

Chapter 3: A highly skilled city

Strategic overview

Manchester's economy is thriving and the rapid growth experienced over the past two decades is set to continue. A significant number of new jobs will be created that will benefit both residents and those travelling into the city for work. Currently, the city's working-age population is better qualified than ever before, and improved school performance means that a higher proportion of young people have the skills they need to sustain work. In addition, the high number of university graduates staying in the city for employment means there is an increased supply of highly skilled residents.

However, Manchester still has a disproportionately high proportion of its working-age population who have no or very low qualifications, over half of whom are not in work. There is a strong correlation between no qualifications, worklessness, social exclusion, poor health and dependency, as explored in the 'A progressive and equitable city' chapter. Of this working-age population, 50 to 64-year-olds are most likely to possess these characteristics, and this chapter will focus on how we are working with partners to respond to the skill issues faced by this group.

There is a continuing 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), and there is more work to do to close this earnings gap. Ensuring Manchester residents are able to develop the skills needed is part of an integrated employment support offer that leads to jobs with progression opportunities, and a real Living Wage remains a challenge.

Ensuring that residents have the opportunity to develop highly valued skills is a key driver in increasing the city's economic growth and reducing dependency. It is a priority within both the Our Manchester Strategy and the Work and Skills Strategy, and a strong emerging theme from the consultation with residents and partners on the city's Industrial Strategy as outlined in the 'A thriving and sustainable city' chapter. It is crucial that these link to Manchester's fastest-growing sectors, including Business, Financial and Professional Services; and Cultural, Creative and Digital. The creation of jobs accessible to Manchester residents (especially those furthest from the labour market), reducing the number of people unemployed, and increasing prosperity

through good pay and work progression are all inextricably linked to the future success of the city, reducing poverty and creating neighbourhoods of choice.

This chapter sets out how we are working to achieve an improvement in school results so that they are significantly better than the UK average, and how we are continuing to increase the proportion of graduates in the city. It outlines how we are working with employers to ensure that everyone is paid at least a living wage, how we encourage a work placement for every young person, and how as a major employer the Council can accomplish this. We are also working to develop new approaches to the apprenticeship levy and increase the number of apprenticeships in the city across different sectors, including higher-level apprenticeships (which provide an opportunity to gain NVQ Level 4 qualifications or above).

This chapter also focuses on the population of over-50s in Manchester, particularly those who have low or no skills and have suffered long-term unemployment due to ill health. We will explain how we are working with businesses and other partners to change the

perception of recruiting over-50s and how upskilling can be a route to improved life chances within this group. This chapter outlines the opportunities available to us to drive this agenda forward. It will explain how the devolution of the Adult Education Skills Budget and the development of the Manchester Adult Skills Plan will enable us to respond to these challenges more effectively. This will be done by developing different ways of working with our partners and different approaches to public service reform, welfare reform and skills to ensure all Manchester’s residents can enjoy the benefits of economic success.

Analysis of progress

Increasing the number of children arriving at school ready to learn

Early Years Foundation Stage (EYFS)

