

## Chapter 3: A highly skilled city

### Strategic overview

In recent years, The State of the City Report has highlighted the continuing disparities between the economic success of certain neighbourhoods and groups in the city – their life chances, wages, quality of life, health and opportunities – and those of others. We have discussed the disparity between those who work in the city and benefit more from the city's success, and employees who live in the city but may work elsewhere. Despite interventions to address these inequalities, there is an increasing recognition that the current economic model is unsustainable and interventions alone will not be sufficient in the absence of a more structural shift. As is the case in many other UK cities, the UK's exit from the European Union raises significant implications about Manchester's future economic success, alongside the impacts of COVID-19 and the importance of an effective recovery for the city.

Manchester has committed to a more inclusive form of economic growth that enables more people to benefit from the opportunities created by that growth. As outlined in the 'A thriving and sustainable city' chapter, the **Developing a More Inclusive Economy – Our Manchester Industrial Strategy** recognises this in its core themes and sets out how we are to achieve this for the residents of Manchester, now and in the future. Our Work and Skills Strategy has also been reviewed to refine and reflect our ambitions to reach a more inclusive and greener way of managing and growing our economy. This chapter provides us with an opportunity to report labour-market intelligence and skills in this context, and to set out how we will connect residents to opportunities arising from the growth of the city to support a more inclusive and zero-carbon economy.

In this chapter we will discuss how despite the progress made in schools in the city – reduced absence and reduced persistent absence; reduced permanent exclusions; an increase in the proportion of schools judged to be good or better by Ofsted – there are ongoing and persistent challenges in some aspects of pre-16 education that continue to be prioritised through the strategic partnerships with schools and settings in the city.

This chapter will discuss how the new Manchester Adult Education and Skills Plan (MAESP) is providing direction of travel with regard to the changing skills needs in the economy. The rapid change of the skills supply-and-demand landscape means some occupations are growing rapidly while others are declining; at the same time, requisite skills within occupations are changing as a result of automation and digitalisation. Physical skills are becoming less important, and analytical and interpersonal skills are becoming more important. Negotiation, co-ordination and critical thinking are frequently the most desired skills reported by employers.

At the time of writing, this is more important than ever given the growing evidence that the impact of COVID-19 will adversely affect those groups who are already vulnerable and furthest away from the labour market. Hospitality, retail, tourism and cultural creative industries – those industries that support the conurbation core of the city – will be the groups of workers hit the hardest. Part-time workers and those on insecure contracts – predominantly women – will also be disproportionately affected.

Work is underway to understand the impact of the pandemic on learning outcomes and wellbeing of children at all stages of their education. Work is also being done with our schools and settings to support them as they aim to get back to business as usual and respond to the impact of COVID-19 on our children's education (more detail can be found in the 'A progressive and equitable city' chapter). Young people at a critical juncture in their education and those entering the labour market, as well as those aged 50 and over, are also particularly vulnerable to the economic crisis COVID-19 presents. Black, Asian and ethnic minority groups are also more vulnerable to COVID-19, and the rising dependency on welfare benefits will require a new response if we are to mitigate a long-term impact on the health and work chances of these groups.

COVID-19 has acted as a catalyst for Manchester to develop a more targeted and collaborative approach to tackling digital inclusion. It has brought an urgent need to gain clarity around some of the motivations of and barriers faced by those who are at risk of becoming digitally excluded. Now more than ever, it is imperative that we identify what access to digital and technology residents currently have, use and need. We also need to clearly understand the motivation for people to engage with digital if they haven't already done so, and keep them online so they can access basic services to keep healthy, fed and well, as well as progress onto further learning and employment.

## Analysis of progress

### Increasing the number of children arriving at school ready to learn

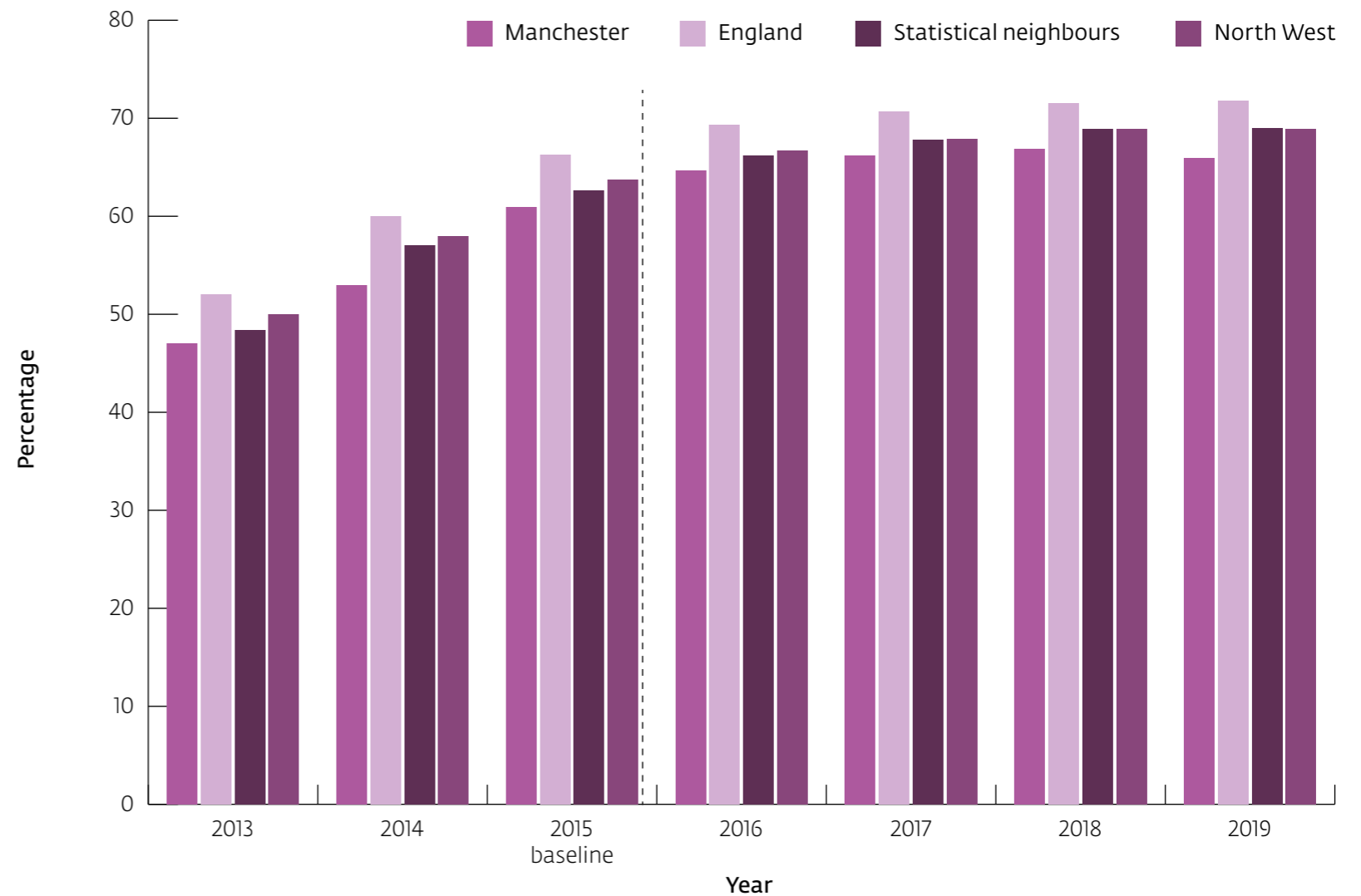
#### Early Years Foundation Stage (EYFS)

The Early Years Foundation Stage (EYFS) profile is a teacher assessment of children’s development at the end of the academic year in which the child turns five. Children reach a good level of development if they achieve at least the expected level in the early learning goals in the prime areas of learning (personal, social and emotional development, physical development, and communication and language) and in the early learning goals in the specific areas of mathematics and literacy. Figure 3.1 shows that the proportion of children achieving a good level of development has fallen slightly over the past year, and at 65.9% in 2019 it is lower than the national average (71.8%), as well as those of statistical neighbours (69%)<sup>1</sup> and north west local authorities (68.9%).

The Council remains committed to improving school-readiness through continued engagement with Early Years settings and schools. This ensures that they are all providing good or better settings and embedding the Early

Years Delivery Model as a universal approach, which has led to earlier identification of need and provision. This includes specific targeted early help intervention where it is needed.

**Figure 3.1:** Percentage of EYFS children achieving a good level of development



<sup>1</sup> Statistical neighbours: Newcastle upon Tyne, Middlesbrough, Liverpool, Salford, Greenwich, Nottingham, Birmingham, Coventry, Bristol, Southampton

Source: Department for Education

## Improving educational attainment to be above national average

### School inspection judgements

Figure 3.2 shows that on 31 August 2019, the percentage of Manchester schools judged to be good or outstanding by Ofsted in their most recent inspection was higher than the national average for primary, secondary and all schools overall. This represents a significant improvement for secondary schools in particular, increasing from 58% judged good or better in August 2018, to 77% in August 2019.

Although the proportion of schools good or better in Manchester is now higher than national figures, there is a continued focus on ensuring that residents have access to high-quality schools and settings in the city. There are a number of measures in place that are working in partnership with school leaders and Multi-Academy Trusts in the city through the agreed quality-assurance process to improve secondary school outcomes. This also includes targeting schools for bespoke intervention programmes delivered through Teaching Schools, such as the Maths mastery programme and Reading programmes. In addition, the Council is working with the Regional School Commissioner to ensure improved performance of academies. The Council has also established a Wythenshawe

Partnership Education board, which includes local services, businesses, schools and the Regional Schools Commissioner all working together to improve outcomes for children living in this area of the city.

**Figure 3.2:** Percentage of schools judged to be good or better schools



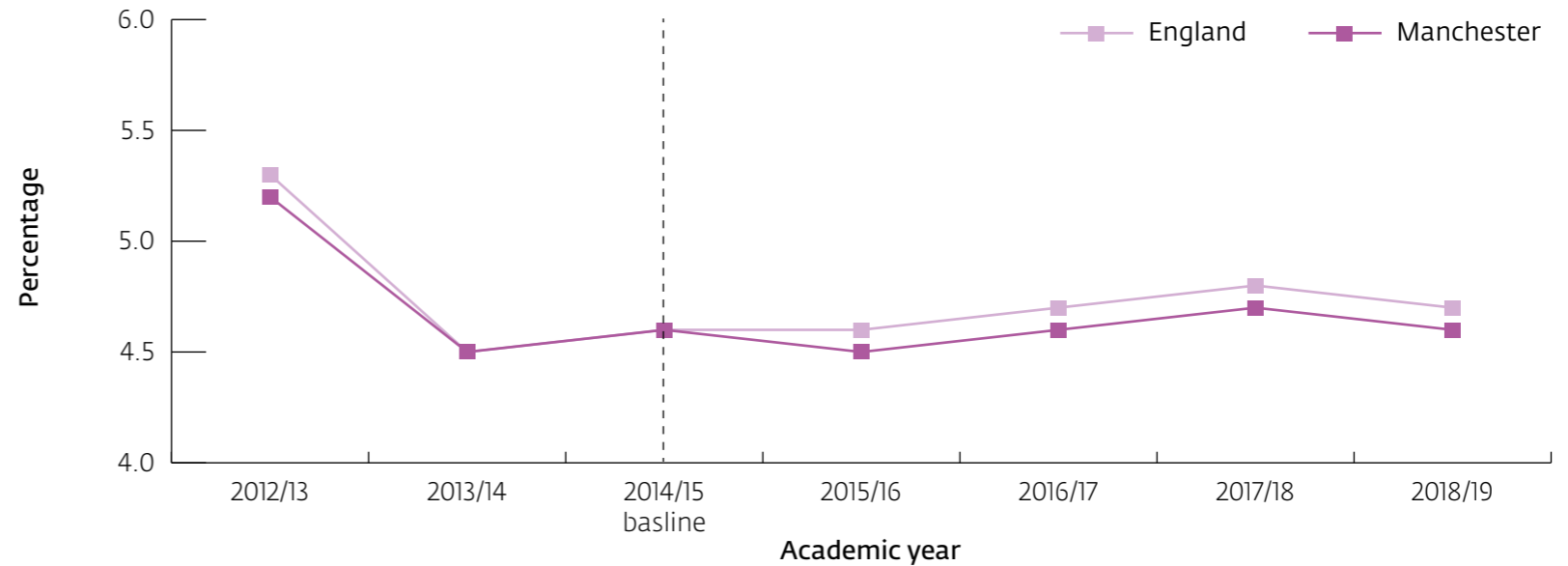
Source: Ofsted

### School absence and exclusions

Figure 3.3 shows the overall absence rates in schools in Manchester, and Figure 3.4 shows the percentage of pupils who have been persistently absent from schools. The percentage of sessions missed before a pupil is deemed to be persistently absent is 10%. One session is classed as half a day. Figures 3.3 and 3.4 show prior years' figures calculated using the new definition, so results are directly comparable.

**Figure 3.3:**

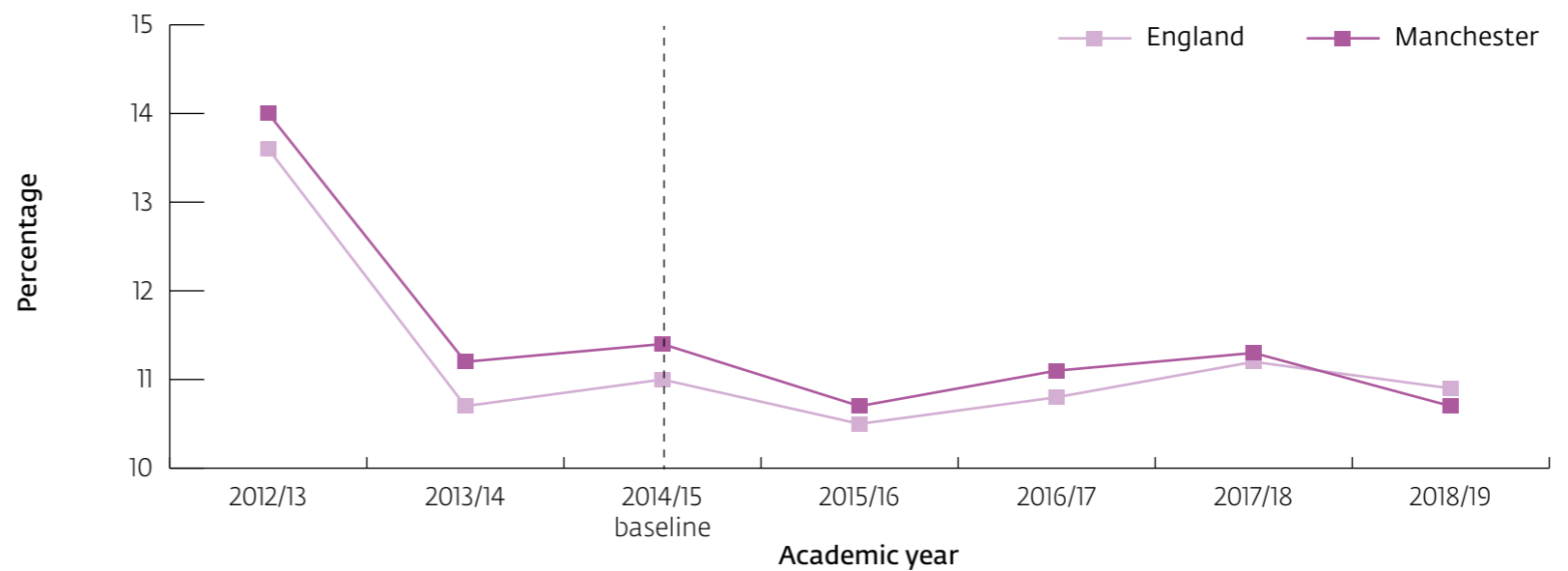
Pupils' overall absence – percentage of total sessions missed due to authorised and unauthorised absence



Source: Department for Education

**Figure 3.4:**

Pupils' persistent absence – percentage of enrolments classed as persistent absentees (>10% of sessions missed)



Source: Department for Education

Figure 3.3 shows that after two years of rises, school absence has decreased over the past year, and overall absence in Manchester schools remains slightly better than the national average: 4.6% in 2018/19 compared to 4.7% nationally. Figure 3.4 shows that the proportion of pupils classified as being persistently absent has also decreased, to 10.7% in 2018/19, and has fallen below the national average for the first time.

Working in partnership with the Council, schools in Manchester are committed to sustaining the improvements in school attendance. The Council provides support for schools to continually improve attendance by targeting those whose absence is below the national average. Bespoke support is offered, including attendance surgeries, as well as regular training and advice for all schools, and regular conferences focused on specific aspects of attendance. There are also strong links to early help, with attendance officers located in each of the three Early Help Hubs.

Reducing exclusion from education and ensuring all Manchester's early years' settings, schools and post-16 providers are inclusive and able to meet the needs of their local communities is a key priority for Manchester City Council to ensure improved experiences and outcomes for all children and young people.

The Manchester Inclusion Strategy has been developed to help the Council, early years' settings, schools, post-16 providers and other services work in a more coherent way to support young people to attend well and/or to reduce the risk of exclusion. The strategy provides an outline of approaches, interventions and services, to support all Manchester settings, schools and post-16 providers. This ensures that the needs of all young people are understood and addressed in order to support good attendance and prevent the use of exclusion wherever possible.

