

**GMCA ECONOMY, BUSINESS GROWTH AND SKILLS OVERVIEW AND SCRUTINY COMMITTEE
8 FEBRUARY 2019 AT 2.30 PM AT GMCA OFFICES, CHURCHGATE HOUSE**

Present:	Councillor Michael Holly (Rochdale) (in the Chair)
Bury:	Councillor Robert Caserta
Bury:	Councillor Mary Whitby
Oldham:	Councillor Valerie Leach
Rochdale:	Councillor Raymond Dutton (substitute)
Salford	Councillor Karen Garrido
Salford:	Councillor Kate Lewis
Stockport:	Councillor Mark Hunter
Stockport:	Councillor Jude Wells
Trafford:	Councillor Barry Brotherton
Tameside:	Councillor Yvonne Cartey

In attendance

GMCA	Councillor Sean Fielding, Portfolio Lead for Education, Skills, Work and Apprenticeships Councillor Andrew Western, Portfolio Lead for Digital, City Region Simon Nokes, Executive Director Policy & Strategy John Wrathmell, Assistant Director Strategy & Policy Phil Swan, Chief Information Officer Emma Stonier, Governance and Scrutiny Officer
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E13/19 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Susan Haworth (Bolton), Daniel Meredith (Rochdale) and Charles Rigby (Wigan).

E14/19 CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS

The Committee agreed that Item 6 – Work and Skills Update was taken after Item 9 – Local Industrial Strategy.

The Committee were provided an update on the following item of urgent business:

a. Brexit

Simon Nokes, Executive Director Policy and Strategy, GMCA, provided an update on Brexit. The Committee receives the GMCA Brexit Monitor on a monthly basis. GM will continue to monitor the economic impacts of Brexit over the coming weeks/months. Brexit preparedness was ongoing and a paper about this was on the agenda for the next Corporate Issues and Reform Overview and Scrutiny Committee. GM was undertaking a

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range of work about the potential impact of Brexit and civil contingency planning. This included: identifying infrastructure projects over £10m in value and understanding how they might be affected; working with Manchester Airport around potential impact/delays arising from Brexit; looking at sectors such as health and hospitality in which there are larger numbers of EU nationals working; encouraging all public sector organisations to look at Brexit readiness and looking into potential issues around data storage. A GM level group was looking at GMCA preparedness, with relevant issues being included in the CA Risk Register.

Members had the following questions:

- What powers do GM have and how can these be used to lessen the potential impact of Brexit? It was highlighted that GM is currently reviewing what support offers were available for businesses and individuals. This type of support had been offered at the time of the last recession. Live conversations were also taking place with Government around support from them and how this might be deployed. Government have also requested regular reports in relation to the state of the economy.
- The accuracy of economic forecasting was raised and it was asked what period the forecasts covered? GM had used the Government's analysis in the Corporate Issues and Reform Overview and Scrutiny report and had applied this to GM. The forecast was over a 15-year period and, based on the Government's own analysis, showed that GM would be £8.2b worse off than if the UK had remained in the EU. Members queried what percentage of GM's predicted growth this was. It was confirmed Officers would clarify this and circulate information to the Committee.
- Were GM aware of any companies based in GM relocating to the EU due to Brexit? Currently GM were not aware of companies who had relocated, however they were aware of some companies who had opened a second operation in Europe due to Brexit uncertainty.
- What was the expected impact of Brexit over the next 12 months? It was highlighted that the impact depended on the final deal and that the work the Government had carried out focused on the impact over 15 years. Some concerns were also noted around companies stockpiling and perceptions around economic performance arising from this. Modelling over a 6 month/yearly period has not been carried out due to the large amount of unknown variables.
- Companies curtailing investment in the UK because of Brexit was highlighted as a concern. GM had seen companies taking longer to make decisions or putting decisions on hold until the current situation around Brexit became clearer. Companies future investment plans were also closely related to why the company was in the UK.
- A Member raised school meals and the potential impact Brexit may have on their provision due to supply chains and asked whether GM was aware of this and asked of any action being taken to mitigate this? Officers were not aware of any specific action around school meals but would look into this further and report back to Members.

A further update will be provided at the March meeting.