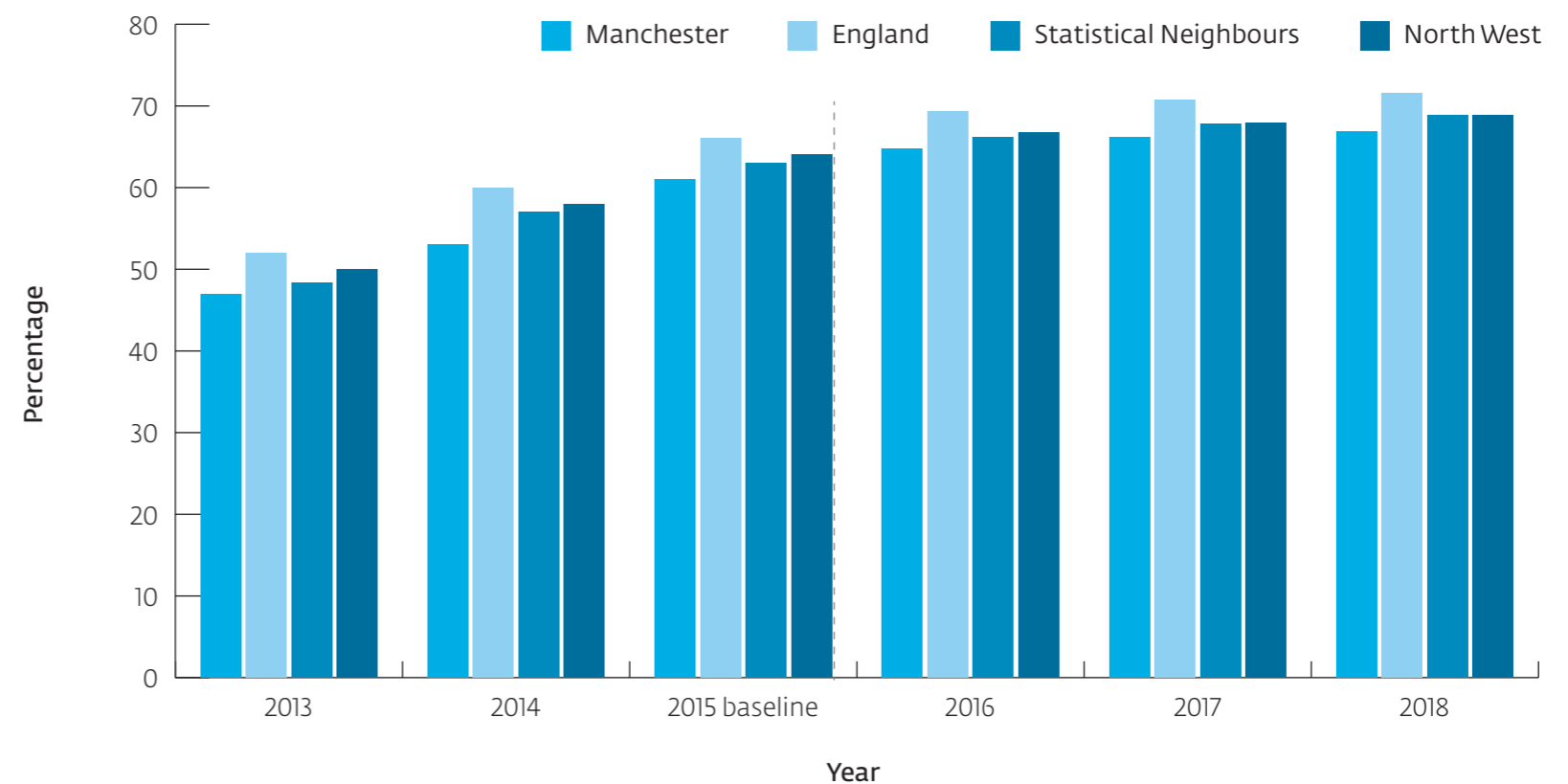
The Early Years Foundation Stage (EYFS) profile is a teacher assessment of children’s development at the end of the academic year in which the child turns five. Children reach a good level of development if they achieve at least the expected level in the early learning goals in the prime areas of learning (personal, social and emotional development, physical development, and communication and language) and in specific areas of mathematics and literacy. Figure 3.1

shows that the proportion of children achieving a good level of development has increased, year on year, since 2013, but at 66.9% in 2018 it is still lower than the national average (71.5%), those of statistical neighbours (68.9%)¹ and north west local authorities (68.9%).

The Council remains committed to improving school-readiness through engagement with Early Years settings, schools and embedding the Early Years Delivery Model as a universal approach. This has led to earlier identification of need and provision and specific targeted early help intervention where it is needed.

¹ Statistical neighbours: Newcastle upon Tyne, Middlesbrough, Liverpool, Salford, Greenwich, Nottingham, Birmingham, Coventry, Bristol, Southampton.