### School attainment

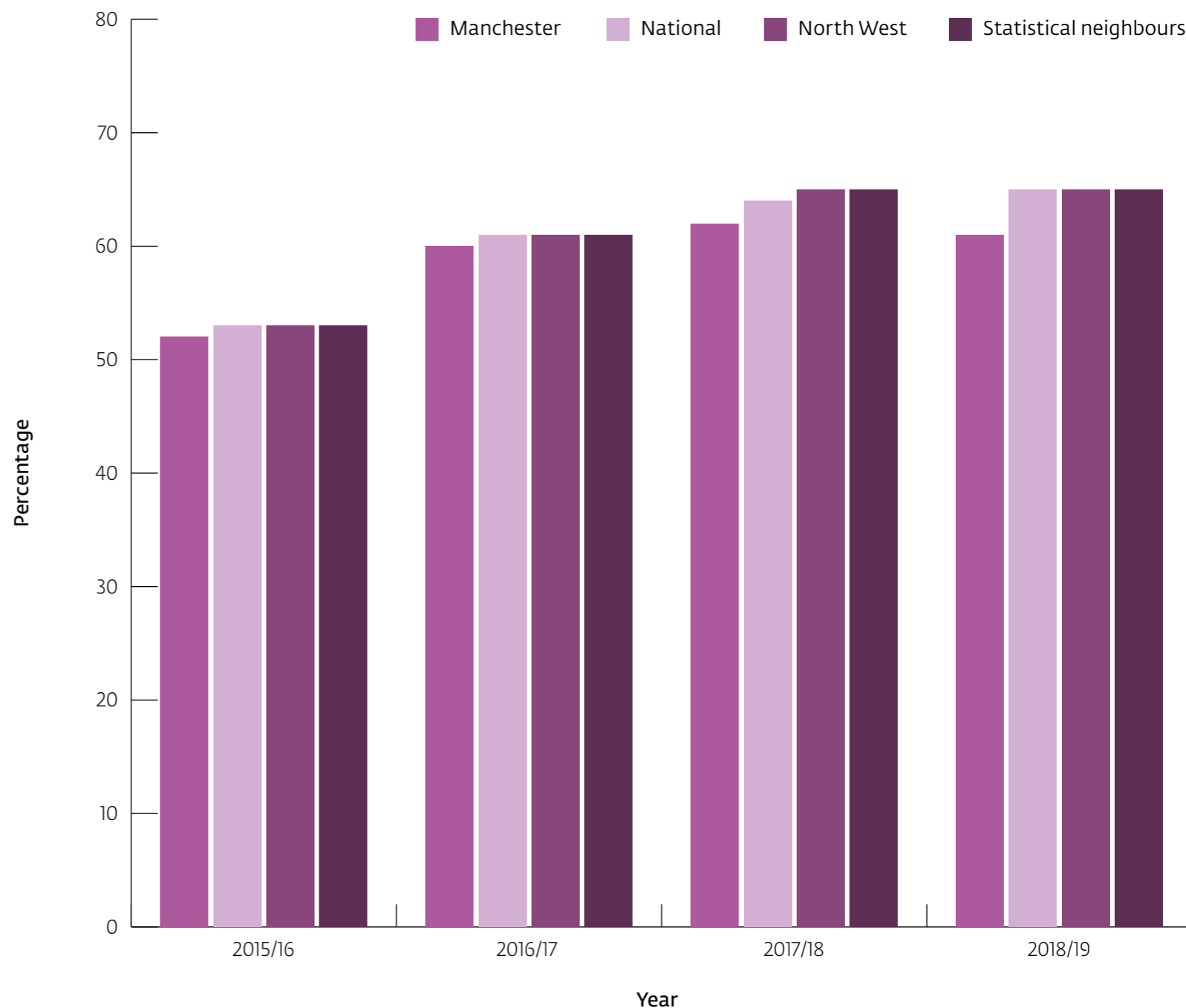
Through the strategic partnership working with the Manchester Schools Alliance, Teaching Schools, National Leaders of Education and the Manchester School Improvement Partnership, there is a continued focus on bringing all outcomes for Manchester children at all levels of education to be at least in line with national results – for expected standards and higher standards. This includes a particular focus on closing the gap between boys and girls, ensuring pupil progress stays above the national average in all areas, and continuing work on improving outcomes in reading as part of the impact of the Read Manchester initiative.

The Council continues to work in partnership with schools through the quality assurance (QA) process and actively engages with Teaching Schools, to broker school-to-school support and thematic school-improvement interventions at all key stages.

### Key Stage 2

The key performance measure of attainment at the end of Key Stage 2 is the percentage of pupils achieving the expected standard in the core subjects of Reading, Writing and Maths. Figure 3.5 shows how Manchester compares relative to national figures and those of statistical neighbours and north west local authorities. There has been a slight deterioration in performance since last year, with 61% of pupils achieving the expected standard compared to 62% in 2018, and Manchester remains below the national, north west and statistical neighbours figures of 65%.

**Figure 3.5:** Percentage of pupils achieving the expected standard in Reading, Writing and Maths



Source: Department for Education

### Key Stage 1 to 2 progress

In line with the performance measures for KS2, progress scores measure progress between KS1 and KS2. The measure compares the progress pupils have made relative to other pupils nationally with the same level of attainment at the previous key stage. As well as looking at the scores, confidence intervals need to be considered, as they take into consideration the size of the cohort. KS1–2 progress scores do not include special schools. The national progress score for each subject, by definition, is set to 0.

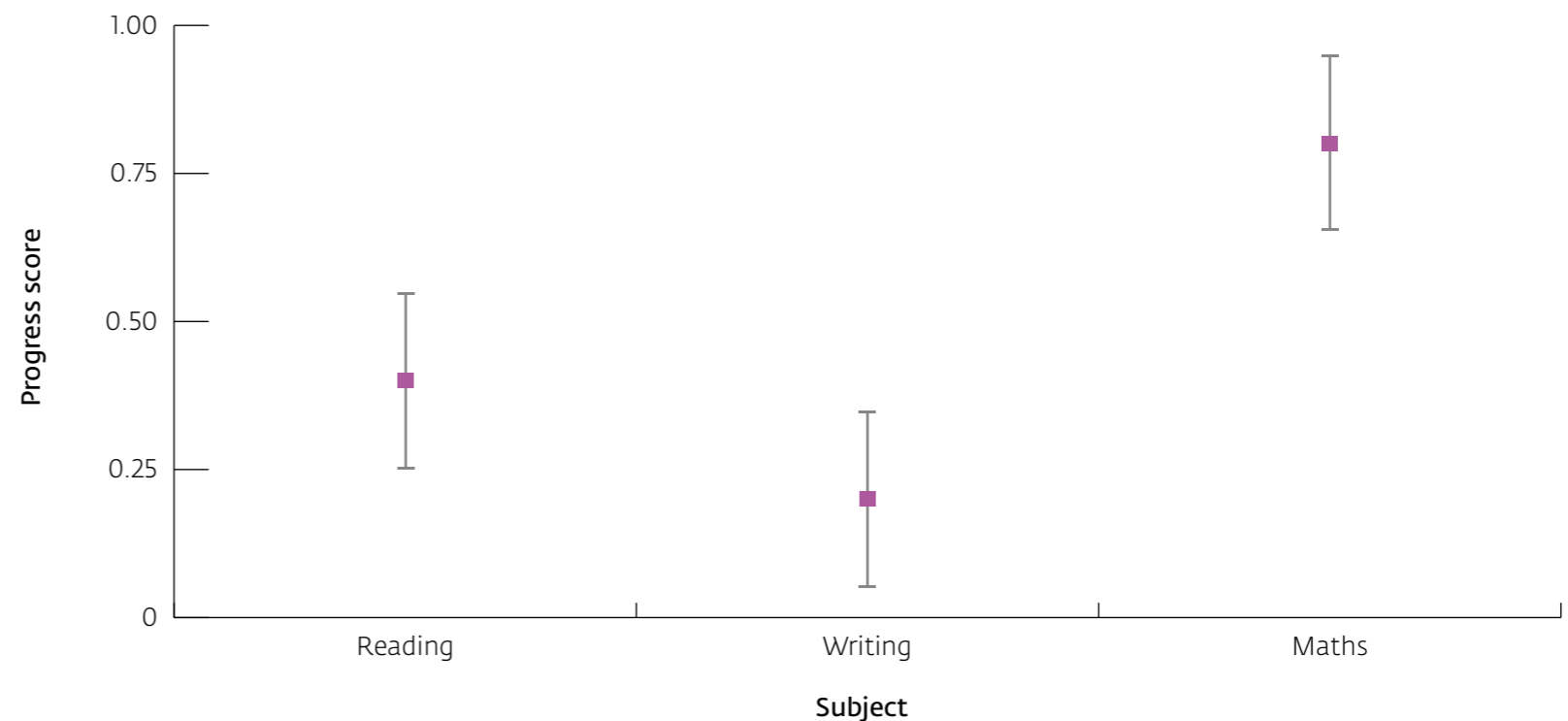
Confidence intervals should be interpreted as follows:

- If the entire confidence interval line is above 0, then the progress score is statistically significantly above the national average.
- If the entire confidence interval line is below 0, then the progress score is statistically significantly below the national average.
- If the confidence interval line crosses or touches 0, then the progress score is not significantly different to the national average.

Figure 3.6 shows that the progress made by Manchester pupils in Reading, Writing and Maths in 2018/19 was statistically significantly above the national average, with the most relative progress being made in Maths.

**Figure 3.6:**

Progress scores of pupils in Reading, Writing and Maths, 2018/19



Source: Department for Education

### Key Stage 4

The key measures at KS4 are:

- Attainment 8
- Progress 8
- Percentage of pupils achieving A\*–C in both English and Maths (achieving a grade 5 or above from 2016/17)
- Percentage achieving the English Baccalaureate.

Attainment 8 measures the average achievement of pupils on up to eight qualifications, including English and Maths, three qualifications that count towards the English Baccalaureate (sciences, languages and humanities), and three other qualifications from the Department for Education (DfE) approved list. Figure 3.7 shows the Attainment 8 score compared to comparator groups for 2018/19, and Figure 3.8 compares the rates of change over the past three years.

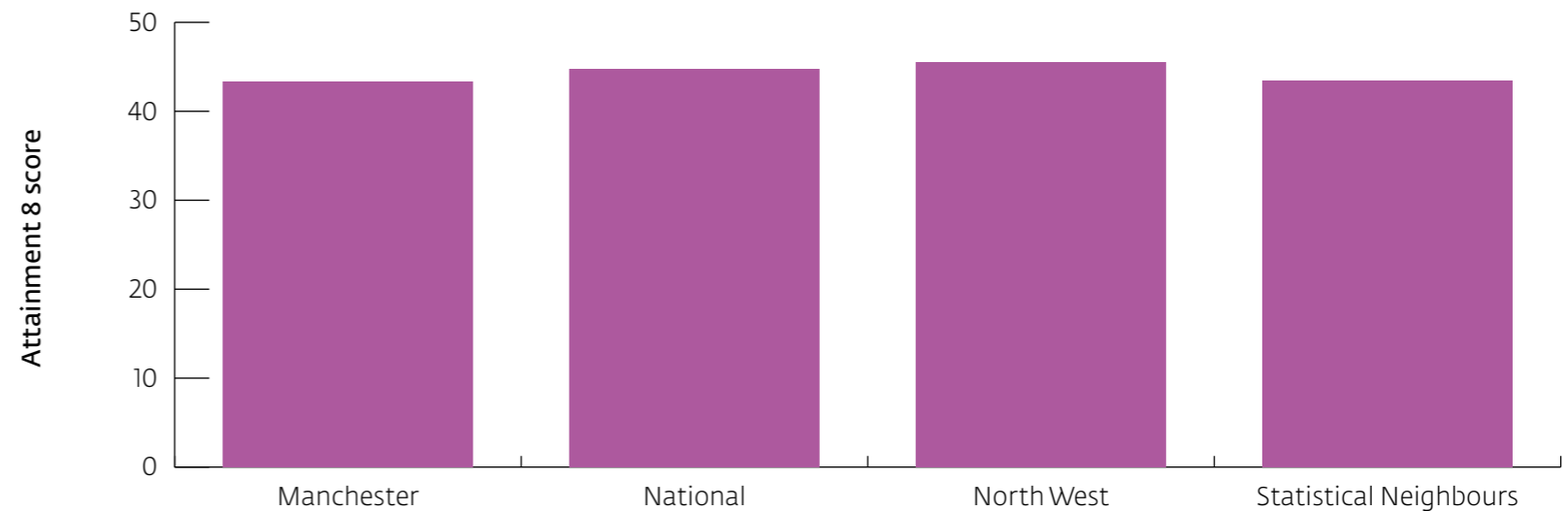


Since the 2016/17 academic year, there has been a phased introduction of a revised, more rigorous national curriculum. In 2019, the more challenging GCSEs in English Language, English Literature and Mathematics were examined for the third time and all subjects are now examined using the 1–9 numerical grade (9 being the highest score), with the exception of a small number of ancient and modern foreign languages.

Figure 3.7 shows that at 43.3, Manchester has a slightly lower Attainment 8 score than the national Attainment 8 score of 44.7 and is also slightly below both the north west and statistical neighbours Attainment 8 scores.

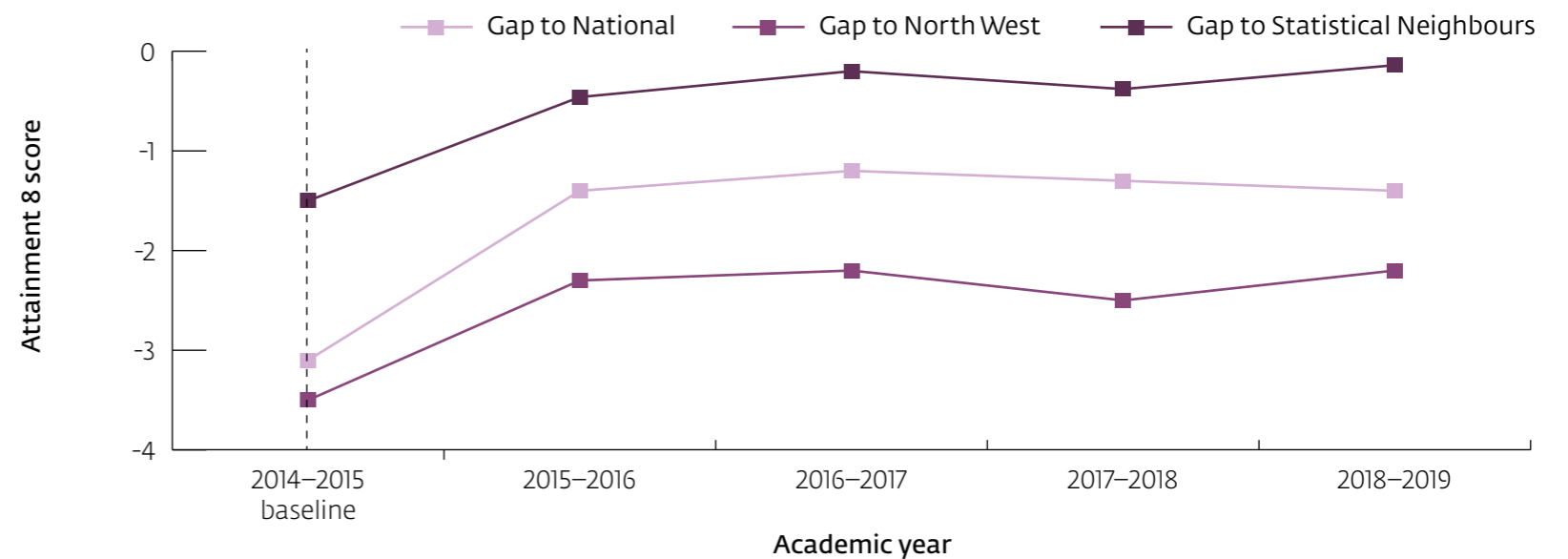
Figure 3.8 shows that although the gap has widened slightly to national figures, it has narrowed for other comparators.

**Figure 3.7:**  
Attainment 8 score, 2018/19



Source: Department for Education

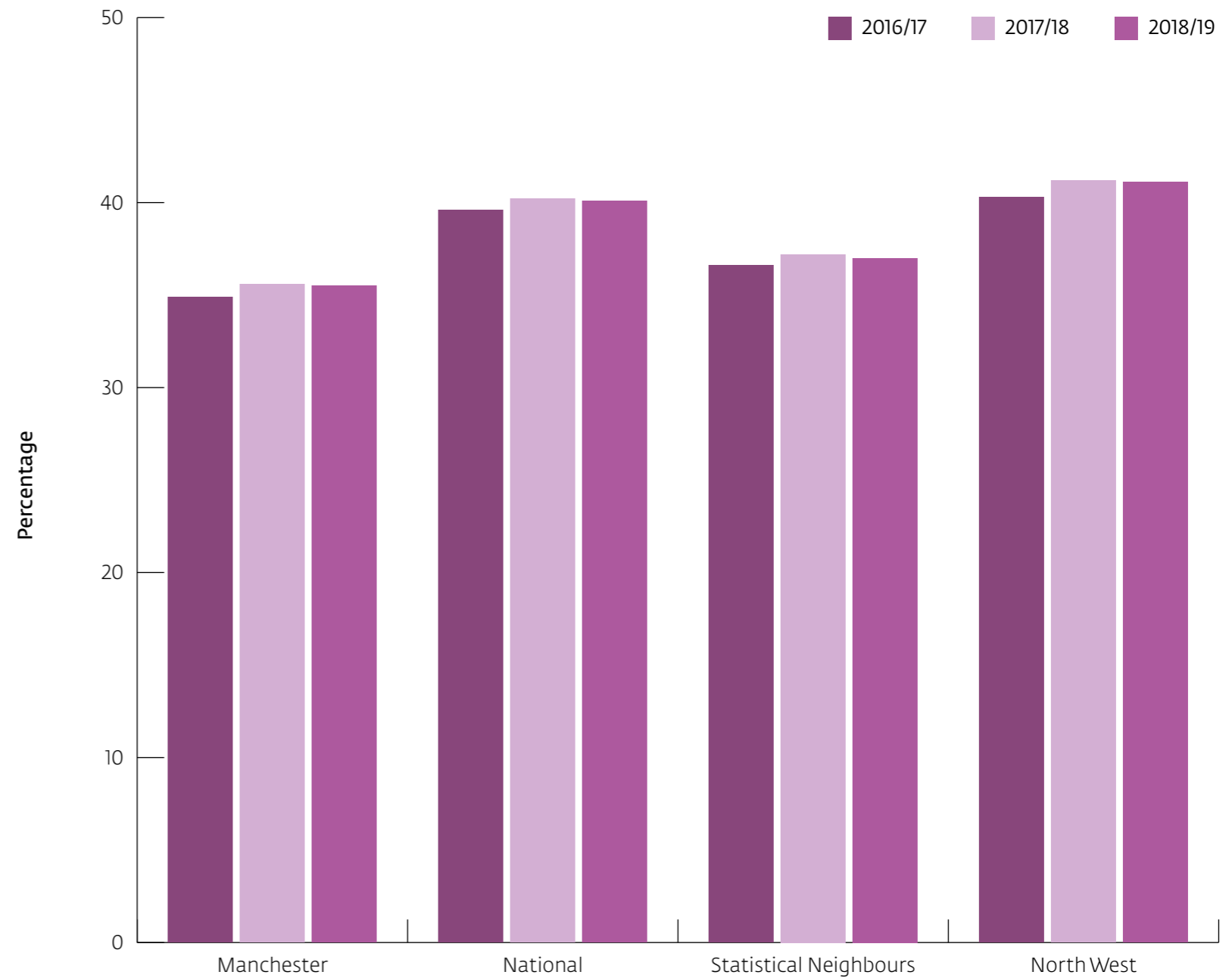
**Figure 3.8:**  
Attainment 8 score Manchester gap comparison



Source: Department for Education

Figure 3.9 shows that at 35.5% Manchester has a lower percentage of pupils achieving a GCSE in both English and Maths than the national figure of 40.1%, or in the comparator groups.

