity in future. GM is awaiting approval from the Department for Media, Culture and Sport (DCMS) to go out to procurement and once received Transport for Greater Manchester (TfGM) will be leading on this. This was highlighted as being a significant point in the delivery programme, key to the Local Industrial Strategy and crucial for GMs ability to compete at national and international level.
- Upcoming areas of focus included Smart Residents, which was a programme designed to support different areas of public services to become more joined up. Funding streams

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have been identified and Members will be updated once further information became available.

- The Digital Steering Group Board membership, terms of reference and purpose were currently being reviewed to ensure it was aligned with work taking place across GM.

Members comments and questions included the following:

- Members supported the ambition around data sharing and asked how confident GM were that progress would begin to be made towards achieving this. Key components, such as the white paper on public service reform including a place based approach, and the Smart Residents programme, which has brought different organisations together, were highlighted as drivers for this work which may not have been there in the past. Members were informed that there was now an Interoperability Board, chaired by the Portfolio Lead Chief Executive and Jon Rouse, Chief Officer, Greater Manchester Health and Social Care Partnership, looking at areas such as procurement, to drive delivery and implementation across organisations. GM were also ensuring that front line services and residents were involved in the development of this work.
- Had consideration been given to installing full fibre within new housing developments were under construction? Work taking place at a GM level, around infrastructure strategy, will be looking at this as their work develops. It was the GM view that full fibre should be seen as a utility, in the same way as water and electricity, and should be built into new development. GM was also working towards a consistent approach to infrastructure construction (a 'one dig' approach) which would make it easier and faster for companies to invest in digital infrastructure across GM.
- In a previous Digital Update 5 digital working groups had been referred to and it was asked whether these groups were still in existence? The working groups had been set up as task and finish groups with a specific focus and were not intended to continue once their remit had come to an end. Recently a digital skills group had been convened to assist with progressing this work.
- Were GM undertaking any work around supporting young people with disabilities to access digital opportunities? GM was undertaking work to reduce the barriers to accessing digital opportunities, which should create opportunities for those young people with disabilities. It was also stated that the arrival of Government Communication Headquarters (GCHQ) in Manchester should be positive for increasing opportunities as they were the largest employer of autistic people in the country. The GM digital skills work has targeted young people with Asperger's and Autism. It was also felt that GM was improving the way it used different strategies to support individuals and that targeted focus and support for individuals, to increase access to opportunities, was improving.
- What steps have been taken to improve full fibre coverage in rural areas of GM? Once full fibre has been installed internet coverage will improve across the board. Public sector buildings will be the basis of coverage and these are well distributed across GM. There was a heat map which shows access across GM and this will be shared with Members. It is also hoped that once this work begins it will encourage further digital infrastructure investment into the region. It was also noted that there was a significant amount of investment from telecoms companies due to come into the region.
- Could concerns regarding Huawei and 5G affect GMs strategy? GM was working closely with the National Cyber Security Centre and GCHQ, and taking direct guidance from them in relation to this. GM has to take guidance from GCHQ and the Department for Culture Media and Sport (DCMS) about this and will ensure it complied with national judgements.

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Developments in other countries around Huawei were also being monitored closely. It was also important to ensure that infrastructure was not developed in GM that would inhibit future growth.

- Was the 25% target for Fibre to the Premises (FTTP), by the end of 2020, for commercial or domestic premises? And how will the programme achieve this by 2020? Funding received from Government will enable copper based connections to public sector assets to be replaced driving this work forward. Additionally, the location of GCHQ provides GM with an advantage in terms of cyber security.
- How will GM position itself at the forefront of 5G mobile? Members were updated that GM had not been not successful in their bid to Government around this. However, there has been a significant amount of private sector investment into GM, including the opening of a 5G innovation centre in Media City by Vodafone and a 5G test bed. Over the coming months there will also be further announcements about digital infrastructure investment in the region.
- To what extent was GM working with the Association of Small Businesses' around this work programme? GM was working closely with Manchester Digital which has representatives from a broad range of Small, Medium, Enterprises (SMEs). The digital futures work was also looking at how GM connects with businesses and schools. In terms of the skills agenda engagement with SMES was vital, to ensure that young people were leaving school with the relevant qualifications and skills to take up careers in the digital sector. Officers also emphasised that this programme was in the initial stages (the procuring of full fibre) and that following this it was intended that the digital strategy will be reviewed to ensure GMs long-term strategic ambitions and delivery was reflected in the strategy.
- Media City, Salford was an important national asset in GM and it was asked whether this was being utilised to full effect in driving the digital work. Other themes of work within GM were reviewing how GM assets could be used to drive ambitions. For example, the Local Industrial Strategy will outline how assets in GM can drive economic growth and how they can be used to contribute to the UK economy. The LIS will also outline GMs ambition to exploit its digital strengths more fully.
- Progress in the report was at GM level and there was no detail included for local authority level. Some areas were performing better than others but progress/development across the board was being seen. GM have encouraged all local authorities to implement IDEA and half of them have picked this up. Additionally, most areas in GM now have their own Digital Strategy which was a positive sign. Members requested future reports included detail by exception in relation to any concerns about local authority progress, engagement of schools and connectivity.
- What was felt to be the biggest concern/risk to the success of this work? The 10 Local Authorities agreeing on the approach to future investment was highlighted as being crucial to the success of this work. One of the biggest future challenges highlighted was making sure that, once procurement was complete, the funding met the expected outcomes, but it was felt that the partnership approach taken by GM was a key strength to achieving these ambitions.