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



Source: Department for Education

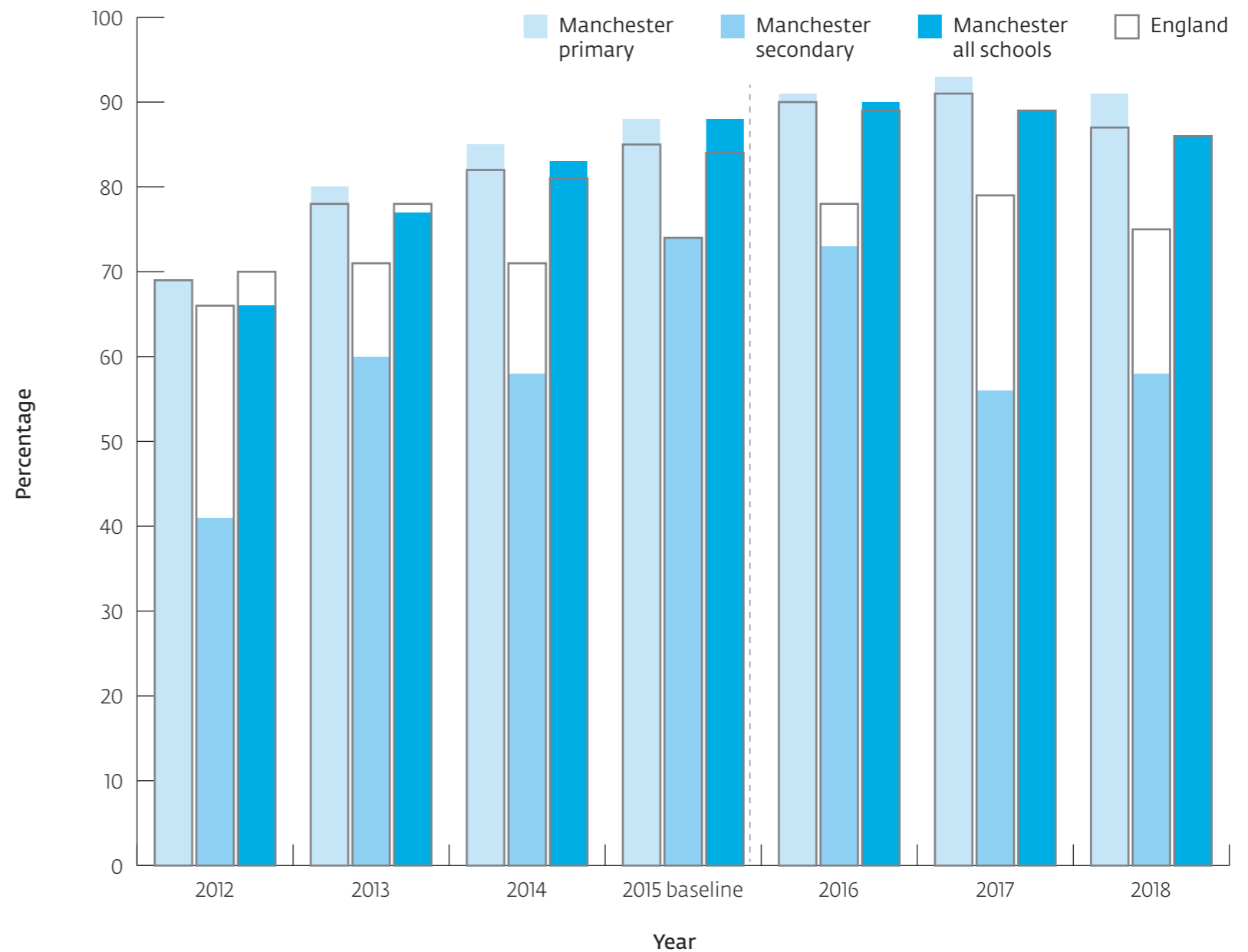
Improving educational attainment to be above national average

School inspection judgements

Figure 3.2 shows that the percentage of Manchester schools judged to be good or outstanding by Ofsted in their most recent inspection is higher than the national average for primary schools, but lower in secondary schools, with figures of 91% and 58% respectively. However, due to further inspections of secondary schools during the financial year 2018/19,² the proportion of good or better secondary schools had risen to 70% by the end of March 2019.