**Figure 3.9:** Percentage of pupils achieving grade 5 or above in both English and Maths

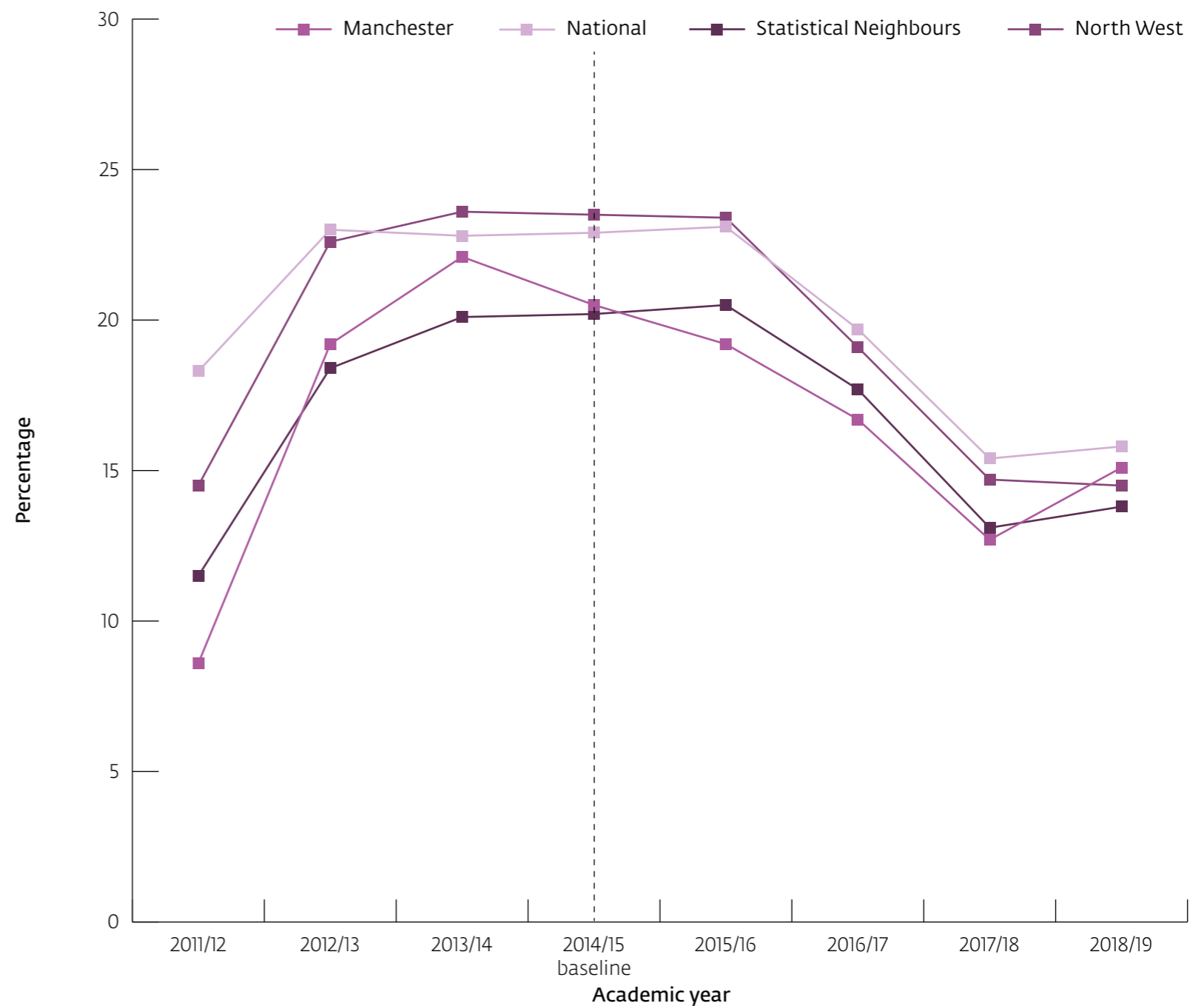


Source: Department for Education

The English Baccalaureate is a measure of pupils who have achieved the required standard in all the English Baccalaureate subjects as mentioned above, as well as English and Maths. It is calculated as a percentage of the number of pupils in the Key Stage 4 cohort, not the percentage of pupils who have been entered for all the qualifying subjects.

Figure 3.10 shows that at 15.1% the percentage of Manchester pupils achieving the English Baccalaureate, with grade 5 or above in English and Maths, has increased over the past year. While this remains below the national average of 15.8%, the gap has narrowed and performance is now ahead of both north west and statistical neighbours. There has also been an increase in the average points score for English Baccalaureate in both Manchester and nationally. Manchester's score of 3.79 is still below the national score of 3.87; however, the gap has narrowed to 0.08 points. Improving the English Baccalaureate performance is indicative of the work that schools have done across Manchester on their curriculum.

**Figure 3.10:** Percentage of pupils achieving English Baccalaureate (A\*–C and grade 5 or above)



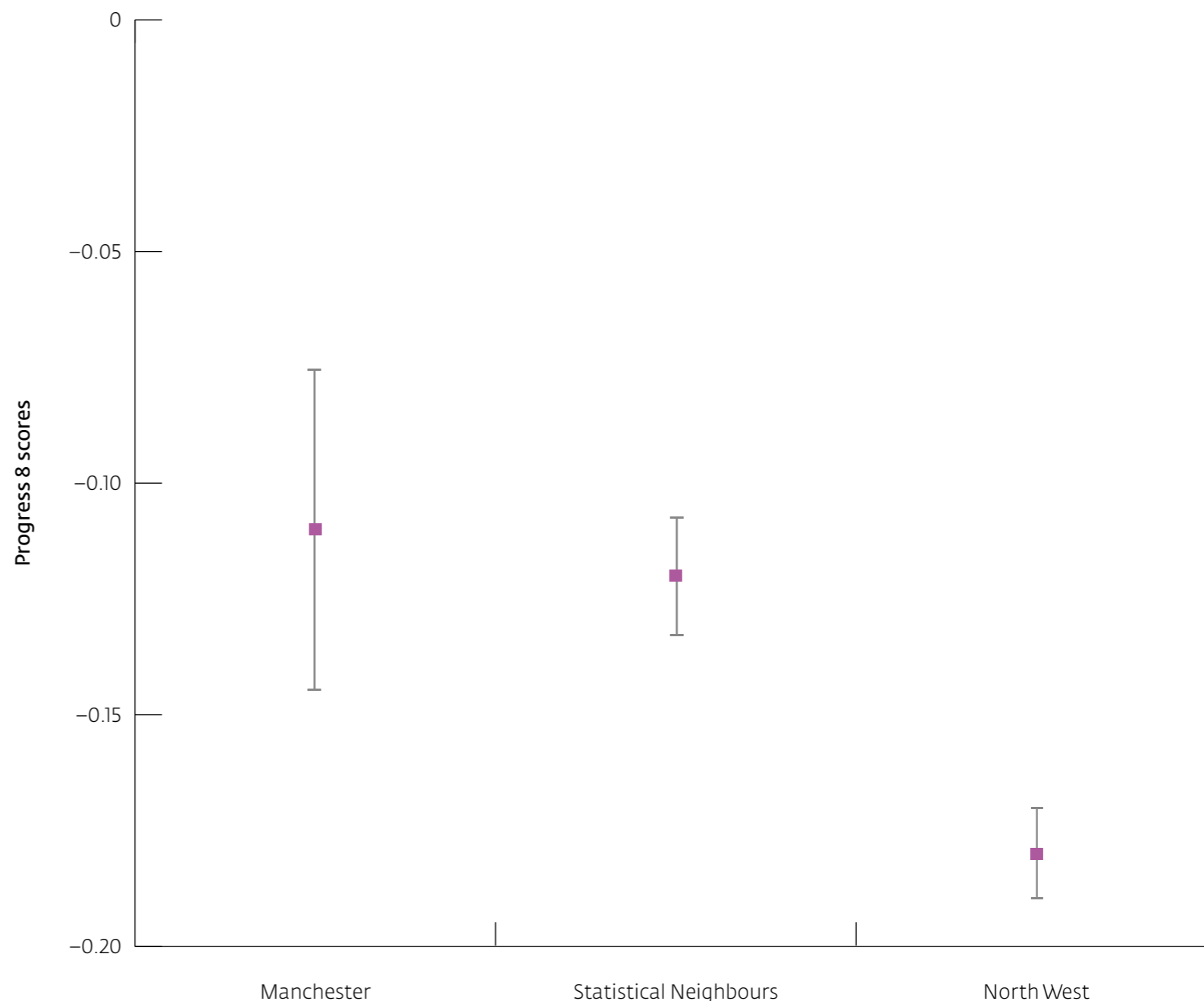
Source: Department for Education

### Key Stage 2 to 4 progress

Progress 8 measures the amount of progress pupils have made relative to other pupils nationally with the same level of attainment at Key Stage 2. As well as looking at the scores, confidence intervals need to be considered, as they take into consideration the size of the cohort. Progress 8 scores include special schools. The national progress score for each subject, by definition, is set to 0.

Figure 3.11 shows that Manchester pupils have a Progress 8 score of  $-0.11$ , which is higher than the north west but below the national progress score of 0.

**Figure 3.11:**  
Progress 8 scores, 2018/19



Source: Department for Education

## Post-16 attainment

### Key Stage 5

All post-16 provision in the city is judged to be good or better and there is a high-quality wide-ranging offer of post-16 education for our young people. Table 3.1 shows that the number of A level entries has maintained its peak at around 8,300; the number of A\* to A results has increased slightly in 2018/19, but at 22.2% is slightly below the England average of 22.6%. The proportion of entries achieving A–E grades in 2018/19 is 97.4%, a decrease of 0.6% from the previous year but slightly higher than the England average.

A level entries and attainment remains a key indicator for the academic success of the city’s young people at KS5. The post-16 reference group remains the key forum through which the Council engages with all post-16 providers to maintain this focus on an improved offer and outcomes at Key Stage 5.

**Table 3.1:**  
Percentage of Key Stage 5 A level results

		2011/12	2012/13	2013/14	2014/15 Baseline	2015/16	2016/17	2017/18	2018/19
<b>Number of entries</b>	Manchester	5,935	5,946	6,646	7,469	8,271	8,151	8,342	8,310
<b>% entries achieving A*–A</b>	Manchester	24.4	23.7	23.2	22.0	22.3	24.5	21.8	22.2
	England	27.2	26.7	26.7	26.7	26.5	26.9	23.6	22.6
<b>% entries achieving A*–E</b>	Manchester	98.9	99.1	99.0	98.8	99.1	98.7	98.0	97.4
	England	98.6	98.7	98.6	98.8	98.8	98.2	97.7	97.3

Source: Department for Education

### Post-16 vocational education, LTE Estates Strategy and the future of skills in Manchester

The Manchester College (and its higher education arm UCEN Manchester) delivers a significant volume of post-16 vocational and technical education each year – over 5,200 16 to 18-year-olds, 6,000 adults and 1,300 higher-education students enrolled in 2019/20. A cornerstone of the College’s 2020 Be Amazing strategy focused on ‘careers not courses’, outlining the College’s ambition to shift the culture from one of support to a healthy balance between support and challenge for colleagues and students. The ‘challenge’ component of the strategy aims to encourage students to think beyond the next steps of their education and instead focus on their ultimate career ambitions so that the College can proactively help them achieve their aspirations.

From a standing start back in 2016, the College now has over a thousand partnerships that cover every subject area with employers across Greater Manchester and the north west. These employers state that 90% of the College’s students are ready for the workplace. These partnerships have led to the College running courses that are co-designed and co-delivered with employers; they are aligned to the skills needs of Manchester and meet employer need, and have enabled the College to launch its **Industry Excellence Academy**, which gives students even better opportunities to prepare for a future career. Prior to the COVID-19 lockdown, 268 Industry Placements (taking 315 hours) were live, and 2,049 work placements had already taken place across a range of sectors.

This commitment to ensuring that all students achieve their full potential, underpinned by focusing on future employment prospects, has also played an integral role in seeing the College become the number-one college in Greater Manchester for overall achievement (with a 91.7% achievement rate). The College was also ranked first for 16–18 achievement and for adult achievement, both higher than the national rates overall and at every level of study (levels 1, 2 and 3). In addition, the College was also rated number one in the country for basic skills Maths and English achievement across all ages.

The LTE Group<sup>2</sup> is undergoing a generational physical transformation, moving away from an outdated 1980s model of post-16 education with its dispersed estate in ageing buildings that are not easy to travel to. The five organisations that comprise the LTE Group have joined forces to underpin the largest single investment (£139million) in post-16 skills in Manchester by a single group, including a significant financial contribution from Manchester City Council.

Working in partnership at a strategic level has resulted in the identification and acquisition of a new city-centre site for the College and UCEN Manchester, opposite the Manchester Arena, where a £93million state-of-the-art Centre of Excellence is currently being built. Phase one focuses on the Creative and Digital industries, including The Manchester Film School and The Arden School of Theatre, and is due to complete in September 2022. Phase 2 would accommodate the Centre of Excellence in Business, Financial and Professional Services on the same campus location. In addition, £25million investment at Openshaw will see the creation of the Centres of Excellence in Health and Wellbeing and Construction and Logistics by September 2022. The remaining investment will be in the learning hubs at Wythenshawe and Harpurhey. Bank-lending support and confidence from Santander has been achieved through a strong, collaborative partnership between the LTE Group, Manchester City Council, Greater Manchester Combined Authority, and the Local Enterprise Partnership. This has led to a long-term sustainable delivery plan without the need for Government funding.

The projected impact by 2030 responds to all aspects of the Our Manchester Strategy. Focusing on high-level skills, this investment aims to close the resident wage gap, and increase the number of local people in new jobs created in the city, with one million Mancunians upskilled in the investment's lifespan. It is projected that there will be a 23% growth in higher skills, with clear pathways to higher education and an offer that will be employer co-designed, and delivered with a focus on future jobs. This will further the 2025 ambition for the College to be the number-one provider of technical and vocational training in the north west.

Another key development in the city's post-16 education is that the Connell Sixth Form College has joined the Co-operative Academy Trust to create post-16 pathways for young people studying in Co-op academy high schools in the city. This also strengthens Connell's links with one of the city's key employers, creating opportunities for their young people. From September 2020, as well as offering both academic and vocational courses, Connell Co-op College, as it will now be known, will for the first time enable students to start courses that include one-day paid work experience with the Co-op. For the remainder of the time they will study for a BTEC Level 3

<sup>2</sup> The Manchester College, MOL, Novus, Total People, UCEN Manchester

qualification across a range of business areas. The Co-op already offers 16-year-olds leaving its academies the opportunity to become an apprentice, but this is the first time that teenagers will receive a grant so they can work at the Co-op while continuing their sixth-form studies.

### Focusing on Science, Technology, Engineering, Maths, Digital skills and Creative

The focus in recent years on increasing the number of pupils obtaining qualifications in the STEM (Science, Technology, Engineering and Maths), digital and creative subjects has continued. The growth sectors in Manchester (see Figure 3.12) will continue to require a highly skilled workforce, particularly in those subjects that underpin them. Table 3.2 shows that the number of A level entries in STEM subjects increased each year between 2011/12 and 2017/18 but dropped slightly in 2018/19 to 2,964. The percentage of pupils in Manchester achieving top grades of A\*–A in STEM subjects fell slightly in 2018/19; the national figure also fell, resulting in the gap between Manchester and England narrowing. The percentage of pupils achieving an A\*–E pass grade in STEM subjects has increased to 96.3% in Manchester, slightly higher than the national figure of 95.9%.

These results are based on A levels only, and on the following subjects identified from the DfE performance table: Biological Sciences, Chemistry, Physics, Other Science, Maths, Further Maths, Computing and ICT. The results may therefore not be a definitive list of STEM qualifications achieved.

**Table 3.2:** Percentage of Key Stage 5 A level results in STEM subjects

		2011/12	2012/13	2013/14	2014/15 baseline	2015/16	2016/17	2017/18	2018/19
<b>Number of entries</b>	Manchester	1,812	1,844	2,060	2,249	2,479	2,486	3,001	2,964
	England	1,812	1,844	2,060	2,249	2,479	2,486	3,001	2,964
<b>% entries achieving A*–A</b>	Manchester	27.5	27.5	26.7	27.0	26.8	27.6	25.9	24.9
	England	36.3	35.8	35.4	35.3	35.2	31.2	31.1	29.0
<b>% entries achieving A*–E</b>	Manchester	98.3	98.8	98.8	93.6	98.7	98.1	93.7	96.3
	England	98.3	98.8	98.4	98.5	98.5	97.2	96.9	95.9

Source: Department for Education

### Digital activity

With almost 8,000 digital and creative businesses in Greater Manchester employing more than 82,300 people and generating £4.1 billion of economic growth annually, Greater Manchester is already home to the largest cluster of digital and creative industries outside London. Between now and 2025, an additional 2,100 jobs will be created in the creative and digital industries within Manchester specifically

(GMCA Digital Strategy 2018–2020). However, as set out in the GMCA Digital Skills Strategy 2018–2020 and the Council’s Manchester’s Digital Sector 2018 report, the digital industry is currently in the midst of a major talent shortage where demand for skilled professionals is outstripping supply.

In last year’s State of the City Report we focused on Manchester’s ambition to be a world-leading digital city and the challenges residents faced in accessing the right and adequate skills to fulfil that ambition. The COVID-19 pandemic has made this more urgent, demonstrating the need for residents to have access to digital to gain information and knowledge of services to help them keep safe and healthy, and have access to information on jobs and training opportunities.

There continues to be a high volume of creative and digital businesses based in the city that is rapidly increasing the demand for digital and technical skills. Manchester Digital is an independent trade association for digital businesses in the north west and carries out an annual Digital Skills Audit. Headline findings from the 2020 survey show nearly a quarter of companies reported they were not able to fill all vacancies advertised in the past 12 months (compared to one third last year). The main roles that they couldn’t fill remain the same as last year – DevOps, developer, and business development. The main reason given for not filling these roles was a lack of good-quality candidates, with a number of companies also identifying salary demands as a reason.