RESOLVED:

1. That the Committee received further updates on Brexit.
2. That information regarding what percentage the £8.2bn figure was of predicted economic growth in GM be circulated to the Committee.
3. That officers would investigate whether there was any action underway around the impact of Brexit on school meals and update the Committee.

E15/19 DECLARATIONS OF INTEREST

There were no declarations of interest received.

E16/19 MINUTES OF THE MEETING HELD ON 11 JANUARY 2019

The minutes of the meeting held on 11 January 2019 were submitted for approval.

RESOLVED:

That the minutes of the last meeting held on 11 January 2019 be approved as a correct record.

E17/19 WORK PROGRAMME

Simon Nokes, Executive Director Policy and Strategy, GMCA, introduced the work programme. The Committee were informed that the Mayor had confirmed his attendance at the March meeting. It was suggested that the Business and Science items were considered at the April meeting as the GM Cultural Strategy and Women's Employability items were also due to be considered in March.

The requested item on Manchester Airport had been agreed in principal and it was suggested this was scheduled in the next municipal year.

RESOLVED:

1. That the Work Programme be noted.
2. That it be agreed that the Business and Science updates would be considered at the April Scrutiny meeting.
3. That an update on Manchester Airport be scheduled in to the 2019/20 work programme be agreed.

E18/19 GM DRAFT EMPLOYMENT CHARTER

Councillor Sean Fielding, Portfolio Lead for Education, Skills, Work and Apprenticeships, GMCA introduced the GM Draft Employment Charter. The initial consultation for the Draft Employment Charter launched in March 2018. A second consultation was published in October 2018 asking for views on the proposition which had been developed. Responses to this consultation have

been used to develop the model in this report and to decide the next steps around implementation.

John Wrathmell, Assistant Director Strategy and Policy, GMCA, highlighted the following key areas:

- The second consultation finished in November 2018 and consultation responses indicated strong support for the Charter.
- GM were looking at ways in which available employer support could be more easily accessible by employers.
- GM were proposing to use existing accreditations within the Charter and it would act as a framework to bring these together. Existing employment charters within local authorities had also been considered during development to avoid duplication.
- Key employment characteristics have been identified which employers will need to meet to gain membership of the Charter. It is also intended to have a supporters' network which will provide a route to full membership and engagement with the Charter.
- GM were proposing a link to procurement through the social value framework and were also looking at ways this could be linked to investment funding, thereby encouraging employers to sign up through demonstrating the benefits.
- Discussions were scheduled to take place with the Growth Company around implementation and how the Employment Charter will work in practice.

Members questions and comments included the following:

- Had consideration been given to how the Charter engaged businesses who may be reluctant to join, or not influenced by the incentives? GM were working within the powers available to them to influence take up of the Charter. It was also highlighted that sign up to the Charter was voluntary. The procurement and investment fund aspects were also felt to be solid incentives to encourage employers to become involved with the Charter.
- There were concerns that the Employment Charter may become another icon like 'Investors in People'. It would also be useful to understand how it was intended to be used to overcome skills shortages and encourage people into further training and employment. The Employment Charter had developed over the past year and was intended to be a mechanism to support employers to achieving best practice. Additionally, it was intended to be used as tool to signpost employers to further resources. At the GM Prosperity Review Launch earlier today the importance of health and wellbeing was stressed and there were specific references to this within the Charter around healthy and productive workplaces. The Charter would also be linked to the Local Industrial Strategy via the links between healthier workforces and increased productivity.
- Concerns were raised around the time taken to develop the Employment Charter. GM had wanted to ensure that the Charter was used by businesses/employers, and it was felt that the engagement and consultation which had taken place with trade unions, employers, universities and businesses had added value to the Charter and made it a better overall proposition. GM felt it was crucial to have organisational support throughout this process and that employers were more likely to engage with the Charter if they had been involved in the development process. If the Charter received approval at the Combined Authority, then the next stage was to roll out and develop the proposition, with a view to launching the Charter in December 2019.