There are a number of measures in place, working in partnership with school leaders and Multi-Academy Trusts in the city, through the quality-assurance process to improve secondary school outcomes. This also includes targeting more secondary 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; there is also an agreement for the development of a joint plan to improve educational outcomes in Wythenshawe and for the establishment of a Partnership Education Board, which would contribute to this plan.

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



Source: Ofsted

² Burnage Academy for Boys changed from 'requires improvement' to 'outstanding', Loreto High school changed from 'requires improvement' to 'good', and Co-op Academy North Manchester changed from 'special measures' to 'good'.

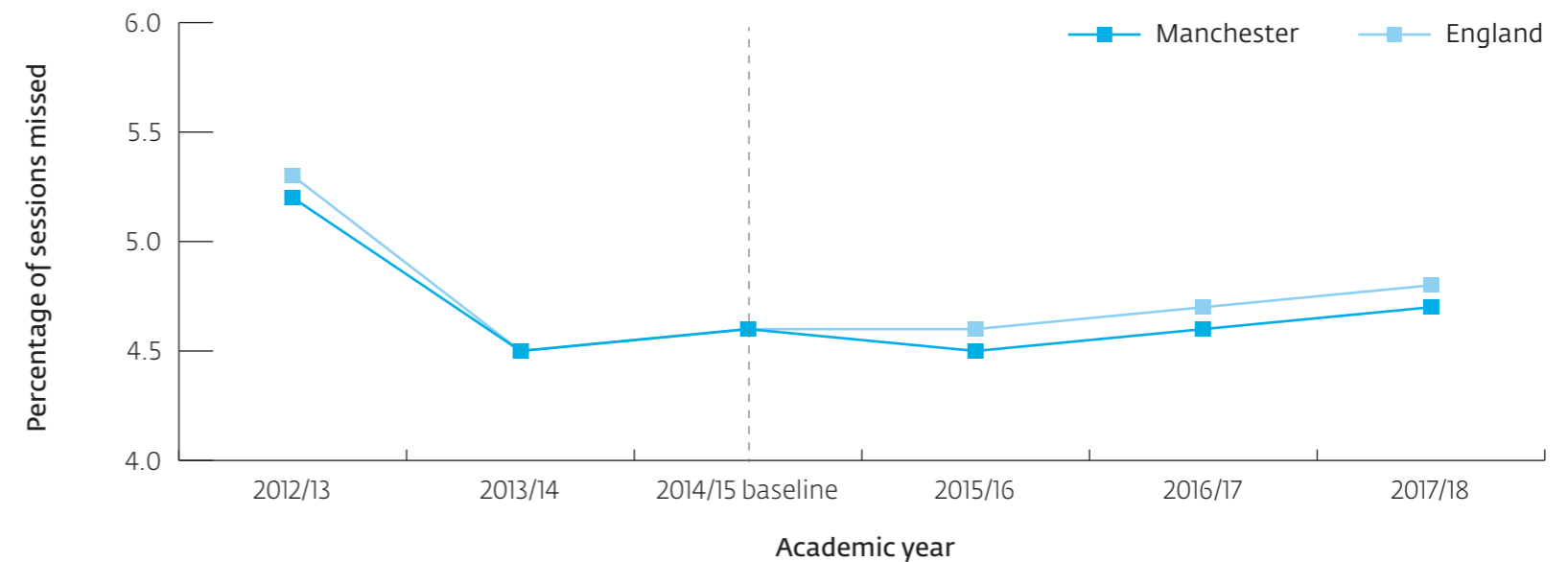
School absence and exclusions

Figure 3.3 shows the overall absence rates in schools in Manchester and Figure 3.4 shows the percentage of pupils persistently absent from schools. A new definition of absence and persistent absence came into force in 2015/16; it states that absence is based on all six half-terms for years 1–10 and half-terms 1–5 for year 11. 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.