At a Greater Manchester level there are a number of emerging fast-track and intensive training courses being invested in that are designed to upskill a more diverse range of people into the industry. However, it is important that these programmes continue to align with the roles that the industry tells us are difficult to fill through the Digital Skills Audit. Examples of how we are achieving this in Manchester are outlined below.

#### The Fast-track Digital Workforce Fund

This £3million Greater Manchester digital skills pilot was announced in the October 2018 budget. The aim is to support employers to recruit hard-to-fill digital vacancies through working with training providers to co-design

bespoke short training courses, providing new opportunities for a wide and diverse range of residents to enter the digital, creative and tech industry. It also provides a great opportunity for us to test completely new models of developing skills in response to employer need. Out of 21 bids, five high-quality projects have been chosen to be funded in the first round. These projects are going to work with more than 200 Greater Manchester residents, providing opportunities for young people and career-changers to secure a position in tech; we have also managed to secure a high level of interest and match funding from employers from across Greater Manchester. Four of the projects targeting Manchester residents are shown in Table 3.3.

**Table 3.3:** Examples of four funded projects that will help Manchester residents to secure a role in tech

Name of project	Target cohort	Skill area
Tech Returners	Returners to tech and career changers	Software Development
Generation	Disadvantaged 18 to 25-year-olds	Cloud Engineering
QA	Underemployed graduates, career-changers and returners to tech	DevOps
Tech Manchester	Women in Hulme, Whalley Range, Fallowfield and Moss Side	Linux Engineers



### High school digital audit

The Digital Skills Network comprises over 100 digital and education professionals who convene bimonthly with a broad purpose of sharing good practice and collaborating on activity that tackles Manchester's digital skills challenge. A large focus of the network has been to explore how young people can develop the skills needed for a career in digital. A focus for the group has been to deliver greater impact in 2019, and it is essential that young people's exposure to digital skills is taken into account when considering what the current digital offer across Manchester's high schools will look like in the future.

### The Future of Skills: Employment in 2030

Nesta report explores the future changes of employment and the impact this will have on the skills that employers demand. The report highlights that interpersonal skills, cognitive skills, and systems skills are likely to be in high demand. It also highlights that the future workforce will need specialist skills, but also a broad range of transferable skills to be equipped for the changing world of work. More specifically, it states that creative, digital, design and engineering occupations have bright outlooks and are strongly complemented by digital technology.

The rapid pace in technology makes it difficult for schools to adapt and maintain an up-to-date and relevant curriculum. The narrow focus of the computing curriculum, difficulty in attracting teachers with digital specialism and keeping their knowledge up to date, as well as lack of awareness by teachers, parents and carers about the scale and breadth of opportunities within the creative and digital workplace contribute to young people disengaging from the computing curriculum/digital more broadly after the age of 13. To become a leading digital and highly skilled city, Manchester needs a strong pipeline of highly skilled digital talent. It is therefore recognised that a need for a high-school digital audit was required to understand provision and highlight any gaps.

The results of the audit showed a very varied picture in digital skills across all high schools in the areas of digital working, digital living, digital specialisms, the extra-curricular offer, and the skills and capacity of staff. In conclusion it found that school governors and leaders require support and guidance on developing an effective digital strategy: a vision and the delivery of a broader offer, including digital working and digital living. The current dominant force in shaping the digital experience at KS3 is the GCSE Computer Science, although most

do not study for this qualification. The audit found that most schools have not yet developed a broader digital offer for students at KS4 and that there is a need to strengthen links between schools and industry. The findings of the audit reinforced the fact that digital exclusion and social exclusion in the city are interrelated, and that tackling inequality is therefore at the core of driving digital inclusion. Since the high school digital audit, COVID-19 has meant that children and young people have had to learn online. Lack of access to technology and kit for disadvantaged young people and their families is a priority to address.

### Equality, diversity and digital inclusion

The formal curriculum is not the only way to equip young people with the knowledge and skills in the digital sector. All the projects the Council has supported in 2019/20 were focused on engaging those who are underrepresented in tech – women, ethnic minorities, and those living in areas of deprivation. The gender imbalance in tech is well documented, and there has not been a significant change to the ratios since 2018. Only 16% of women in the region's workforce are in technical roles, according to the Digital Skills Audit 2020.

**Digital Her** is a membership organisation operating in the city. It has a simple mission to inspire and empower girls to engage with STEM-related subjects at GCSE and A level, and have the confidence and desire to explore the incredible careers available in digital and tech. The Council has supported Digital Her to provide the support, opportunities and guidance needed to encourage a new generation of women into the industry. They do this by introducing girls to real role models and visible mentors from within their membership, and ensuring influencers such as teachers, careers advisers and parents are informed and able to support and advise girls interested in digital and tech. However, feedback from many Digital Her role models shows that there are not enough peer mentors for women when they have entered the industry and are looking to develop and progress.

**InnovateHer** is a Council-sponsored programme that aims to improve the gender balance within the sector, providing opportunities for girls aged between 12 and 16 through project-based academies, mentoring and networks. The programme was created to address some of the issues that have long been documented in reports and research papers, such as the My Tech Future report (July 2016), which found that girls excel at school academically and

often outperform boys in terms of grades, but this performance does not always translate into the workplace. This eight-week programme, based at Cedar Mount School in Gorton, is an intervention to correct this discrepancy and create a space where girls can connect, collaborate and grow together, while learning new skills and gaining direct access to the industry and mentors. It is designed to inspire them and get them excited about a future career in technology. The cohort learn key digital skills that are not currently widely taught in schools as part of the curriculum and are introduced to role models from the industry. Up-to-date advice and information about roles within the industry and guidance on how to go about getting a job are provided, as well as the teaching of soft skills such as communication, pitching and presenting, and collaborating in a team.

Evaluation of students following the programme found that 83% felt more confident about a career in tech, and 50% said they would definitely consider studying computer science/IT-related subjects at GCSE level.

While there has not been a significant increase of women entering the workplace, there is a groundswell of action across the region to ensure that women are more aware of the

opportunities the tech industry can offer them. It is important that momentum around these programmes is maintained and scaled up, as there is still a long way to go to achieve gender parity.

### Digital Inclusion Working Group

The Council has convened a Digital Inclusion Working Group. Members include Council Officers (ie. Customer Service Centre, Libraries and ICT) and external partners (eg. housing associations, NHS, and VCSE representatives) that work in our communities. The aim of the group is to develop a more collaborative approach to reducing digital exclusion and working together to gain a better understanding of resident barriers, and improving access to provision.

## Case study: Digital Inclusion Working Group

Digital exclusion exists where a person lacks one or more of the following: skills, access to the internet, confidence to use the internet or motivation to use the internet. This leaves residents at higher risk of social isolation, with poor access to services, poorer job prospects, and at a financial disadvantage. In 2019 the 'Evidencing the Challenge of Digital Inclusion in the City of Manchester' report estimated 27,000 adults in Manchester were digitally excluded. In reality we know that this number is much higher and is continuing to increase at a fast pace due to the impact of lockdown and the sustained impacts of COVID-19. In fact, GMCA have reported that as many as 1.2million residents in Greater Manchester could be digitally excluded post COVID-19.

The challenge of reducing this level of digital exclusion could only be met by adopting an Our Manchester approach. The Council needed to support community organisations to help more residents be confident regular online users. There is already a large number of organisations supporting digital, including libraries, Manchester Adult Education Service, Citizens Advice, housing associations and local community organisations such as YES Manchester and Wai Ying Society.

After having conversations with such organisations, in autumn 2019 the Work and Skills team and Libraries convened a Digital Inclusion Working Group, consisting of these and other organisations, including colleagues from the health sector. The group has worked together

to develop approaches to increase the number of residents who are online. The group has worked in an Our Manchester way to gain a better understanding of residents' barriers to being online; it developed a collaborative approach to reducing digital exclusion and improving access to provision, and provided wider initiatives to make a real difference to digital inclusion.

The group has since identified key areas of focus, and launched cross-sectoral subgroups to develop a series of actions tackling these priority areas. Two of the subgroups are:

- Residents for whom English is an additional language, and black and Asian minority ethnic residents
- Access to digital health, wellbeing and care.

The working group has identified motivation as being a key and challenging barrier to residents engaging with digital, and has commissioned work to promote positive stories of how being digital has enhanced the lives of individual residents. A local artist, Len Grant, has created a small booklet showcasing sketches of eight residents who have engaged with members of the working group to tell their stories and share their experiences. Themes of experiences include money-saving, accessing healthcare, socialising, and employment.

The group has identified lack of internet access at home as a key barrier to being a confident online user. This shared experience has been crucial in

developing plans for device-donation schemes for residents most in need. The group has also enabled smaller community organisations to support one another and share best practice across the city.

Members of the Digital Inclusion Working Group have come together to resource a digital-support service managed by libraries. The service supports residents who have internet access but don't have the skills or confidence to use it effectively. Residents can access the service directly or by being referred by Council services (such as the COVID-19 Community Response Hub) and partner organisations. They then receive a phone call from a member of the Digital Inclusion Working Group or other local UK online centre. Phone calls can be made in 15 languages, and support has been given on things such as how to turn on a device, making video calls, doing online supermarket shopping, and accessing health information.

This Our Manchester approach has proved effective in positively tackling the digital divide in Manchester.

### Digital skills for employment

The Council has worked with Barclays, MMU and local work clubs that have a focus on over-50s, to deliver the Barclays Digital Eagles programme to support Manchester students to access industry-led training, and gain digital skills and the softer skills needed for future employment. Barclays has so far trained 19 MMU students who have been supporting sessions at Tree of Life Centre in Wythenshawe, Northmoor Community Centre in Longsight, Barlow Moor Road Community Centre in Chorlton, YES Manchester in Newton Heath, and the Chrysalis Family Centre in Moss Side. Owing to the interest received from students, and the positive storytelling from the work club leads, we have scaled up the project to reach more residents.

### Digital inclusion and deprivation

We know that there is a strong correlation between deprivation and digital inclusion in the city. The majority of people working in the tech industry have come from university and hold degrees. The number working in the sector who hold apprenticeships is still low, though we expect to see a year-on-year increase as degree apprenticeships gain in popularity and employers realise they need to offer broader pathways into their businesses. There will also be an increase in line with the expanding range of digital apprenticeships.<sup>3</sup>

**The National College for Digital Skills** is a specialist college that inspires the students of today to become the digital pioneers of tomorrow. The college has a base in Manchester and we are working with it to provide students with the opportunity to learn relevant digital skills to pursue their dream job in tech. Like us, the college works to remove the barriers to progress for women and individuals from low-income backgrounds in the tech industry. It currently provides a pilot programme delivering a range of apprenticeship programmes at all levels across areas where there are currently skill shortages, such as level 4 data analyst, level 4 software developer, and level 6 digital degree apprenticeship. The curriculums are designed by employers for employers, and reviewed and evolved on an annual basis to ensure they remain current; they have three overarching themes: technical, creative, and digital skills. They provide good pastoral care and meaningful industry involvement in classroom delivery.

**Dacey Tech** work to ensure that students learn future work skills and businesses have sustainable talent pipelines. The Council supported them to deliver a two-day weekend Autonomous Vehicles event at Manchester Science Park. This was attended by 40 to 50 students from Hulme and Moss Side schools,

and community groups local to the venue. The aim was to encourage students to interact with new technologies and learn technical skills, such as CAD design, 3D printing, materials, IoT and sensor technology, robotic vision and artificial Intelligence; they also had the chance to learn about the automotive industry, and interact with professionals to gain 'on the job'-type learning experience. Students were encouraged to develop a better sense of what it's like to work in technology sectors and be inspired to pursue potentially new career paths.

Forty students were engaged from four schools – 12 from Manchester Academy, 12 from Xaverian College, 11 from Parrs Wood High School, and five from Tauheedul Islam Boys' High School. 88% of students said they were inspired to learn more about technology, 79% said the experience motivated them to research careers in technology (particularly in the automotive industry), and staff from all four schools asked for more events because they wanted to get involved.

We will continue to encourage digital tech industries to base in the city and continue to ensure our students are able to learn the skills for these roles.

<sup>3</sup> Digital Skills Audit 2020

## Focus on skills for a zero-carbon economy

Many of the occupations that will support a thriving zero-carbon economy are those discussed above. The focus in recent years on STEM and digital technologies puts Manchester in an advantageous position. In 2019/20, the Council worked to deliver a concerted response to the global environmental crisis; many areas of this response are also covered in other chapters. This response was based on years of action and commitment as exemplified by Manchester: A Certain Future (the citywide plan to reduce carbon emissions from 2010–2020) and the Manchester Climate Change Action Plan (2020–2025). Here we will focus on the activity carried out to ensure Manchester is well equipped with the skills, now and in the future, to enable us to reach our target of a zero-carbon economy by 2038.

Manchester's ambition to become a zero-carbon inclusive economy is clearly stated in the *Developing a More Inclusive Economy – Our Manchester Industrial Strategy* and the *Manchester Climate Change Framework 2020–25*. However, defining and measuring the green skills (or low-carbon skills) needed to achieve the ambition is challenging. Applicable across most sectors in some capacity, for example, transport, education, construction,

digital and financial, and professional services. 'The green economy is defined as one in which value and growth are maximised across the whole economy, while natural assets are managed sustainably.'<sup>4</sup> While there is a focus on some of the environmental or carbon-reduction industries, there also needs to be a wider focus to include some of the generic skills that businesses need to improve resource efficiency (eg. project and risk management) and any technical skills or processes needed as they work towards this.

The need to move towards clean growth and a greener economy is referenced throughout the *Developing a More Inclusive Economy – Our Manchester Industrial Strategy*. The Strategy recognises that, in order to achieve our zero-carbon 2038 ambition, it has to be central to everything the city does, rather than an add-on. The city's economic success cannot be to the detriment of our environmental aims, and environmental justice is key to creating an inclusive economy. Clean growth and green skills are specifically referenced in the *Our Manchester Industrial Strategy* in the following areas:

→ **Equipping people with the skills to prosper** – the need to ensure Manchester residents have the skills to access the jobs that will be created in the green economy

- **Transport infrastructure** – the move towards non-carbon intensive transport, such as electric solutions, cycling and walking
- **Digital infrastructure** – smart cities can be used to create environmental solutions that support our zero-carbon ambition
- **Inclusive and zero-carbon new developments** – ensuring that all major new developments are low to zero-carbon; this aim will also be supported by the Local Plan refresh
- **Investment to improve the environment** – ensuring the continued support for environmental programmes, including green and blue infrastructure
- **Foundational economy** – supporting those who currently work in utilities (energy generation) and transport, who are likely to see their roles change with the transition to a green economy
- **Reimagined, repurposed and retrofitted commercial premises** – more environmentally sustainable than new build, while presenting an opportunity to retrofit.

4 HM Government: Skills for a Green Economy

The implementation of the work is in its very early days but will include the following strategic initiatives that relate to the green economy:

- Developing a programme focused on supporting green tech and services jobs
- Creating a framework for new development to ensure all major projects become inclusive exemplars, including environmental sustainability
- Developing and supporting innovative investment in environmental programmes
- Developing a programme of work on future investment models to establish how to ensure the greatest impact from them.

### Education and skills: challenges and opportunities

The projections for long-term skills demand are uncertain at a Manchester level, and how the data is interpreted changes. Further research is planned in this area. However, we know that education and skills will underpin our ability to reach our ambition of a zero-carbon economy by 2038. As well as the environmental crisis there is also a compelling social and economic drive; by ensuring our residents are equipped with the necessary skills to fill the available roles, the journey to 2038 can also be a route to addressing inequality.

A policy framework for education and skills is under development; this will support the transition to a zero-carbon economy and set out the different elements of meeting the increased demand for green skills, including:

- Planning now for the skills demand of young people who are yet to enter the labour market
- Supporting existing workers experiencing or at risk of job losses (due to the decline of carbon-heavy industries) to move into new employment in a zero-carbon economy in the future. This applies to those currently employed in carbon-based industries who have highly transferable skills that will be needed in a zero-carbon economy (such as construction workers), and those with no or low skills in need of support
- Supporting workers already in the labour market with skills valuable in a zero-carbon economy but who will need to upskill in order to adapt to sectoral changes, arising as a result of policy or technological developments.

Clean Growth and Productivity: The shift to carbon neutrality will mean that some firms, particularly those that have carbon-intensive operations, will need support to speed up

their progress towards carbon neutrality without constraining growth. Certain skill sets will be required if we are to accelerate the implementation of energy and material efficiency measures in the design and production of green products and services.

Businesses have a key role and need to respond to this agenda. The Council has used existing networks to make the benefits of investment in green skills clear, and has provided opportunities in terms of innovation, sustainability, efficiencies and productivity.

In January, Manchester's Construction and Skills Network focused on green skills and the skill challenges in the construction industry.

Manchester City Council has good partnerships and relationships with schools, colleges, training providers and universities to drive and influence this agenda. The University of Manchester and Manchester Metropolitan University have a strong track record of harnessing their expertise in this field to work alongside business and industrial partners, local authorities, the Government, community groups, charities, schools, colleges, and the public, eg. projects such as Future Economies and Industry 4.0.

The first Green Skills, Clean Energy summit was held in September 2019 by MMU. It brought together academics, policy-makers and industry professionals to understand the skills gap and challenges facing the industry, to support Greater Manchester to become zero-carbon by 2038.

Manchester Adult Education and Skills Plan has a number of themes that are relevant to the green economy, including the importance of residents developing basic and more advanced digital skills, which will be key for many roles in this sector. The devolution of the Adult Education Budget (AEB) provides an opportunity to commission new qualifications and skills provision to address some of the entry-level routes into employment required by a zero-carbon economy. This is important if the city's residents with lower qualifications and skills are to benefit from green growth. However, in the short term the AEB will primarily remain focused on basic skills (English, Maths, Digital and ESOL) for those with low or no skills.

The Careers Education, Information Advice and Guidance network (CEIAG) brings the career leads from schools and colleges together to support one another and share good practice. A green skills-themed CEIAG

network was held in December 2019, which built on the strong focus of the network on the promotion of Science, Technology, Engineering and Maths (STEM) subjects, as a route for students to benefit from opportunities in the city's growth sectors. In addition to STEM, the network focuses on Skills for Life, which promotes a citywide approach for young people to develop the softer skills needed for employment and life. This will help equip the city's young people with transferrable skills and wider carbon literacy needed to underpin the transition to a zero-carbon economy.