RESOLVED:

1. That the update on progress towards implementation of the Greater Manchester Digital Strategy be noted.

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2. That GM will explore whether resident engagement research findings can be shared with the Committee.
3. That the internet coverage heat map be shared with Members.
4. That future reports included detail by exception around concerns about local authority progress, school engagement and connectivity.

E07/19 WELFARE REFORM

Councillor Sean Fielding, Portfolio Lead for Education, Skills, Work and Apprenticeships presented a report that provided Members with an update on welfare reform and the roll out of Universal Credit in Greater Manchester, the latest monitoring of the impacts of those changes and an overview of changes following the Autumn Budget.

Councillor Sean Fielding introduced Nick Mellor and Tim Haworth, Department of Work and Pensions (DWP) who were in attendance to give a presentation on Welfare Reform, the impact of Universal Credit locally and actions being taken locally to mitigate negative impacts. The positive relationships GM had developed with relevant Government departments were also highlighted as being extremely important, allowing GM to have an amount of flexibility locally, which has assisted with reducing some of the negative impacts of welfare reform.

Key items from Nick Mellor and Tim Haworth's presentations included the following:

- The DWP had undertaken work to form one GM district that reflected the geography of the GMCA and recognised local authority boundaries. This was carried out to assist with the GM ambition to work at a 'place' level.
- GM Job Centre Plus District Business Plan incorporates DWP objectives and GM objectives outlined in the Greater Manchester Strategy (GMS). Job Centre Plus in GM are committed to partnership working. Some of the enablers for this were noted as being: co-location with key partners and the joint delivery of programmes.
- Some of the projects which supported the ambitions of the GMS included: Talent Match and Youth Panel Review, Duty to Refer (with JCP recently highlighted as the highest referrer in GM), Work and Health programmes and Armed Forces and ex-service personnel support.
- Local programmes supported the mainstream JCP programme of work, as it continued to develop in the context of the development and further roll out of Universal Credit.
- Challenges with the roll out of Universal Credit were acknowledged. There had been changes introduced since it began to reduce some of these which since 2017 included the removal of telephony charges and waiting days.
- The digital platform was highlighted as being positive for those who could access it.
- An integrated telephony system has been introduced which means when clients ring the call is routed to the case manager dealing with their claim. Case managers also work with the relevant work coach in local job centres.
- The work and dedication of Job Centre Plus staff in supporting people was highlighted.
- Locally JCP had communicated to staff to carefully consider the use of sanctions for claimants.

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The Chair thanked both Nick and Tim for attending the Scrutiny Committee and providing Members with a comprehensive update.

Members questions and comments included the following:

- Would the additional support, for Universal Credit, announced in the Autumn Budget, reach claimants and provide assistance and support, or be incorporated into departmental budgets? The additional funding will be given to the DWP and then will work its way down to operational services.
- Anecdotal evidence indicated that sanctions were still occurring in GM. In relation to the provision of evidence and appointments the message being communicated to GM job centres was that customers can drop in and provide any outstanding information as they wish to. There was also an expectation that all customers be seen as quickly as possible. Members were also informed that there is a Quality Assurance Framework in place which enables the use of sanctions to be monitored. Additionally, if complaints about sanctions are received team leaders within Job Centres investigate these. The number of sanctions given out in GM has also dropped significantly over the last couple of years.
- Has any action been taken around supporting those clients/customers who were not digitally literate or not able to access online facilities due to poor connectivity/lack of services to support this? Universal Credit was touted as a digital service and customers were encouraged to make claims online, however, customers were able to use alternative methods to make contact about Universal Credit claims.