School absence has increased over the past two years, although overall absence in Manchester schools remains slightly better than the national average: 4.7% in 2017/18 compared to 4.8% nationally. The percentage of pupils classified as being persistently absent has increased slightly, to 11.3% in 2017/18, with trends similar to the slight rise reported nationally.

Figure 3.3:

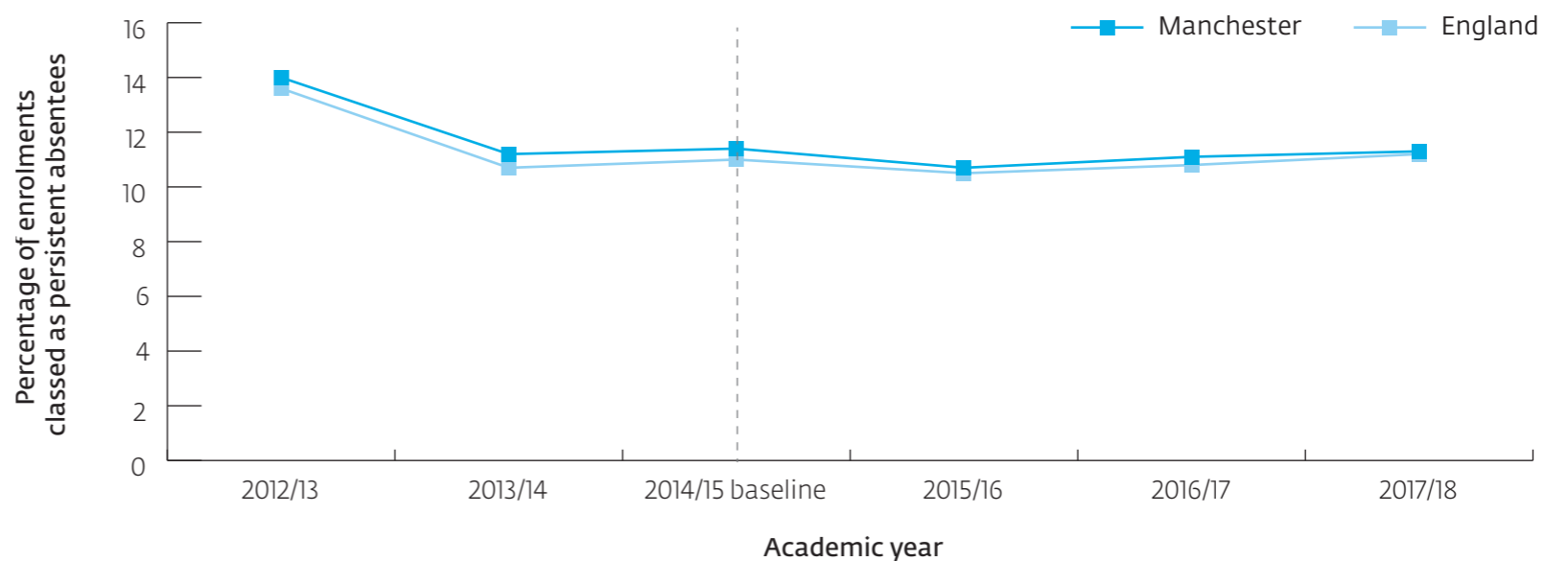
Pupils' overall absence – percentage of total sessions missed due to authorised and unauthorised absence



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

Schools in Manchester, working in partnership with the Council, are committed to sustaining the improvements in school attendance. The Council continues to support schools to improve attendance by identifying those where absence is below the national average. Bespoke support includes attendance surgeries, regular training and advice for all schools, and regular conferences focused on specific aspects of attendance.