Becoming a carbon-neutral city by 2038 is an ambitious target for Manchester. It will have skill implications for all aspects and sectors of the Manchester economy, including Energy, Planning, Transport, Social Value, and Procurement and Housing, among others. In the future, the Work and Skills Board will continue to provide oversight of the delivery of the city's **Work and Skills Strategy**, which will be refreshed to include a strong focus on the skills needed to maximise the employment opportunities for a zero-carbon Manchester.

### Inspiring the next generation to be the best they can be and providing them with the knowledge, skills and resilience they need to succeed

Careers education, information, advice and guidance have undergone significant positive transformation over the past four years, with renewed emphasis nationally and investment in resources and infrastructure to improve careers programmes in secondary and post-16 provision. This section discusses how this has developed in Manchester and how it contributes to the ambition of linking the students of today with the skills to attain good jobs and careers in key sectors.

The Greater Manchester Local Industrial Strategy identifies the following areas as unique sector strengths and assets of the city region that, if capitalised on, will drive growth and productivity. Manchester is at the epicentre of each of these sectors and provides the city's residents with good-quality career opportunities. It is therefore vital that we connect young people to the opportunities arising from these:

→ **Health innovation** – Manchester provides global leadership in health and care innovation, and extending healthy lives through linking academic research and front-line delivery to

improve the health of our residents, eg. through the Manchester Science Park, Corridor Enterprise Zone and Citylabs.

- **Advanced materials and manufacturing** – the National Graphene Institute and Graphene Engineering Innovation Centre is based in Manchester, and will continue with the Henry Royce Institute, currently under construction, alongside the development plans for the ID Manchester district.
- **Digital, creative and media** – Manchester is a leading European digital city region. Sharp Project and Space Studios in east Manchester help solidify our offer to creative businesses. There has been growth in the city's creative and digital space, such as Federation House. MIDAS indicates that Manchester has the greatest concentration of e-commerce start-ups than anywhere else in the UK.
- **Clean growth** – opportunities of the green economy and reaching zero-carbon by 2038; the Tyndall Centre for Climate Change Research and Manchester's universities are at the forefront of research into technologies and services that will enable transition to zero-carbon economy.

### Careers Education Information and Guidance (CEIAG)

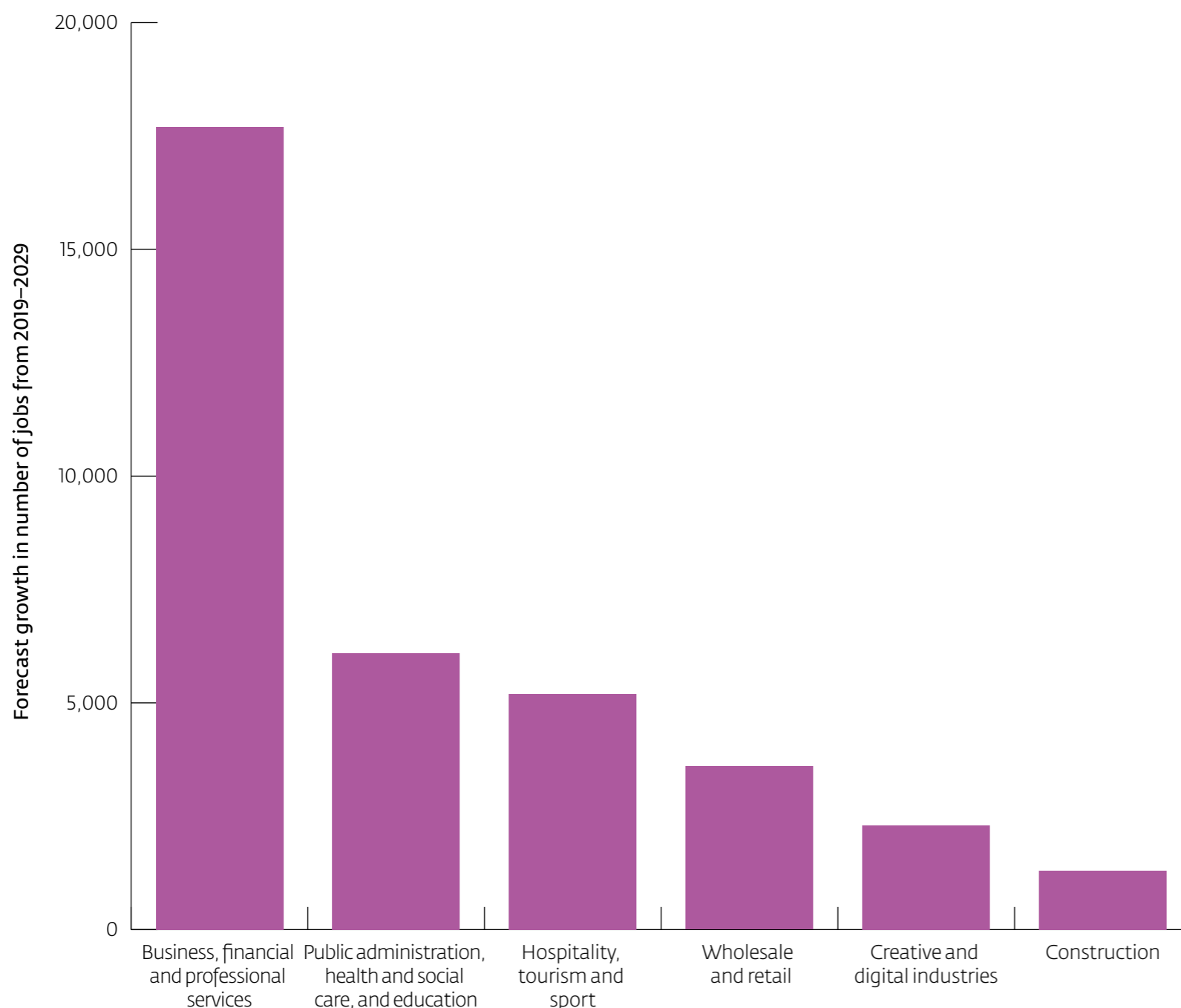
As set out in the Our Manchester Industrial Strategy, CEIAG is imperative to developing a more inclusive economy, building ambition and aspiration, and ensuring young people understand and can access Manchester's labour market. CEIAG is essential for providing the knowledge, understanding, confidence and skills that are necessary for all our young people to make informed choices and plans for their future learning and careers. This is especially important in terms of the support required for our priority groups, including the work to prevent young people becoming NEET. It is also key to connect young people to the city's future economy and labour market, thus supporting economic growth in the city.

The Council has a role in facilitating the CEIAG network. This enables professional peer support for career advisers, sharing good practice, and providing quality assurance. It meets quarterly and has 92% of career leads and staff from Manchester schools and colleges engaging with the network in various forms.

We support the network through the production of a CEIAG newsletter, which is circulated to all career leads. In addition, there is a monthly labour-market information slide pack and toolkit, regular engagement through visits, as well as phone and email contact. The newsletter, labour-market information pack and monthly messages support schools and colleges to make young people aware of the changing economy, preparing them for career opportunities that underpin our ambition for an inclusive economy. Figure 3.12 provides an overview of the growth that has been forecast across key sectors in the city. Current forecasts do not take into account the economic impact of COVID-19, which will undoubtedly reshape economic activity and associated growth projections for the city.



**Figure 3.12:**  
Forecast growth in number of jobs from 2019 to 2029 in key growth sectors



Source: Greater Manchester Forecasting Model 2019, Oxford Economics

### Skills for Life programme

Manchester’s Skills for Life programme has responded to the growing call from young people and employers for a ‘curriculum for life’, to equip children and young people with the ‘softer skills’ and knowledge needed to be better prepared and succeed in the real world. The programme has a clear focus on the development of five skills: communication, teamwork, self-management, self-belief, and problem-solving. It was launched in June 2019, following the pilot phase during the academic year 2018/19 within 30 education settings.

Through campaigns and promotional materials, Skills for Life has raised the profile of the transferable skills required by all employers so that children and young people understand the importance and relevance, especially in emerging sectors and the changing labour market (as illustrated in Figure 3.12). Work on how employers can embed Skills for Life has developed, and a new ‘Employer Engagement with Schools’ booklet sets out a number of asks for employers, such as:

- **Spread the word** – raise awareness of the Manchester Skills for Life programme with other employers

- **Adopt the language** – weave the language of the five skills into whatever you do with children and young people
- **Create opportunities** – signpost children and young people to skill-building activities
- **Test the skills** – find ways to assess and unlock the potential of your future workforce
- **Value the learning** – support children and young people to reflect, record and own their skills progression.

#### The Enterprise Adviser Network

The purpose of the Enterprise Adviser Network (EAN) is to create powerful, lasting connections between local businesses and schools and colleges across the city. The Enterprise Co-ordinators recruit senior business volunteers (Enterprise Advisers) to work strategically with school-leadership teams to guide and influence the development and implementation of an effective careers programme in line with the Careers strategy, statutory guidance and **Gatsby Benchmarks**.<sup>5</sup> It will have employer encounters and workplace experiences at its heart, to inspire young people and prepare them for the fast-changing world of work.

Since May 2017, Manchester City Council has invested in Manchester's Enterprise Adviser Network by part-funding an Enterprise Co-ordinator; an additional Enterprise Co-ordinator was added in September 2018. Currently, there is capacity for all secondary schools and colleges to benefit from having an Enterprise Adviser, who will support them to undertake a diagnostic review of their current careers provision. Overall, Manchester is making impressive progress in implementing the Gatsby Benchmarks. Out of 41 schools and colleges, 22 have achieved 100% implementation of benchmark 5 – encounters with employers and employees; 24 have achieved 100% implementation of benchmark 6 – experiences of workplaces; and 34 have achieved 100% implementation of benchmark 8 – personal guidance.

Following the lower initial results for benchmark 4 (linking curriculum learning to careers) and benchmark 5 (encounters with employers and employees), there has been focused work to improve the employer engagement with schools through the EAN. Manchester is already improving employer encounters and workplace experiences for more schools by:

- Focusing on learner preparedness, ensuring students are fully aware of the expectations required of them prior to the placement taking place
- Working to ensure students are taking part in placements that link to their interests and career aspirations
- Offering greater flexibility with dates to better meet the needs of businesses
- Driving and developing their own employer engagement strategy, growing their business networks and building sustainable relationships
- Offering alternatives to individual placements, such as site/office visits, extended work experience, eg. one or two days a week, bespoke programmes to individual needs.

<sup>5</sup> The Gatsby Benchmarks are a framework of eight guidelines that define the best careers provision in schools and colleges. The Careers Strategy is built around them, and they are the foundation for planning and improving education programmes

### The Sir Howard Bernstein Legacy Fund

The Sir Howard Bernstein Legacy Fund also links schoolchildren from priority groups to businesses. Now in its third year, it focuses on three annual projects: aspirational industry-based mentoring, a summer school for school-leavers, and supporting the Manchester youth market. The fund also offers the Manchester's Rising Stars Bursary Fund, which provides financial support for young Mancunians to take their next steps in employment, education or training. All these projects aim to provide young people with the skills and professional connections to succeed.

Referrals to the Sir Howard Bernstein Summer School are received from schools across the city, with a focus on high NEET-producing schools and those with high free school meals and pupil-premium populations. The programme is designed and targeted at vocationally unsure young people, such as potentially NEET, vulnerable and those considering technical and apprenticeship pathways. The project offers transition support, careers inspiration activities, and development of employability skills through an eight-week programme, working with students from the end of their GCSE exams to GCSE results and college enrolment. Sessions are run in conjunction with large and growth-sector employers in

the city, such as Hewlett Packard Enterprises and PWC, and focus on raising awareness and skill development. Students receive a weekly bursary conditional on attendance and are supported to open a bank account to receive this. The programme includes several reward mechanisms and provides food as a measure to tackle holiday hunger.

In the autumn or spring terms, the summer school programme is supplemented with a work-experience placement with one of the partner employers. The placement has a bursary attached to fund clothing, travel and lunches; it also ensures that young people from disadvantaged backgrounds have access to high-quality work experience placements without finances being a barrier. The students are then matched with an industry-based mentor to provide ongoing inspiration and professional guidance. The matches are not made as vocational matches; rather, they provide a professional network and activities to raise confidence and provide access to the workplace. In 2019, 17 young people completed the programme, and progression rates to a positive post-16 destination were 100%.

### A meaningful work placement for every young person

#### The Council's work placement scheme

A meaningful work placement for all young people, particularly those from priority groups, is one of the aspirations in the Our Manchester Strategy. As a large employer in the city, the Council is continuing to lead by example by piloting a new approach to create a more co-ordinated and joined-up model. This could be targeted at our priority groups, such as those with a disability, looked-after children (LAC), black, Asian and minority ethnic (BAME) people, and those for whom English is not their first language. Work-placement opportunities across the Council are publicised via an **Online Portal**, which went live in December 2018. We have provided a number of work placements across a variety of departments.

#### Meet Your Future

The Greater Manchester initiative Meet Your Future was launched in April 2019 by the Mayor of Greater Manchester, Andy Burnham. It is a campaign to encourage organisations to engage with young people from a variety of communities across Greater Manchester by, for instance, offering work shadowing and workplace safaris/work experience. In June 2019, the Enterprise Co-ordinators organised Greater Manchester Meet Your Future Speed

Networking events for young people in years 9 and 10. They were organised to inspire young people and inform them about the range of career options and pathways available, as well as the industries that are growing and the skills in demand across our city region. Fifteen pupils from each of four Manchester schools attended – a total of 60 young people.

### Our Town Hall

The Our Town Hall (OTH) Project Team and supply chain have actively engaged with a variety of schools, colleges, universities and community groups to provide career guidance and pathways into the construction industry. This has included delivering more than seventy careers and employment sessions to 25 Manchester schools and colleges and ten Manchester community groups. We have provided 43 work placements for 14 to 16-year-olds and 19 placements for those aged 17 and above. The project has actively encouraged our apprentices to mentor and inspire the next generation, and play their part as mentors and role models to young people in Manchester. Working with our higher-education establishments we have provided an insight into working on a live construction site and have supported research projects that benefit both the project and the students.

### Increasing the number of graduates in the city

There are many benefits to the city's economy in increasing graduate retention. Not only does it increase the proportion of Manchester's working-age residents with higher-level qualifications, it also helps to boost the economy through the retention of skills and talent for the city's employers, and attracts investment by businesses in the city. For start-ups that want to grow quickly and efficiently, hiring graduates can offer value now, and in the long term. Including an eagerness to learn and develop, and an adaptability that is vital to help start-ups succeed, there are a number of reasons why graduate recruitment is a choice for start-ups.

One of the key factors in Manchester's overall success and resilience has been the development of a stable economy with a young, diverse and increasingly skilled workforce. This is essential for the creation of the jobs that the city needs, driving investment, and enabling the city to grow. In recent years, the city has seen major growth and investment in the digital sector, including creative and digital, cyber, fintech, bioscience, and advanced materials.

In January 2019, more than 73,000 students enrolled at Manchester's two universities. It is estimated that of all the students who

graduated in 2017/18, almost 10,000 graduates were working in the city 15 months after graduation.<sup>6</sup> Our large and diverse talent pool attracts businesses into the city and is one of the key reasons why the economy continues to be successful.

The HESA Destination of Leavers survey reported the work location of graduates six months after graduating. The last year of the survey was 2016/17, when 36% of graduates indigenous to Manchester entered work in the city within six months of graduating. The HESA Graduate Outcome survey was then introduced and is now focused on the work location of graduates 15 months after graduating. The new survey is significantly different, so results cannot be compared to previous years. These are experimental statistics still undergoing review, so may be subject to further changes, and the results may be affected by potentially low response rates to the survey. Table 3.4 shows that the proportion of graduates indigenous to Manchester who entered work in the city within 15 months of graduating in the 2017/18 academic year was 20%, with a further 13% working elsewhere in Greater Manchester.

<sup>6</sup> HESA Graduate Outcome Survey

**Table 3.4:**  
Work location of graduates indigenous to Manchester

Location	Academic year 2017/18
Manchester	20%
Greater Manchester (excluding Manchester)	13%
Greater Manchester	33%
North west (excluding Greater Manchester)	32%
UK (excluding north west)	32%
Non-UK	3%

Source: HESA graduate outcomes survey (survey taken 15 months after graduation)

### Building awareness of and growing the number of apprenticeships in the city

The drive to continue to increase the number and quality of apprenticeships has been sustained in the past year. We have particularly focused on changing the perception of apprenticeships as being for younger people and for certain trades or sectors. Communication campaigns have focused on the importance of adults – particularly the over-50s – having access to the support required to enter and sustain employment through apprenticeships, irrespective of their age or stage of working life. Good-quality apprenticeships are crucial to developing many of the skills required to

grow the economy, not only at the start of a career, but also as part of one's ongoing professional workforce development.