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- Had GM involved small businesses in the development of the Charter? GM has worked with the Federation of Small Businesses, the Confederation of British Industry and the Chamber of Commerce to extend the reach of the consultation as far as possible. How the Charter was implemented across different sizes of employers, sectors and businesses needed to be considered further.
- Some concerns were raised about how smaller businesses would be able to fund adoption of the Charter, due to the costs associated with supporting career development and progression. Members also noted that they would like more information about the implications/costs associated with adopting the Charter. It was confirmed that GM was not considering a charge to join the Charter and were aiming to use existing accreditation schemes, to avoid duplication. Members noted that accreditation schemes also had costs associated with them. Initially the Charter would run on a pilot basis to ensure that its implementation worked in practice.

Councillor Kate Lewis provided a brief overview of the work of the Good Employment Task and Finish Group. Key areas highlighted included:

- The task and finish group recognised and supported the broader aspirations including promotion of local labour; increasing economic growth and creating thriving communities; trade union involvement in better working practices and the importance of social value reinforcing and underpinning the work.
- That the group had felt that equality and diversity was a fundamental addition to the areas covered by the Charter. Officers noted that supporting equality and diversity was another characteristic of good employment and that this would be brought more into focus in the next stage of the work.
- That there were potential cost savings by reducing demand on other public services if the Charter was successful.
- That buy-in and engagement from the private sector was crucial to the Charter's success. GM has engaged with the private sector through the Federation of Small Businesses, Confederation of British Industry and Chamber of Commerce, however it was recognised that engagement was required with the wider private sector. Challenges associated with this were also recognised.
- The tiered structure for employers/businesses to work through was supported.
- Governance/oversight of the Charter needed to be clear and it was felt that representation from GMCA/Scrutiny was important. Members were updated that a panel would be convened which had representatives from those groups who had helped develop the Charter. It was also noted that the Charter was not intended to be static and would change/develop over time.
- That more information was needed about how the Charter would be resourced.

RESOLVED:

1. That the proposal for the Good Employment Charter be noted.
2. That the Committee received updates on the Employment Charter progress.

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Councillor Andrew Western, Portfolio Lead for Digital, City Region, GMCA presented the GM Full Fibre Programme update. GM were awarded £23.8m funding from the Department for Culture, Media and Sport (DCMS) to deliver full fibre connectivity to 1300 public sector sites.

Key areas highlighted included:

- GM aimed to increase Full Fibre coverage from 2%-25% over the next three years. This was highlighted as being crucial for GM achieving its ambition of being a world leading digital city.
- CCG assets were no longer part of this project as they had secured fibre infrastructure investment via alternative routes. This had enabled GM to bring urban traffic control sites into scope.
- Tameside Council had entered into separate arrangements with DCMS for £2.5m of the GM Local Full Fibre Networks (LFFN) funding to deliver Full Fibre connectivity through a co-operative approach. Therefore, the total remaining funding at GM level was £21.3m.
- £1.46m capital from GMCA (Fire and Rescue Service) and £3.384m capital from GMCA (TfGM Urban Traffic Management Control) investment was proposed to be put into the project (by making a capital investment to replace future revenue costs).
- The procurement approach was noted as being complex and the DCMS deadline for delivery was March 2021. GM has split the contracts into a 'Northern Area' and a 'Southern Area' and will seek tenders for the delivery of each.
- Formal financial approval from each local authority for their capital investment is needed before the end of March 2019, prior to formal commitment to procurement contracts.
- Work was underway to ensure that the GM Prospectus is adopted as widely as possible by July 2019. This is designed to make it easier for private companies to invest in infrastructure delivery across GM.

Members comments and questions included the following:

- In relation to increasing coverage from 2 – 25% had priorities been set around where coverage will be placed and how had these decisions been made? GM has worked with each local authority to see which public sector sites they wanted to connect. Sites provided have been looked at to ensure they met the needs of the local authority.
- Members asked about which sites would be connected. It was emphasised that the project funding was to connect public sector assets and not for funding business/home connections. It was also noted that 1300 was the minimum number of sites to be connected and that currently GM hoped to exceed this figure. Members also asked whether there were records of assets/infrastructure which had been installed previously. GM were aware of a significant number of assets.
- Did the scope of the programme include Greater Manchester Police (GMP)? It was confirmed that GMP were not in scope as their sites already had full fibre connectivity. GM were also already seeing encouraging private sector investment taking place, as a result of this work.
- Were all local authorities on track to achieve the March 2019 deadline for financial approval? Feedback received indicated that all were going to hit this deadline and staff in all authorities had been working hard to ensure that this deadline was met.
- The GM Prospectus was expected to be in place by July 2019 and it was asked whether there was any possibility that this process might be delayed due to differing views. GM aimed to minimise risks associated with the overlapping time window and were going out

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to tender based on the assumption that these had been resolved and that the July deadline would be met.