School attainment

Through the strategic partnership working with the Manchester Schools Alliance, Teaching Schools, National Leaders of Education and the Manchester School Improvement Partnership, the Council continues to ensure that all outcomes for Manchester children at all levels of education are at least in line with national results – for expected standards and higher standards. This includes 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

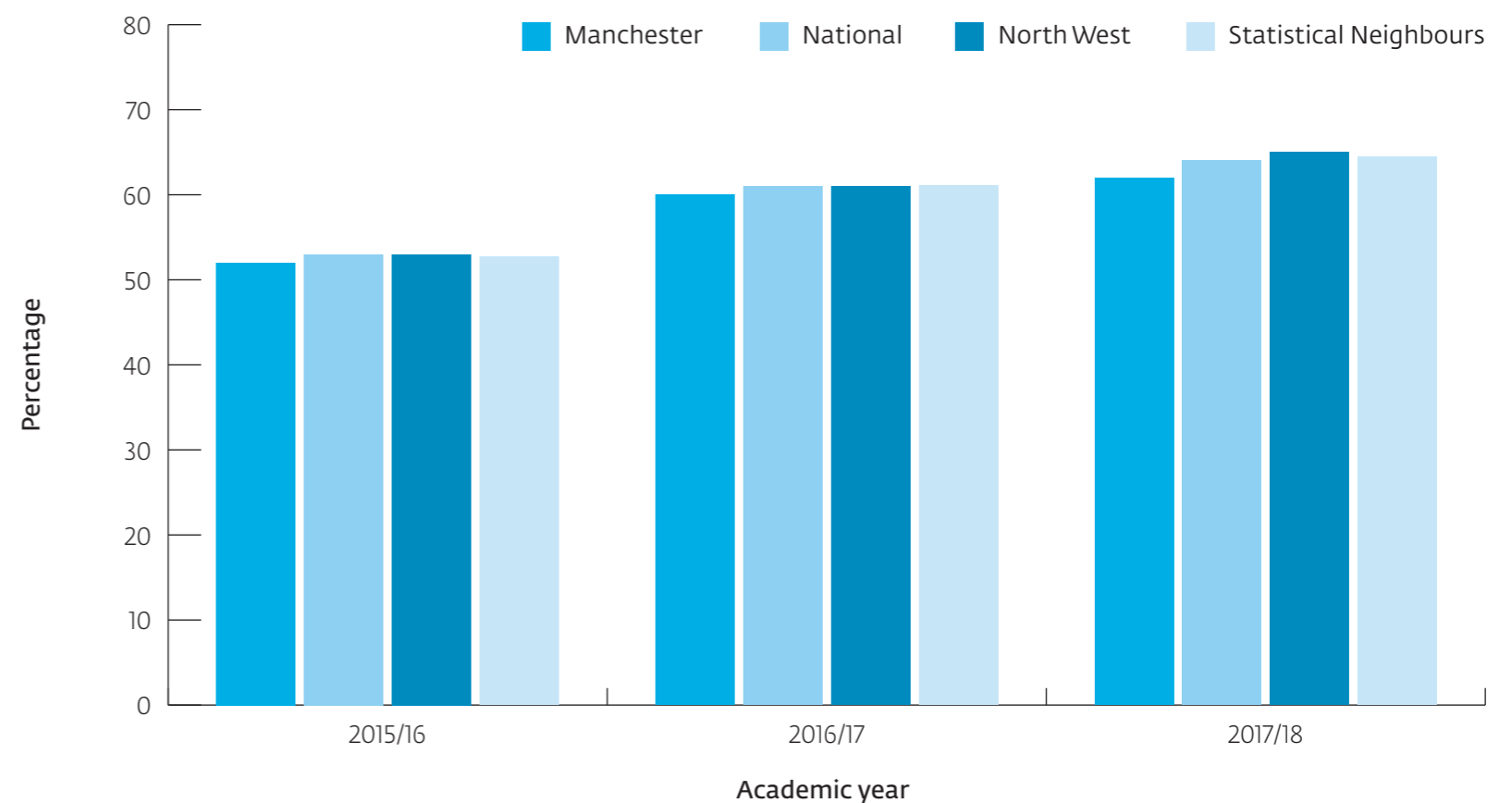
teaching schools, to broker school-to-school support and thematic school-improvement interventions at all key stages.