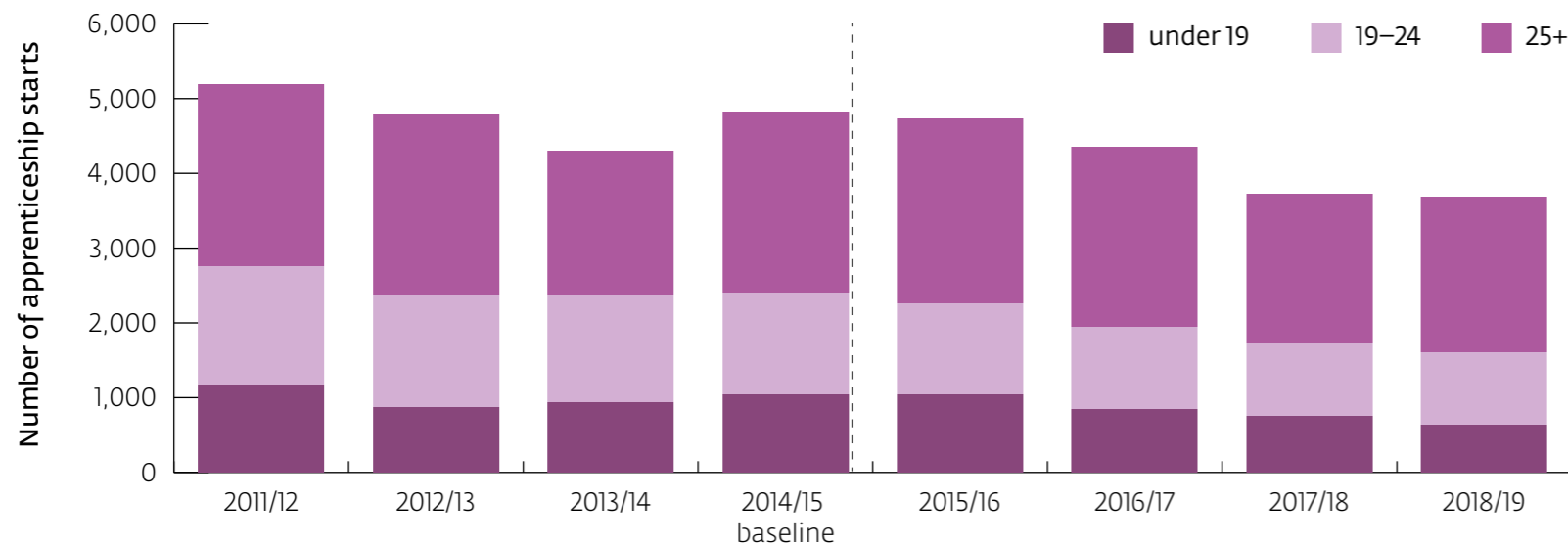
Apprenticeships are an important mechanism for business and residents from all backgrounds to obtain the skills and qualities valued by employers. Good-quality apprenticeships across a range of levels and sectors will help deliver the skills required to grow the economy and enable residents of all ages to develop the skills and attributes needed to succeed in the labour market. Employers in key-growth sectors are increasingly recognising the need to work in partnership with training providers to develop high-level roles for their industries aligned to apprenticeship standards, which are lacking in some sectors.

Fewer apprenticeship places are being created for young adults and at intermediate level. The apprenticeship levy has brought major change to the apprenticeship market, and while it was introduced to increase take-up, the trend nationally has been a continued decline. The number of intermediate starts has fallen particularly sharply, potentially reducing the pipeline of learners who can progress into high-level apprenticeships.

While the apprenticeship levy is driving better employer engagement, there are new standards continually being introduced, which presents an ongoing challenge, particularly for SMEs and training providers. Figure 3.13 and Figure 3.14 show apprenticeship take-up by age and level, respectively. They illustrate an increased use of advanced, higher and degree-level apprenticeships as a means to upskill the workforce and increase productivity, a shift driven through the introduction of the apprenticeship levy. However, there are continued low numbers of 16 to 19-year-olds accessing intermediate apprenticeships to start their chosen career.

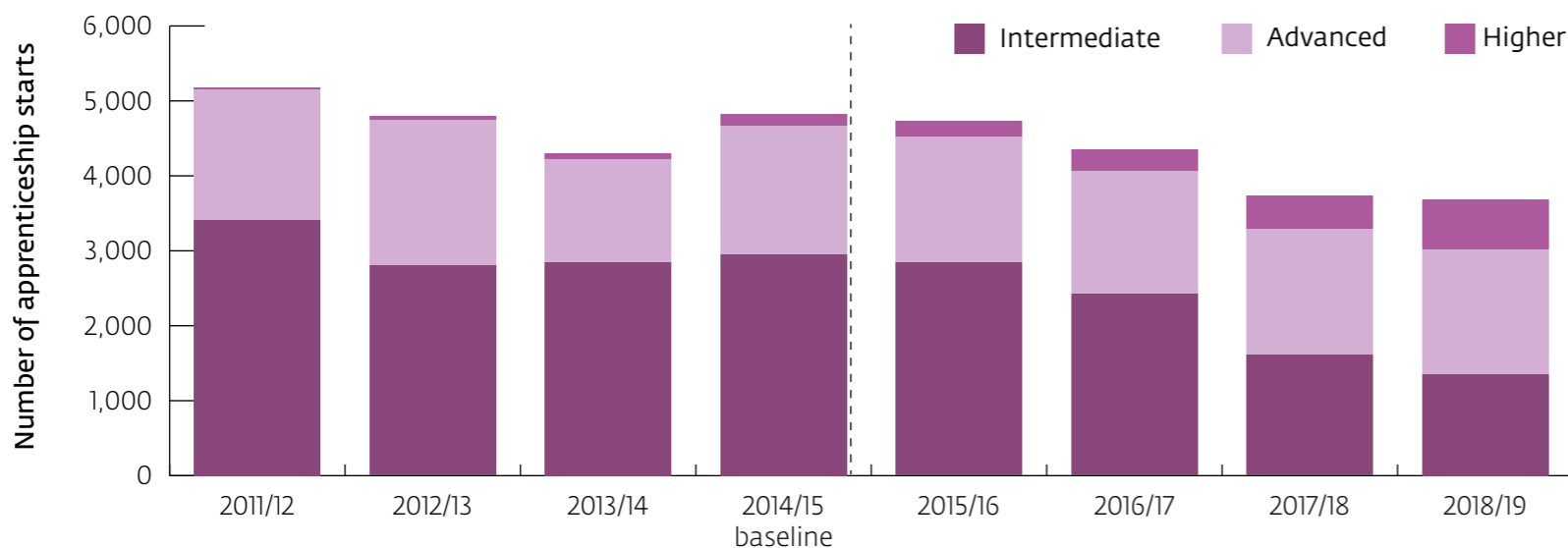
Initiatives such as the Greater Manchester Levy Matchmaking Service, which facilitates the pass down of unspent levy funds to SMEs within the city region, and the SME apprenticeship support programme, which offers £3,000 to non-levy-paying employers within Greater Manchester who haven't taken on an apprentice in the past two years, will help to increase apprenticeship creation within the city.

**Figure 3.13:**  
Apprenticeship starts by age



Source: Skills and Education Funding Agency (FE Data Library)

**Figure 3.14:**  
Apprenticeship starts by level



Source: Skills and Education Funding Agency (FE Data Library)

Figure 3.13 shows the trends in apprenticeship starts from 2011/12 to 2018/19 by age. There has been minimal change since 2017/18 in all age groups. The highest number of starts (2,080) remains in the 25+ age group, indicating that large employers are continuing to use the apprenticeship levy as a means of upskilling their workforce. We know there is currently a high-level technical skills gap, which means we must sustain our efforts on higher and advanced-level apprenticeships to meet this gap. There is also a need to increase the opportunities for the 16 and 17-year-old group and under-25s to begin their careers as apprentices, and this work is continuing through our work with schools and employers as set out earlier in the chapter.

Figure 3.14 shows that while apprenticeship starts at intermediate and advanced level have either declined or remained the same since 2014/15, higher-level apprenticeship starts have quadrupled from 170 in 2014/15 to 680 in 2018/19, and increased by 240 in the past year. The messages on the benefits of apprenticeships for all ages and stages of life mean that more people are seeing higher-level apprenticeships as a viable option. The increase can also be attributed to employers wanting to invest in their existing workforce so they can maximise the use of the levy.

### COVID-19 and apprenticeships

Owing to the time lag on data relating to apprenticeships, at the time of writing it is difficult to provide specific data on the impact of COVID-19. It is still an emerging picture, but we do know trends at a national level will also be experienced by Manchester residents. Studies such as those undertaken by the Sutton Trust<sup>7</sup> found that the COVID-19 health crisis is having significant impacts on apprentices, their employers and learning providers. Companies are furloughing or making staff redundant, off-the-job learning has been disrupted, and apprentices – already on low pay – have faced additional financial strains. Unlike other learners, apprentices haven't been given flexibility regarding timescales, end-point assessment and achievement, which most employers would support. There are many apprentices currently on furlough whose job and apprenticeship is at risk.

Many young people are more likely to be concentrated in apprenticeships at lower levels, be paid lower salaries, and be vulnerable to furloughing and redundancies as a result of the health crisis. The idea of higher-level apprenticeships being a way to 'level up' inequalities in the country will therefore be challenged by the pandemic.

Anecdotal evidence from businesses in the city indicates that they are likely to hire fewer apprentices over the coming year, or none at all. Businesses are worried about their ability to survive the crisis and this picture is likely to worsen with the COVID-19 restrictions on public life. During the summer of 2020, the Chancellor made several announcements to incentivise employers to take on apprentices; other initiatives and programmes have been announced that may make the landscape confusing for employers or young people. In the short term, Kickstart (described in the following section) may be more attractive to employers, as the young person's wages are paid.

Practical issues, such as working from home, have posed problems for apprentices, as many do not have the equipment or internet access to do so. Some learning providers have closed. Those young people who have finished school or college – particularly disadvantaged young people – will find accessing face-to-face career guidance, networking events, and work-experience opportunities harder.

In the future, there will need to be a strengthening of the support measures provided for apprenticeships, employers and training providers at all levels (national, Greater Manchester and the city) if we are to continue

to support apprenticeships as a means of upward social mobility for disadvantaged groups in the city.

### Kickstart

Because of the COVID-19 impact on education there will be a cohort of young people – those leaving school, further and higher education – who will be entering a very different, more competitive jobs market. Some previously thriving sectors are not doing very well, and others are booming, such as online retail, eg. the Manchester-based HUT Group, and BooHoo. As we have discussed above with apprenticeships, some businesses are struggling to survive and it will be much more difficult to secure employment in an economy suffering from a major economic downturn.

At the time of writing, the Government has introduced a national scheme to mitigate these trends. Called Kickstart, and running until at least December 2021, it's a £2 billion fund for England, Scotland and Wales to create high-quality, six-month work placements for young people aged 16–24 on Universal Credit and deemed to be at risk of long-term unemployment. Funding is

<sup>7</sup> <https://www.suttontrust.com/our-research/covid-19-impacts-apprenticeships/>

available for each job and will cover 100% of the relevant National Minimum Wage (aged under 18: £4.55; aged 18–20: £6.45; aged 21–24: £8.20) for a minimum of 25 hours a week, plus the associated employer National Insurance contributions and employer minimum automatic enrolment contributions. There will also be extra funding to support young people to build their experience and help them move into sustained employment after they have completed their Kickstart-funded job. The scheme is in its very early stages and it is too early to provide data on its success nationally or in Manchester. However, we have a crucial role in making it a success for Manchester's young people and ensuring it complements other employment programmes for young people in the city.

### Reducing the number of residents with no or low qualifications, and increasing the opportunities for people to improve their skills throughout their working lives

In Manchester, over half the working-age population that have low or no qualifications are not in employment (40,000 out of 76,000).<sup>8</sup> Low-level earnings for Manchester residents come as a result of the proliferation of lower-skilled occupations and low-productivity sectors such as hospitality and retail: 39% of

residents work in low-skilled roles compared with 29% of those who work in the city but live outside it. Furthermore, the overall employment share held by low-productivity sectors has increased to 42.5%. Many of these are part-time roles that are traditionally concentrated in low-pay sectors.<sup>9</sup>

This means there is a risk that some of our communities currently with low skills could be left behind, particularly if they lack essential core skills needed for work, including communication, team-working, initiative, self-reliance, and an interest in lifelong learning, as well as job-specific skills and qualifications. Therefore, ensuring Manchester residents are able to develop the skills needed requires an integrated education, skills and work system.

A large proportion of Manchester's working-age population – mostly in the north of the city – still has no or very low qualifications; half this number are not in work. Despite interventions, these issues remain alongside social exclusion and poor health – there is a strong link between these factors and low qualifications. Of the working-age population, 50 to 67-year-olds are the most acutely affected, making it harder for them to be part of the city's economic growth. Figure 3.15 suggests that there has been an overall

decline in the proportion of residents with low or no qualifications, and an increase in the proportion of the Manchester working-age population with higher-level qualifications. The most significant contributing factor to this is the retention of graduates in the city, as outlined previously.

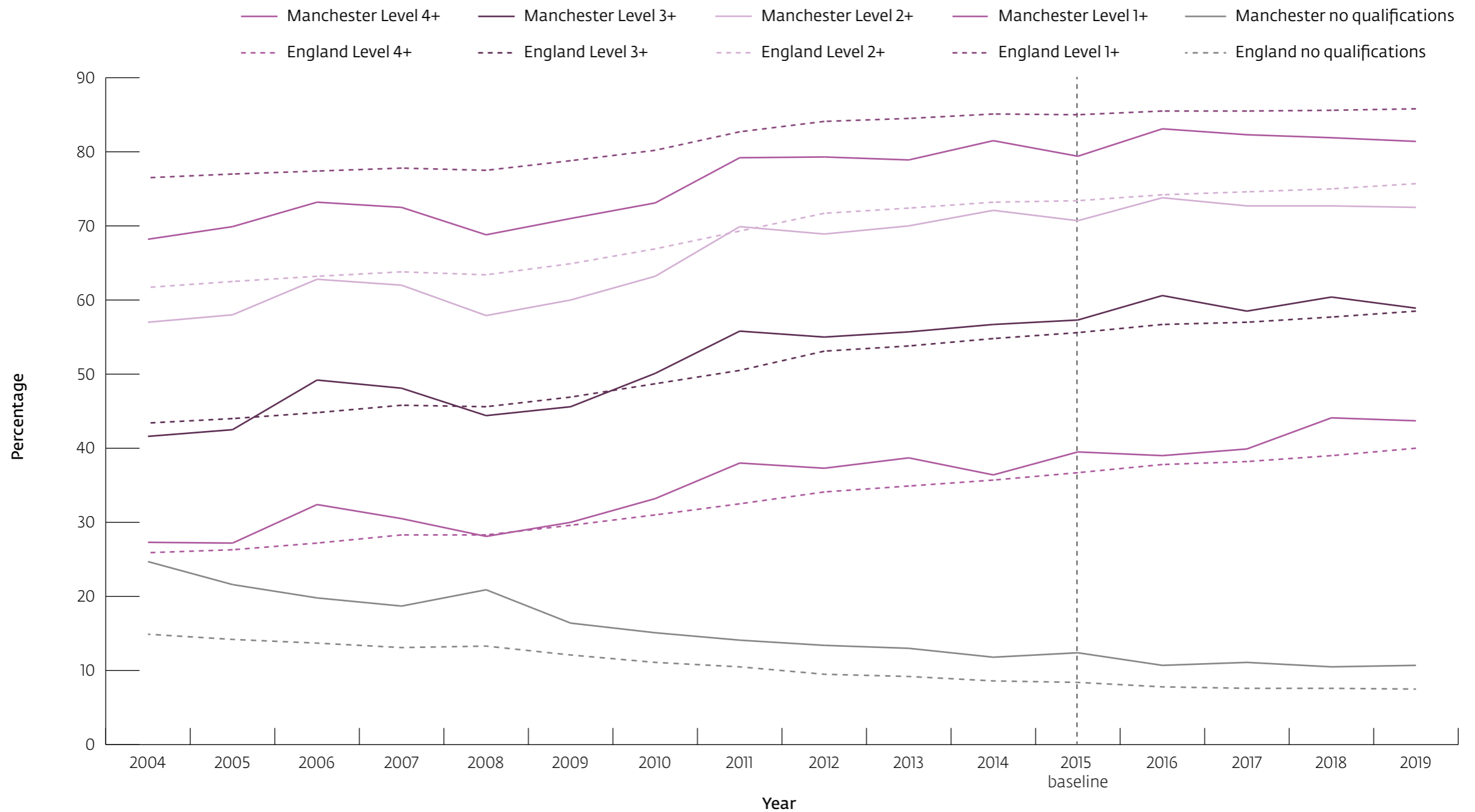
According to the ONS Annual Population Survey, the proportion of the Manchester population not holding any qualifications fell from 12.4% in 2015 to 10.7% in 2019. However, there continues to be a large gap between the estimated proportion of the Manchester population with no qualifications at all, compared to the national average of 7.5%. Conversely, there has been an increase in those residents of working age holding level 4 qualifications: from 39.5% in 2015 to 43.7% in 2019, remaining above the national average of 40%.

<sup>8</sup> ONS Annual Population Survey, January to December 2019

<sup>9</sup> Ekosgen Research into Adult Skills for Manchester City Council, 2019



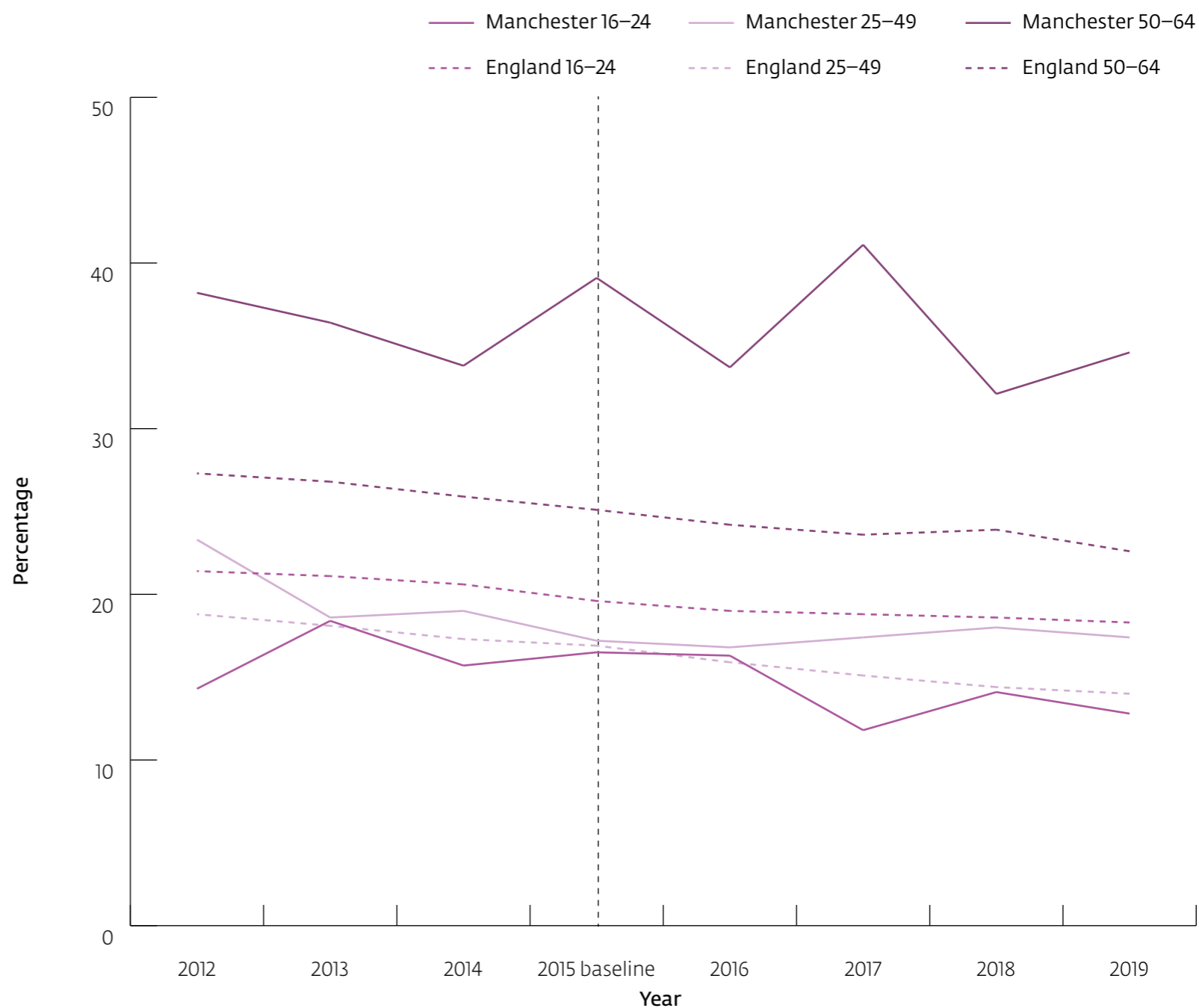
**Figure 3.15:**  
Percentage of resident population aged 16–64 qualified to NVQ level



Source: Annual Population Survey, 2019, ONS © Crown copyright

Figure 3.16 shows the number of residents with no or low qualifications by age group. Manchester has a higher proportion of residents aged 25–49 with no or low qualifications: 17.4% compared to the England average of 14%, a slight closing of the gap since last year. There is a much higher proportion of residents aged 50–64 with no or low qualifications: 34.6% (an increase of 2.5 percentage points since last year) compared to the England average of 22.6%. It is worth noting that these survey-based figures sourced from the Annual Population Survey can be subject to a large margin of error due to small sample sizes at a local authority level, which may explain the trends shown in Figure 3.16 for this age group. However, it is recognised that the resident population aged over 50 in Manchester is particularly challenged by a lack of qualifications.