- If projects were to overrun how would any associated costs be funded? This would be dependent on whose responsibility the delay was. GM had minimised the scenarios where responsibility would lie with them and have been clear with suppliers that there will be penalties for not hitting key project milestones. Progress will also be closely monitored.

RESOLVED:

1. That the investment of £1.46m capital from GMCA (Fire & Rescue Service) and £3.384m capital from GMCA (TfGM Urban Traffic Management Control) be noted.
2. That the £21.3m grant DCMS LFFN, allocated between the Districts and the GMCA to maximise full fibre site coverage across each district and CA agreement will be sought to the final grant splits following the market response to the procurement, be noted.
3. That it be noted that CCG assets are no longer part of this project, having secured fibre infrastructure via an alternative route.

E20/19 LOCAL INDUSTRIAL STRATEGY

Simon Nokes, Executive Director Policy & Strategy, GMCA presented the Local Industrial Strategy update. The Committee had received the Local Industrial Strategy (LIS) update report, to be considered at the GMCA on 15th February 2019. A further report will be considered at the next Scrutiny meeting in March, prior to the LIS receiving final sign off from Government. GM is one of three trailblazer areas alongside the West Midlands and Oxford/Cambridge. The LIS will be a joint agreement between Government and GM and will set out what GM feels is central to future growth within the region.

The GM Independent Prosperity Review had launched earlier. An evidence based approach had been taken and key findings included:

- A number of areas had been identified as economic strengths/assets which included; advanced materials/advanced manufacturing; health innovation; digital creative/technology and financial/professional services.
- The challenges faced which included; the skills system and the detrimental impact this had on both individuals and businesses; poor health outcomes, the impact this had on the economy and the need to address this differently to unlock economic potential; the need for improved infrastructure within GM and low productivity within the economy.

Within the LIS GM intended to pull out key areas which were felt to be central to achieving ambitions for economic growth. These included; improving the skills system and in-work progression; ensuring that the Strategy developed was one which benefited all areas of GM, looking at the system as a whole rather than in isolation; a focus on leadership/management within businesses to drive forward productivity and making sure 'place' was at the heart of the Strategy.

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It was highlighted that not all the recommendations from the GM Independent Prosperity Review would be taken forward through the LIS. Some will be picked up in other strands of work including through Public Service Reform. It is intended to produce a strategy which responds to the challenges from Government, the drivers of productive growth and provides a framework for the future Shared Prosperity Fund. Over the next few weeks the Strategy will be finalised.

Members were informed that conversations with Government had been positive and that the evidence based approach had been well received, with a request that learning from this was shared with other areas.

Members questions and comments included the following:

- Whether the Strategy would reference banking and the ability of businesses to access finance for investment/innovation/growth. GM wants to encourage productivity and enable companies to access finance and this will be covered in the final LIS.
- That the strong evidence base was an advantage for GM. Members also welcomed the inclusion of new areas of policy, such as mental and physical health, included in the GM Independent Prosperity Review.
- That reference to inclusive economic growth in the GM Independent Prosperity Review was welcomed and that ways in which GM can achieve this needed to be considered further.
- Were GM aware of how funding from the Government's proposed Shared Prosperity Fund would be allocated? Currently this was not known and GM were awaiting the Government consultation on this which had originally been expected in Autumn 2018.
- That an integrated transport system was essential to GM's future economic ambitions and that the LIS should make reference to this. Improved infrastructure will be included in the final LIS and additionally the GM 2040 Transport Strategy outlined GM's transport infrastructure ambitions. Integrated transport was at the heart of these. It was also emphasised that improving infrastructure included other areas, such as digital and energy.
- Had all GM Local Authorities been involved in the development of the LIS? Members were informed that Leaders, Chief Executives and Directors of Place had been involved in the development of the LIS and that there had been a substantial amount of consultation and joint work across GM. Once the LIS had been agreed with Government then each local authority will be asked to think about their response and how they can work with the LIS.
- That challenges outlined in the GM Independent Prosperity Review around skills and health inequalities had been issues for a considerable length of time and resolving these was key to the future growth of GM.