Members discussed the Welfare Reform dashboard and noted that this was a useful document. Further comments and questions about the dashboard included the following:

- Whether the figures (in the May 2018 table) for those who had received low level sanctions included people who may have received repeat sanctions? It was confirmed that the data in the table could include those who had received low level sanctions a number of times. Furthermore, a number of this cohort may also have received work programme sanctions.
- What were the reasons for the almost 80% reduction in discretionary social funds across local authorities in GM over the past 8 years? Were there any actions which GM could take to alleviate the impact of this reduction? Members were informed that previously this scheme had been administered by DWP and once the scheme came to an end nationally the responsibility passed to local authorities, without additional funding or statutory duties attached to it. Local authorities were able to decide which elements they continued with and therefore different local authorities have taken different approaches to what they offer. GM was currently looking at this across the piece to see whether it would be possible to introduce a level of consistency in provision across GM. Members were pleased to note that this work was taking place and highlighted that this issue was not exclusively related to national policy decisions.

RESOLVED:

1. That the latest Greater Manchester Welfare Reform dashboard analysis be noted.
2. That the changes introduced at the Autumn Budget be noted.

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3. That the information provided by the Jobcentre Plus on the local approach to delivering welfare reform be noted.

E08/19 GREATER MANCHESTER SKILLS CAPITAL 2017-2020 PROGRAMME UPDATE

Councillor Sean Fielding introduced a report that updated Members on the latest position on the Round 2 applications for Skills Capital funding from Bolton College, LTE Group, Wigan & Leigh College, Oldham College and the Round 1 application from Bury College. The devolution of Skills Capital funding was an example of an area where GM could allocate funding to support local priorities and need.

Members questions and comments included the following:

- In the previous Skills Capital update to the Committee, about Round 1 funding, 9 bids had been referenced and Members were unclear whether all these had progressed. It was confirmed that the 9 referred to in Round 1 had been expressions of interest and that not all of these had progressed to the next stage.
- Section 1.3 stated that once Round 2 had been completed there will be a good coverage of sector skills across the region. Members asked whether it was felt that funding had been mapped well across the city region, as it appeared that the North of GM was less well served. GM had worked with colleges to ensure that local area demand and need was understood. GM was working hard to take a more strategic approach to the allocation of funding, since its devolution. Additionally, constraints regarding funding criteria were highlighted, as was the fact that some estates in GM were in better condition than others. Overall it was felt GM was being more strategic about what, how and where projects were delivered and that the funding being agreed/proposed aligned with the needs of GM.
- Oldham College were expected to receive a significant amount of funding, despite financial difficulties in the past, and the bid from Hopwood Hall College, an organisation with good financial management, had not progressed further. Members were informed that Hopwood Hall College had put in an initial bid and that this had subsequently been withdrawn by the college. Oldham College had been an exceptional case and the strategic case was still being worked on currently. This was also HMIC compliant. Members stated that feedback from Rochdale had indicated that Hopwood Hall College withdrew their bid due to the fact they could not secure matched funding under the terms of the arrangement. Concerns about the bid criteria were also highlighted, as some areas in GM had smaller pools of businesses who could provide match funding. The bid had also related to advanced manufacturing which was one of the priority areas for the GM LIS. Members were informed that exceptional cases had been open to everybody applying for skills capital funding. Additionally, the Wigan bid included elements of advanced manufacturing, as had the Salford bid which received funding in the previous round. The Committee were also informed that matched funding conditions had been essential to securing funding from Government, when bidding for this, and were reminded that the criteria for Skills Capital had come to this Scrutiny committee, before receiving final approval from the Combined Authority. Officers informed the Committee that they would contact Hopwood Hall College to clarify the reason behind the withdrawal of their bid.

RESOLVED:

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1. That the update be noted of the Round 2 Skills Capital programme with particular focus on LTE Group and Wigan who would seek approval in principal at the January 2019 GMCA.
2. That Officers would seek clarity from Hopwood Hall College around the withdrawal of their Skills Capital funding bid.

E09/19 FUTURE OF GREATER MANCHESTER

RESOLVED:

That the Future of GM report be noted.

E10/19 REGISTER OF KEY DECISIONS

RESOLVED:

That the Register of Key Decisions be noted.

E11/19 BREXIT MONITOR

RESOLVED:

That the Brexit Monitor be noted.

E12/19 DATE AND TIME OF NEXT MEETING

Friday 8th February 2019, 2.00 – 4.00pm, Boardroom, GMCA Offices, Churchgate House, Oxford Road, Manchester, M1 6EU