**Figure 3.16:** Percentage of resident population with no or low qualifications



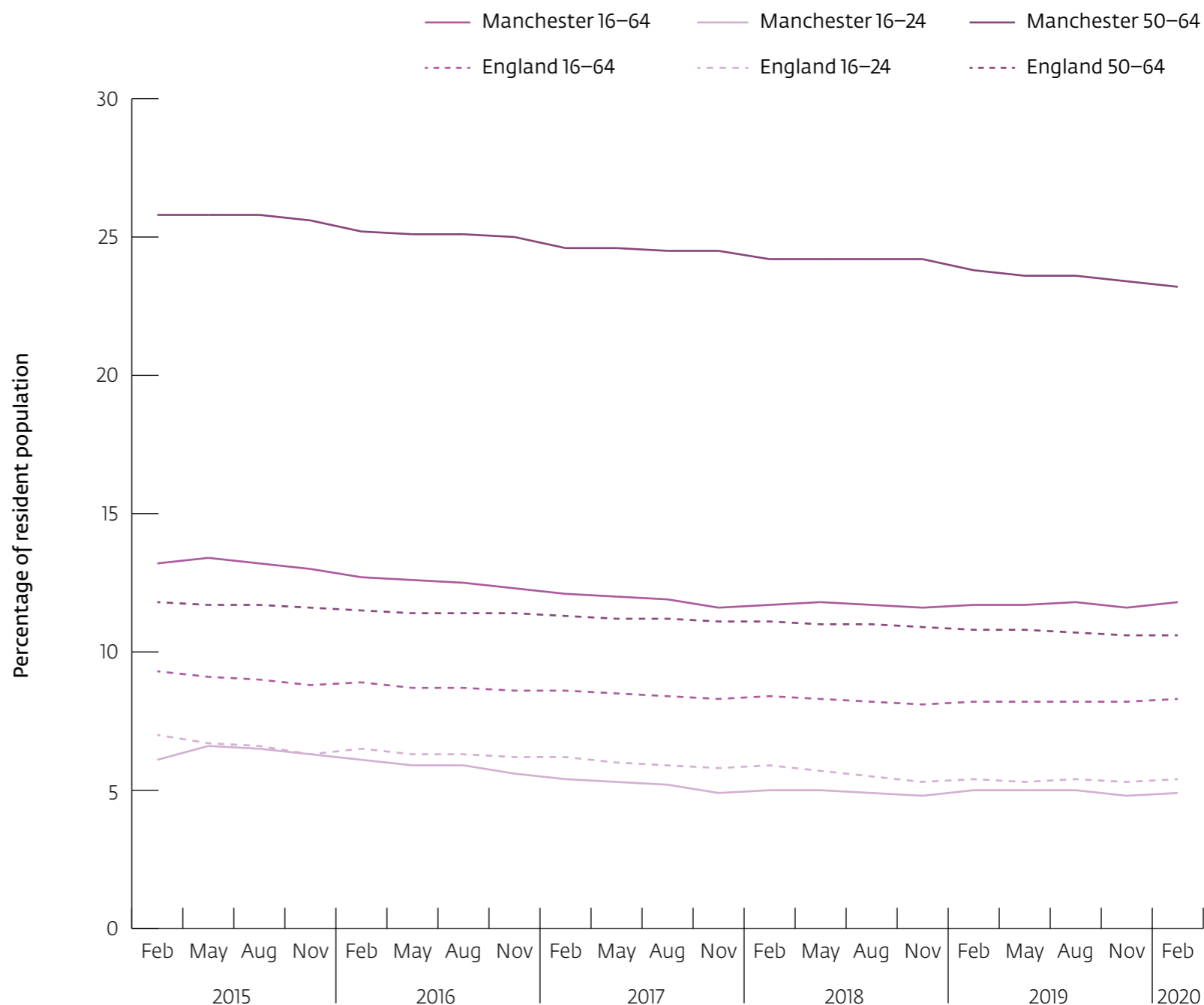
Source: Annual Population Survey, 2019, ONS © Crown copyright

### Residents aged over 50 and the challenges they face

In 2019, over a third of Manchester’s 50 to 64-year-olds (34.6%) were estimated as having no or very low qualifications compared to only 12.8% of 16 to 24-year-olds. Therefore, the unqualified proportion should reduce over time as older working-age residents reach retirement age and are replaced by more highly qualified school-leavers and graduates. However, this will remain a challenge for many years, particularly given that COVID-19 will present new challenges economically for young people, BAME residents and those over 50 – the groups likely to suffer the most from the economic recession brought about by the pandemic.

In last year’s State of the City Report we focused in depth on the high proportion of benefit claimants in Manchester aged 50–64. In February 2020, this stood at 23.2% and has remained at this level for some years. Figure 3.17 shows there has been little change in the proportion of 50 to 64-year-olds in Manchester claiming an out-of-work benefit since November 2015; however, the same pattern is seen nationally, albeit lower.

**Figure 3.17:** Percentage of resident population claiming an out-of-work benefit



Source: StatXplore, Department for Work and Pensions

We have a better understanding of the challenges and issues this group face than in the past, and the next section will focus on some of the existing and planned work to tackle these. For many, a lack of qualifications in itself is not the single barrier to employment; rather it is one of several reasons, including relevant skills, social exclusion, poverty and ill health. Therefore, approaches that seek to address low-level qualifications in isolation are unlikely to have an impact on those who might benefit from them the most.

### Adult education

Adult education is a route to respond to these challenges. While there is undoubtedly some high-quality skills provision available for adults in Manchester, there is a need for a more cohesive skills system with clearly defined priorities if adult education is to have a more significant impact on the social mobility of Manchester residents and productivity of businesses in the city. In response to this we have developed and launched the **Manchester Adult Education and Skills Plan**. This is now in the implementation stage; we are using it to maximise the opportunity devolution of the Adult Education Budget presents for increased autonomy for Greater Manchester in terms of what provision is commissioned. The plan offers an opportunity for the city to shape a

place-based approach that better meets our needs and sets out our ambition to ensure that all the city's residents have the skills and education they need to play a full part in the life of the city. It also offers the opportunity for all Manchester's businesses to find the skilled and productive workers they need to thrive, while offering good-quality, well-paid work to local people. It clearly articulates our aspirations for an adult education and skills system in which learners, employers and public-funded providers work together to achieve multiple objectives: improving productivity, driving social mobility, contributing to improved health and wellbeing, and improving integration within our communities.

The devolved Adult Education Budget (AEB) is one part of a much wider education and skills landscape, most of which is not devolved but will be retained by the Government and its agencies, including apprenticeships and traineeships for learners of all ages, 16–18 activity, technical and higher education, offender learning, and student loans.

The devolved AEB sits within a wider education, skills, employment and health system that delivers an improvement in the basic and generic skills needed for life and work, including English, maths and digital

skills. That skills system must deliver the higher-level and technical skills needed to drive productivity in Manchester's growth sectors and deliver on the Local Industrial Strategy in the long term. The AEB will form a key strand of activity supporting this progression within the broader delivery of skills and employment system linking with other provision, including technical education, apprenticeships and traineeships.

Both the devolution of the Adult Education Budget and the development of a Manchester Adult Skills Plan will enable us to have more influence and target resources towards adult skills to ensure we can achieve progress on this agenda. They provide us with an opportunity for increased autonomy in terms of provision commissioned, and a chance to shape a place-based approach that better meets our needs as a city.

### Working with employers to promote payment of the Real Living Wage

From school-leaving age to the age of 24, workers are entitled to a national minimum wage. This varies depending on the different ages between 16 and 24. From age 25 workers are entitled to the National Living Wage. Table 3.5 shows the different rates depending on age (April 2020).

However, the Living Wage Foundation campaigns for a National Living Wage to ensure that everyone can earn a Real Living Wage that meets living costs,<sup>10</sup> not just the Government minimum. The new Real Living Wage rates are announced in November each year, with Living Wage employers expected to implement the rises by May the following year. Currently, the Real Living Wage is set at £9.50 per hour.

According to the Living Wage Foundation, Manchester has 95 accredited Living Wage employers headquartered in Manchester, including Manchester City Council. This equates to a pay rise for 3,826 people, putting approximately £11million back into workers' pockets.

The percentage of workforce employees paid less than the Real Living Wage stood at 17.6% (+/-1.6%) in 2018. This has now reduced by 4.5 percentage points to 13.1% (+/-1.3%) in 2019. Those resident employees paid less than the Real Living Wage stood at 27.6% (+/-2.5%) in 2018; this has now reduced by 5.8 percentage points to 21.8% (+/-2.3%) in 2019. The majority of UK local authorities showed reductions between 2018 and 2019 for both workforce and resident employees.

Figure 3.18 shows that the disparity between Manchester resident employees and Manchester workforce employees earning less than the Real Living Wage stands at approximately 8.7% – and although the gap has reduced slightly from last year's 10%, it has the highest disparity in comparison to all other UK local authorities. In 2019, an estimated 13.1% of the employees working in Manchester and 21.8% of employees living in Manchester were paid less than the Real Living Wage, which was £9 at that time.

However, a positive trend shows that Manchester has the lowest proportion of workforce employees paid less than the Real Living Wage in the north west region, and is the only local authority in Northern England to feature in the top 50 when all UK local authorities were ranked based on employee place of work in 2019 (with most other local authorities in the top 50 being located in London and the counties surrounding London).

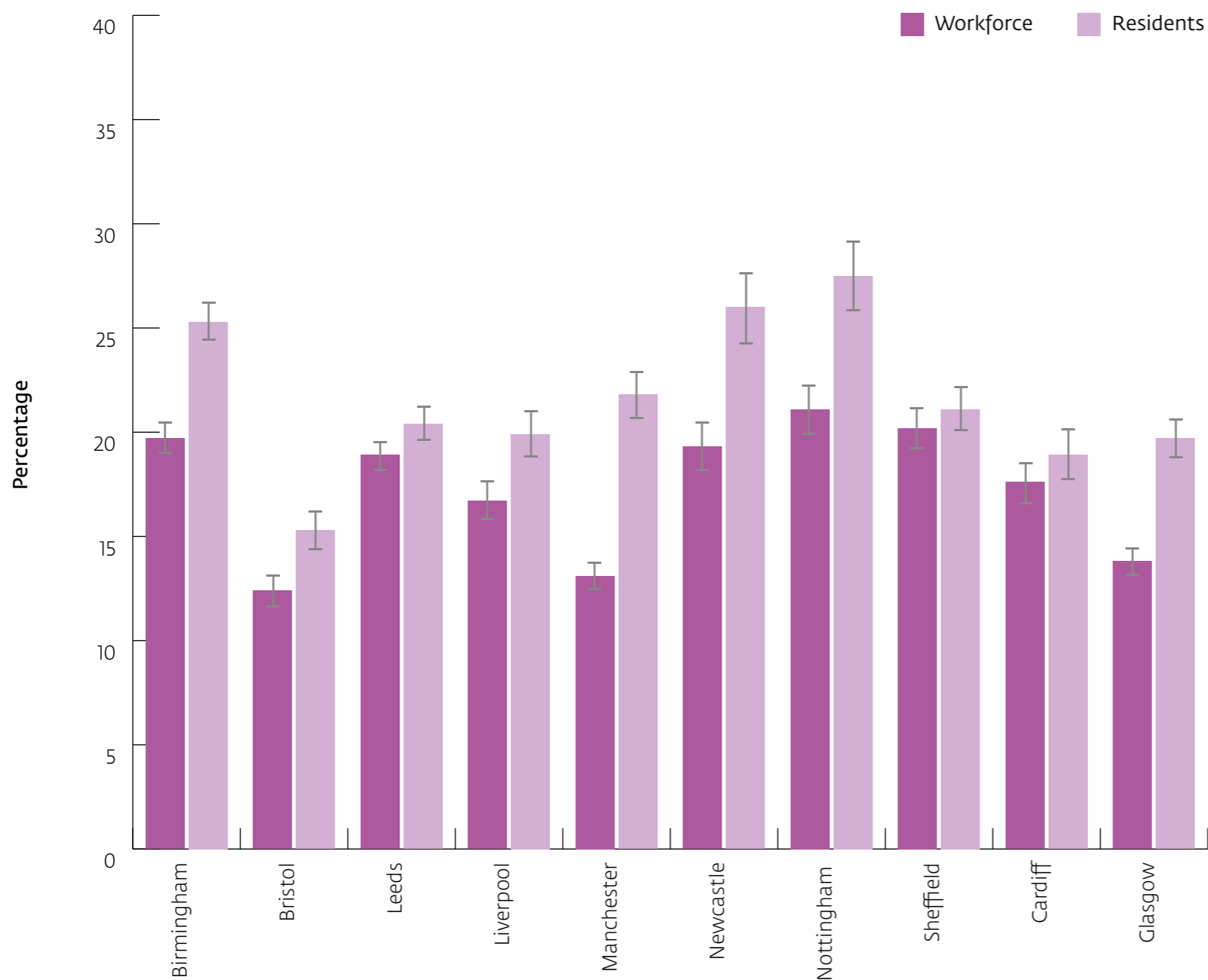
**Table 3.5:** National Minimum and National Living Wage by age, April 2020

Year	25 and over	21 to 24	18 to 20	Under 18	Apprentice
April 2020	£8.72	£8.20	£6.45	£4.55	£4.15

Source: <https://www.gov.uk/national-minimum-wage-rates>

<sup>10</sup> Based on a core basket of household goods and services, housing costs, council tax, travel costs and childcare costs

**Figure 3.18:**  
Percentage of employees paid less than the Real Living Wage in 2019 (provisional) – UK Core Cities



Source: Annual Survey of Hours and Earnings, 2019 (provisional), ONS © Crown copyright

There is a challenge to not only ensure that employers and businesses invested in Manchester – particularly Anchor Institutions – pay at least a Real Living Wage, but also to ensure that the right quality of life, housing and neighbourhoods are offered within the city so it continues to be a place where people choose to live and work. The Council is working with a range of partners and business networks to bring awareness to the challenges of low wages in the city and to promote the Real Living Wage. We have supported the development and promotion of the Greater Manchester Good Employment Charter, which aims to ensure that employers provide good and well-paid jobs and reduce the number of residents working in low-paid and insecure work. We continue to promote the Charter through our citywide business networks and we will also promote research in this area done by organisations such as the Living Wage Foundation. In addition, we have ensured that all contractors working on the Our Town Hall project are paying the Real Living Wage.

The proliferation of zero-hours contracts – a growth in the gig economy that is largely unregulated, ununionised and characterised by shift work – can often benefit the employee through offering flexibility.

However, such roles often don't provide the protection or employment rights enjoyed by others in more secure employment. Organisations such as Timewise have developed as a response to this, and Manchester City Council is now a Timewise employer, advocating flexible working patterns with rights, security and progression irrespective of working age, stage of life or grade. Linked to this is the work underway through our Family Poverty Strategy, focusing on sustainable and secure work as a route out of poverty, and the provision of good-quality, accessible flexible childcare as a vehicle for this.

We have also sought to promote inclusive growth through working with the Business Growth Hub to develop a local approach to business support across different sectors in Manchester. This includes the promotion of paying the Real Living Wage through Manchester City Council's supply chain and highlighting the evidence that paying it is one of a number of factors that can help drive improved productivity for businesses. Furthermore, the Council's Ethical Procurement Policy sets out the objectives the Council has agreed to deliver through commissioning and procurement activities; the Council expects its suppliers, service providers and contractors to adhere to these objectives. This includes payment of the

Manchester Living Wage, which is equivalent to the national Real Living Wage and higher than the National Living Wage of £8.72.

The Council's commitment to good wages and jobs with progression is outlined in the city's Local Industrial Strategy and Manchester Education and Skills Plan, and in our promotion of apprenticeships as a credible pathway to good careers with prospects. We have also supported the Ambition Manchester pilot programme, a service providing personalised, employment progression support to target residents in the Miles Platting and Newton Heath area. **The Family Poverty Strategy (2017–22)** identified the area as one with a high level of need requiring particular focus due to its persistently low skill levels. It has the lowest proportion of residents aged 16+ qualified to a Level 2 or above across Manchester, and rates of high unemployment and low-income families. The bespoke service delivers intensive support to those currently in work, over and above similar programmes currently available through the DWP and National Career Service. The pilot aimed to engage 50 participants through the Project Co-ordinator working with various key organisations to identify suitable referrals.