RESOLVED:

That the Local Industrial Strategy update be noted.

E21/19 WORK AND SKILLS UPDATE

Councillor Sean Fielding introduced the Work and Skills Update. Progress towards the work and skills priorities was highlighted as being positive. GM had been awarded £500k funding from the Careers & Enterprise Company to be one of 20 careers hubs across England and the Bridge GM careers hub launched in October. This was highlighted as being crucial to improving young

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people's knowledge and ambitions around careers open to them. Members were informed that 36 providers had been successful in moving to the next stage of procurement for the Adult Education Budget (AEB). Members were also informed that a further bid for ESF funding would be made to support the work and skills agenda via GM's Co-Financing status. Skills Capital Funding from the LTE Group and Wigan and Leigh College had been approved in principle at the GMCA meeting at the end of January and recommendations for funding for the application from Oldham Council will be submitted to the GMCA meeting in March. Graduate retention was up compared to previous years and in relation to Welfare reform GM had visited Northern Ireland and Scotland in December to look at devolved welfare and support arrangements in those regions.

Members comments and questions included the following:

- The Working Well information was highlighted as being particularly useful as a clearer picture around programme outcomes was presented. Members requested that future reports included more information around outcomes. An executive summary had been produced for priority 4 and this would be circulated to the Committee. Officers stated that they will endeavour to include outcomes in future reports where this was possible.
- Whether the ambition to match 180 schools and colleges with Enterprise Advisors by December 2018 had been met? 105 Enterprise Advisors had been matched so far, however there had been some delays to appointments and work was underway locally to meet this target.
- Was it felt that Bridge GM was ambitious enough in scope? It was felt that the programme was ambitious and had been made more so as GM had focused on internationally recognised benchmarks of what constituted good careers advice. Currently work was underway around how to demonstrate the evidence of its impact and it was a model designed to work around young people.
- That future reports included more information about work taking place in GM with regards to care leavers.
- That it would be useful to have more information about the detail of what the 15,611 achievements in apprenticeships were. More detail could be provided in future reports around what these achievements were, however it was emphasised that there was no correlation between apprenticeship starts and achievements due to the varying lengths of apprenticeships.
- Members highlighted the importance of professional networks to employment and progression and asked whether there were any mentorship programmes in place for disadvantaged young people to assist with tackling this. This was one of GM's future ambitions as it was an acknowledged gap within GM.
- Were Pupil Referral Unit's (PRUs) included within the Bridge GM programme and was there any intention of extending this to primary schools? It was confirmed that PRUs were included in the programme and that there was an ambition to extend this programme to primary schools in future.
- Were GM also looking at the demand side of skills and the links between skills and the Local Industrial Strategy. One of the key messages of the GM Independent Prosperity Review was the centrality of skills to delivering on GM's ambitions. The Charter would also drive productivity through up-skilling employees and this will also be one of the main focuses of the Local Industrial Strategy.

RESOLVED:

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1. That the progress in delivering the 10 priorities in the GM Work and Skills Strategy and Priorities 2016-2019 be noted.
2. That the executive summary produced for priority 4 be circulated to the Committee.
3. That future reports included more information regarding outcomes where this was possible.
4. That future reports included a breakdown of apprenticeship achievements figures.
5. That future reports included more information about work being undertaken to support care leavers.

E22/19 REGISTER OF KEY DECISIONS

RESOLVED:

That the Register of Key Decisions be noted.

E23/19 BREXIT MONITOR

RESOLVED:

That the Brexit Monitor be noted.

E24/19 DATE AND TIME OF NEXT MEETING

Friday 15th March 2019, 2.00 – 4.00pm, Boardroom, GMCA Offices, Churchgate House, Oxford Road, Manchester, M1 6EU