### Creating new jobs accessible to Manchester residents, and reducing the number of people who are out of work

Figure 3.19 shows that in February 2020 there were 46,879 people claiming out-of-work benefits in Manchester. The worklessness levels in Manchester fell steadily between February 2013 and November 2017, from 60,860 to 44,712, and have since only risen slightly up to February 2020. However, the out-of-work benefits claimant count is expected to increase significantly when the May 2020 snapshot is released in November, due to the rising levels of unemployment during the COVID-19 pandemic. Out-of-work benefits include Jobseeker's Allowance (JSA), Employment Support Allowance (ESA), Income Support (IS), Universal Credit (UC) (where the claimant does not work) and Pension Credit. This figure includes some claimants who may not currently be actively seeking employment, eg. those in the support group of Employment Support Allowance, but not those who are working a low number of hours, who would previously have been recorded within the out-of-work benefit claimant numbers undertaking 'permitted work'.

**Figure 3.19:**  
Residents aged over 16 claiming an out-of-work benefit by type



Source: Department for Work and Pensions



At 11.8% in February 2020, the out-of-work benefits claimant rate for those aged 16 and over in Manchester remains higher than the national rate of 8.3%. However, between November 2015 and February 2020, the Manchester out-of-work benefits claimant rate reduced at a faster rate, resulting in the gap between the city's claimant count and national average reducing by 0.7 percentage points. In the context of rapid working-age population growth, maintaining a higher rate of reduction suggests that the city's increased population growth is not coming at the expense of increased benefit dependency. Although, as mentioned previously, the out-of-work benefits claimant rate is expected to increase significantly when the May 2020 snapshot is released in November, due to the rising levels of unemployment during the COVID-19 pandemic.

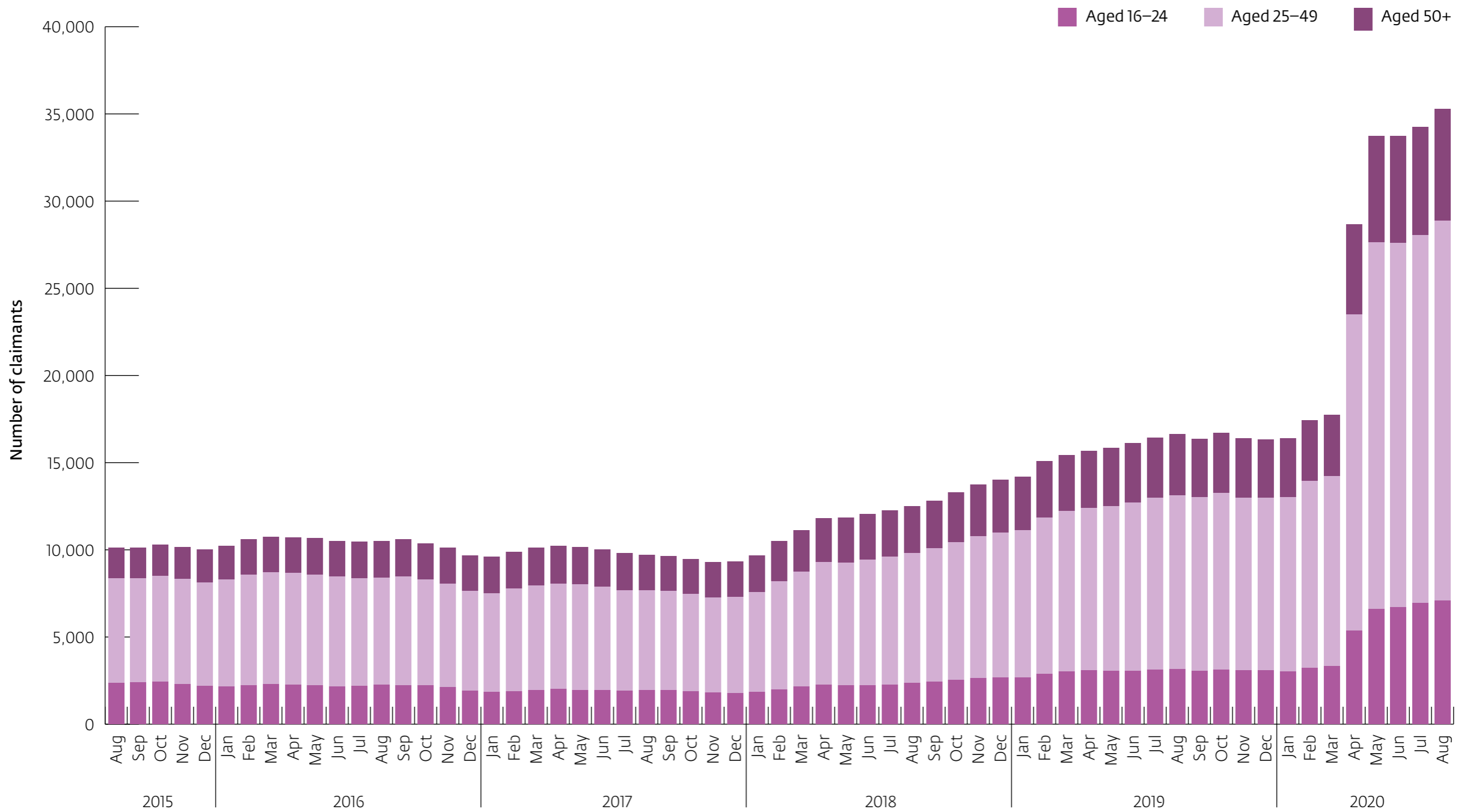
It is important that as people move into work, the employment they secure is sustainable and pays a wage they can live on. A large proportion of Manchester residents rely on in-work benefits to top up their income. Data from HM Revenues and Customs shows that in 2018/19 there was an average of around 27,500 families/individuals who were in work and claiming tax credits in Manchester. Of these, 18,500 families claimed both Working

Tax Credit (WTC) and Child Tax Credit (CTC), 5,900 families claimed CTC only, and 3,100 claimed WTC only. Universal Credit will gradually replace tax credits. Universal Credit is currently only for new claimants and claimants who have had a change in circumstances.

It is worth noting that not everyone who is out of work claims an out-of-work benefit, and the number of residents who are out of work is likely to be much higher, particularly in the 18–24 year age group. The ONS claimant count is the headline indicator of the number of people claiming benefits principally for the reason of being unemployed. It includes the number of people claiming Jobseeker's Allowance plus those who claim Universal Credit and are required to seek work and be available for work. In Manchester there were 17,740 claimants in March 2020 compared to 15,450 in March 2019 – a 15% increase compared to a 18% increase nationally. Figure 3.20 shows that there was a significant increase in the ONS claimant count between March 2020 and August 2020, almost doubling from 17,740 to 35,275 claimants as a result of the COVID-19 lockdown. Significant increases were noted across all age groups between March 2020 and August 2020 – claimants aged 16–24 more than doubled, from 3,340 to 7,090; claimants

aged 25–49 doubled, from 10,860 to 21,780; claimants aged 50 and over increased by 81%, from 3,540 to 6,405.

**Figure 3.20:**  
Manchester claimant count – number of people claiming benefits principally for the reason of being unemployed

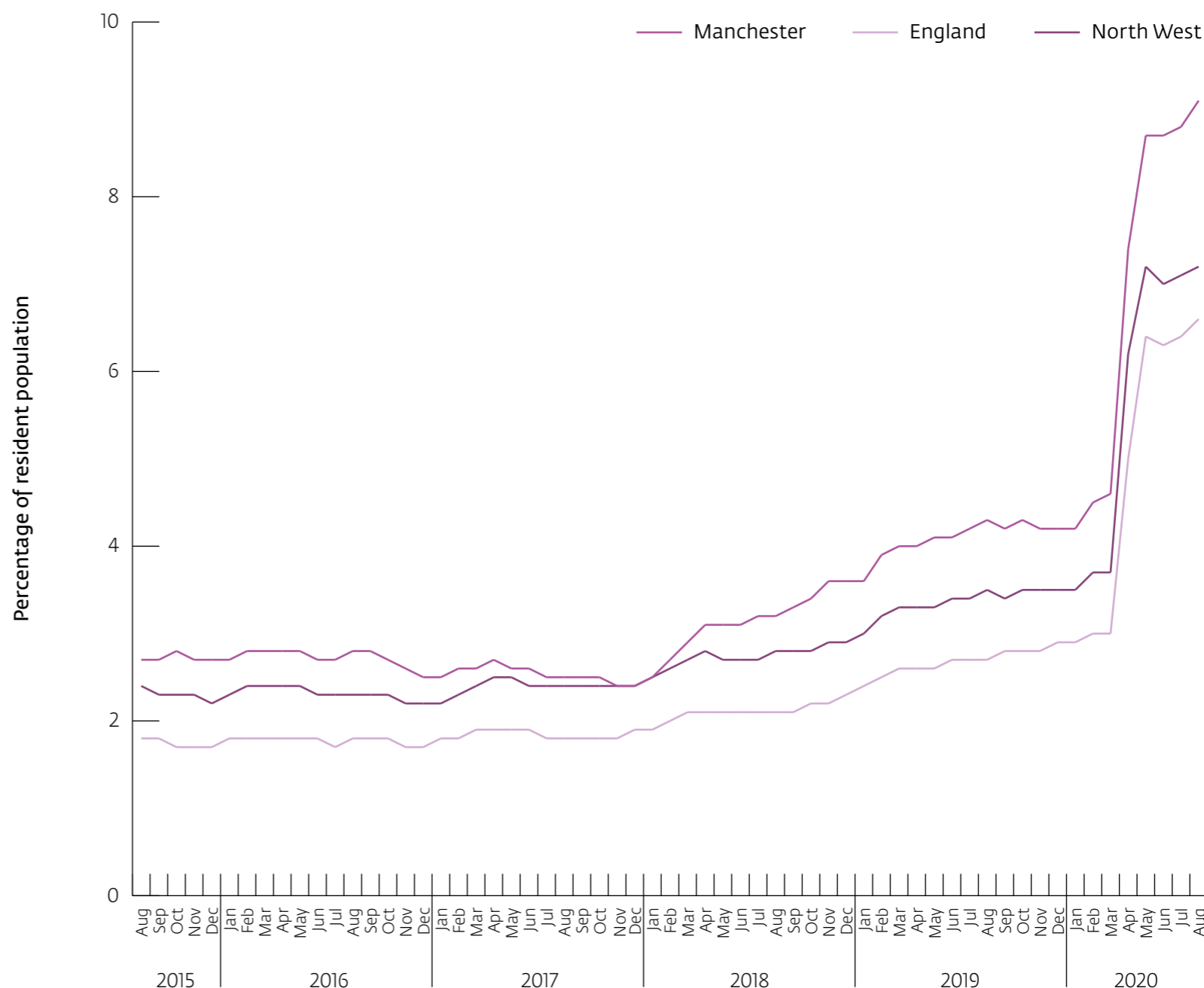


Source: ONS claimant count (experimental statistics), ONS © Crown copyright

Figure 3.21 shows that the unemployment claimant rate in Manchester has remained above national and north west regional levels for many years. Between March and August 2020 the rate increased significantly, from 4.6% to 9.1%, while nationally the rate increased from 3% to 6.6%.

Those most affected were those who had insecure and part-time work and those not benefiting from furlough or Government business grants. People who had never claimed benefits before became increasingly reliant on food banks and state benefits. It is anticipated that there will be a generation of school and college leavers who will be affected by the downturn in the economy due to COVID-19, and the introduction of Government schemes, such as Kickstart, have been introduced to prevent a new generation of benefit dependants and move young people into work.

**Figure 3.21:** Percentage of resident population aged 16–64 claiming benefits principally for the reason of being unemployed



Source: ONS claimant count (experimental statistics), ONS © Crown copyright

## Response to welfare reform and COVID-19

Throughout 2019, we continued to regularly monitor and investigate the impact of welfare reform across the city, which has enabled us to respond to the issues and more effectively mitigate their impact. This put us in a good position to respond to the onset of COVID-19 in March 2020; the virus has had a massive impact on those residents already benefit-dependent and vulnerable, but also those who were in work, or in less secure roles, who – in some cases for the first time – came to rely on welfare benefits to survive the pandemic. Other indicators, such as the level of homelessness, and the increase in the demand for food banks and advice services, provide us with a good understanding of the places and people in the city that need help the most.

The city's increased dependency on welfare support due to the COVID-19 pandemic has been felt across all welfare services. In August 2020, 72,605 individuals were claiming Universal Credit (including those in employment and not in employment) compared to 33,922 in August 2019. While no employment split is available for the latest figures, in July 2020 46,723 claimants were not in work and 24,206 claimants were in work, a significant increase compared to July 2019, when 22,507

claimants were not in work and 10,342 claimants were in work. Between April and September 2020, new claims for Housing benefit and Council Tax Support increased by 11% compared with the same period last year.

During May 2020 at the height of the pandemic, 3,177 households (equating to 6,331 individuals) signed up to receive food-response support. We have started to reduce dependency and enable households to become more self-sufficient, so that by 30 September 2020, only 65 households (equating to 140 individuals) were receiving food-response support. However, this may increase again depending on the severity of Government restrictions in response to the increasing number of COVID-19 cases in the UK at the time of writing.

The Council set up the Welfare Provision Scheme for carers and COVID-19. Items included in the scheme included bedding, beds, travel costs, utilities, and white goods. The scheme included vouchers of £10 per week for each old or young person in each household, to contribute towards the costs of a meal while schools were closed. A total of 6,830 applications were received and 4,332 applications processed to the value of £234,010. Under the carers scheme (not including parents caring for children), £27,124 has been paid to date.

These figures show the extent to which the impact of COVID-19 has hit hardest on those most vulnerable in the city to the extent that families have had no choice but to be dependent on welfare provision offered by the city. It will be extremely important to enable those families to upskill/retrain and find work again within the city of Manchester so as to reduce the level of dependency and length of time families are dependent, break the cycle of poverty early, and mitigate the long-term impact of COVID-19. As we have seen in previous generations that have suffered from severe economic destitution, it is hard for most people to return to the labour market once again.

## Conclusion

Throughout the past year, Manchester has continued to be a thriving city with a reputation as a great place to live, work and visit. The high number of graduates remaining in the city provides a highly skilled workforce supporting growth sectors within the city, and this has continued to attract new businesses. Manchester continues to have a leading reputation for enterprise and industry; self-employment and the number of enterprises have continued to grow.

It has been well documented that the improvements made in recent years to skills, qualifications, job security and wages have not reached all our residents and communities. In-work poverty has become a significant issue for Manchester resulting from welfare reform and the rise in the gig economy. This leads to a plethora of issues and contributes to child and family poverty levels in the city.

While some sectors have experienced an uplift and experienced growth throughout the COVID-19 pandemic, such as online retail and food and drink sales, the short-term impact of COVID-19 has been devastating to certain sectors, notably hospitality, retail, leisure, culture, and the night-time economy.

The importance of the foundational economy was highlighted throughout COVID-19. The rapid move to working from home has highlighted existing work-based inequalities and showed that certain industries were more agile and better equipped to a transition to home working than others. Issues relating to a lack of childcare impacted on parents' ability to work and have had a particular impact upon women and their requirement to continue to work at home, deliver childcare, home schooling and household management. The move to a more inclusive economy must look at and attempt to mitigate these trends in gender inequality, skills and pay if home working becomes the norm in future.

Recent months have seen a staggering rise in Universal Credit claimants, and current figures stand at double what they have been in previous years. Early research and intelligence shows that young people, the over-50s and some of our black, Asian and minority ethnic communities have been most impacted by changes experienced in employment due to COVID-19. While largely still unknown, the long-term impact of COVID-19 is predicted to be an unprecedented rise in unemployment as national support schemes come to an end. In addition, previous predictions relating to job and related population increases currently remain

uncertain. However, the existing challenges remain for the over-50s, and those with low-qualification levels and skill gaps in key sectors.

Young people, those still in education and at early stages of their career have been particularly impacted by COVID-19, and are likely to continue to be in the future. Closures to education and varying degrees of home and online schooling will undoubtedly lead to setbacks in attainment. Staying longer in education to ride out the worst of the recession must be balanced with supporting young people more suited to work-based learning and related career pathways.

CEIAG and Labour Market Intelligence (LMI) will be critical in ensuring young people, parents and carers are supported to make well-informed and realistic decisions. Technical and vocational education has been particularly impacted under COVID-19 restrictions. The impact of social distancing and challenges facing the business community in implementing T levels remains to be seen. The implementation of the Government's Kickstart scheme and its impact upon other provisions, such as apprenticeships and traineeships, will be seen in the coming months. New and innovative solutions to work experience and employer engagement will be needed in the coming academic year.

Employers consistently stipulate through networks, partnerships, surveys and job adverts that communication skills, organisational skills, timekeeping and problem-solving are prerequisites for their vacancies. A number of initiatives and programmes are in place to address these gaps. The need for transferable life and employability skills, flexibility and resilience have been highlighted even more sharply throughout the COVID-19 pandemic and will be key to ensuring residents can recover from resulting changes to the labour market in the months ahead.

Digital inclusion, access to equipment and services, and digital literacy skills have been acutely highlighted in recent months as essential to access food, welfare, aid and statutory education. As detailed in this chapter, significant work is already underway to address skill gaps in industry and gaps in digital education. The focus on developing and investing in digital inclusion, as skills for digital living and digital working, will be a key driver to economic recovery.

While the future skill demands in the zero-carbon economy are uncertain, research shows that STEM, digital capabilities, creativity and core employability skills will be key. The education system needs to work to ensure

parity of esteem for academic and vocational pathways, producing a talent pipeline with a broad skills base to match the needs of the economy; the system also needs to provide healthy and successful employment opportunities for residents. The role of social value in targeting skill development and related support where it is most needed will be critical in addressing some of the new and deepened challenges facing our residents in accessing good, fair and secure employment. As well as equity there is a case for productivity and creativity in developing a diverse workforce. The future emphasis must remain on good-quality work, the Real Living Wage, training and progression opportunities, as well as workplace protection and security.

As discussed in this chapter, to ensure the skills supply can meet demand, key partners and partnerships in the city must continue to focus on building aspiration and skill qualifications, and promote the importance of lifelong learning to students, employees and employers. We need to respond to the skill challenges of the city explored in this chapter and make a significant difference for our residents, communities and businesses. The role of the zero-carbon economy within this should not be underestimated in terms of opportunities

to improve quality of health and life, and providing new training routes and careers pathways.

The future focus of the new work and skills programme will be based on recovery and economic resilience, building on the strengths of the economy to ensure long-term security, while supporting those most affected by the economic impact of COVID-19.