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, those of statistical neighbours, and north west local authorities. There has been an improvement in performance since last year, with 62% of pupils achieving the expected standard, although Manchester is performing below the national figure of 64% and slightly below both the north west and statistical neighbours.

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



Source: Department for Education

Key Stages 1–2 progress

In line with the new performance measures for KS2, new progress scores have been introduced to measure progress between KS1 and KS2. The new 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.

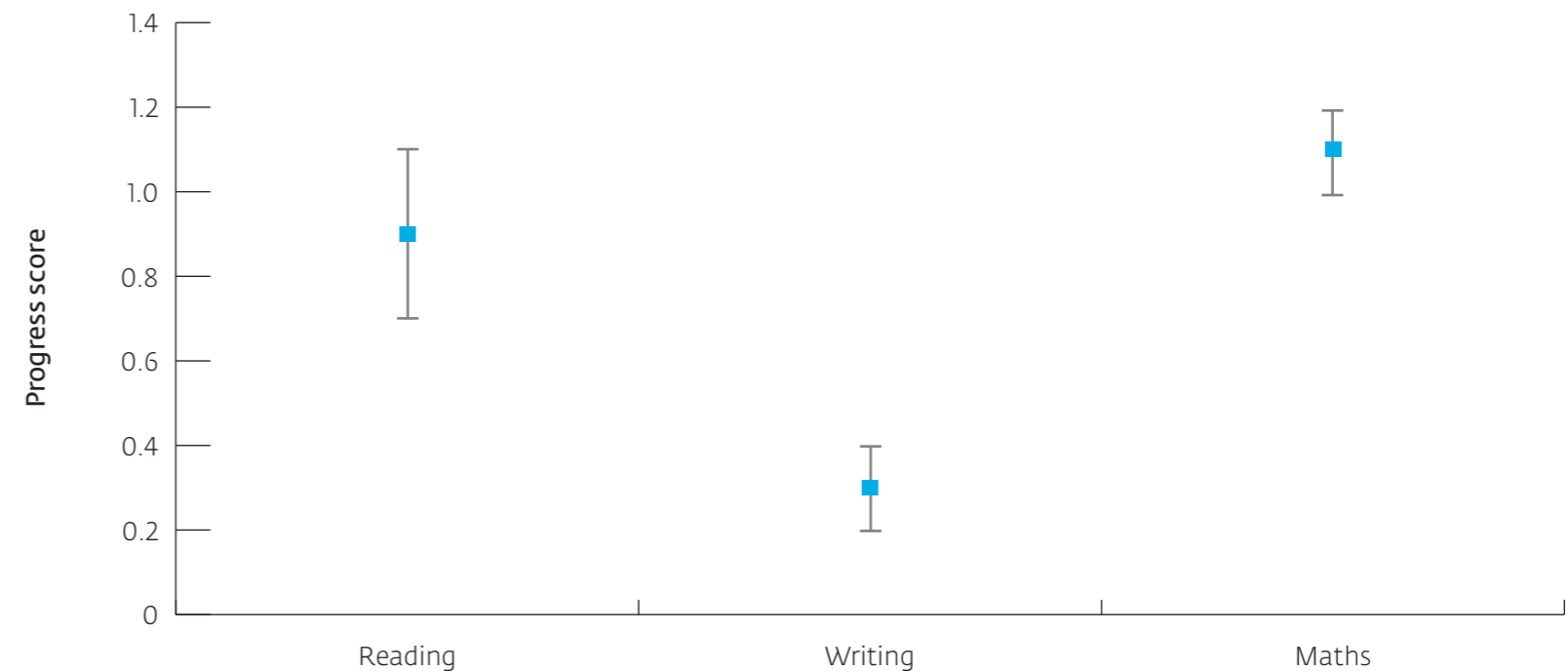
Confidence intervals to be interpreted as follows:

- 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 2017/18 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, 2017/18



Source: Department for Education

Key Stage 4

The key measures at KS4 are:

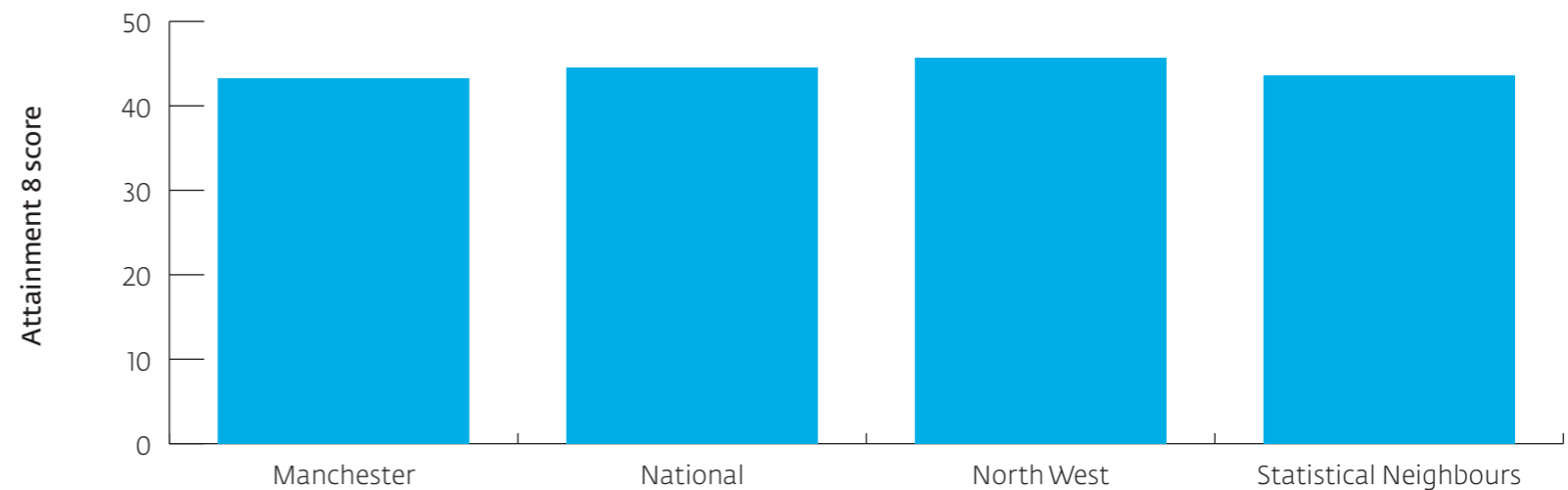
- Attainment 8
- Progress 8
- Percentage of pupils achieving A*–C in both English and Maths (achieving a grade 5 or above from 2016/17)
- Percentage achieving the English Baccalaureate.

Attainment 8 replaces five or more GCSEs graded A*–C, including English and Maths. It measures the average achievement of pupils in up to eight qualifications, including English and Maths, three qualifications that count towards the English Baccalaureate (ie. 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 2017/18, and Figure 3.8 compares the rates of change over the past three years.

The 2016/17 academic year saw the start of the phased introduction of a revised, more rigorous national curriculum. Results are now graded by scores of 1–9, 9 being the highest score, replacing the previous A*–G grades. English and Maths were the subjects affected in 2016/17. The subjects affected in 2017/18 were Art and Design, Chemistry, Citizenship Studies, Combined Science, Computer Science, Dance, Drama, Food Preparation and Nutrition, French, Geography, Classical Greek, History, Latin, Music, Physical Education, Physics, Religious Studies and Spanish. The remaining subjects will be phased in over the next two years. As a result, the KS4 performance measure is not comparable with previous years.

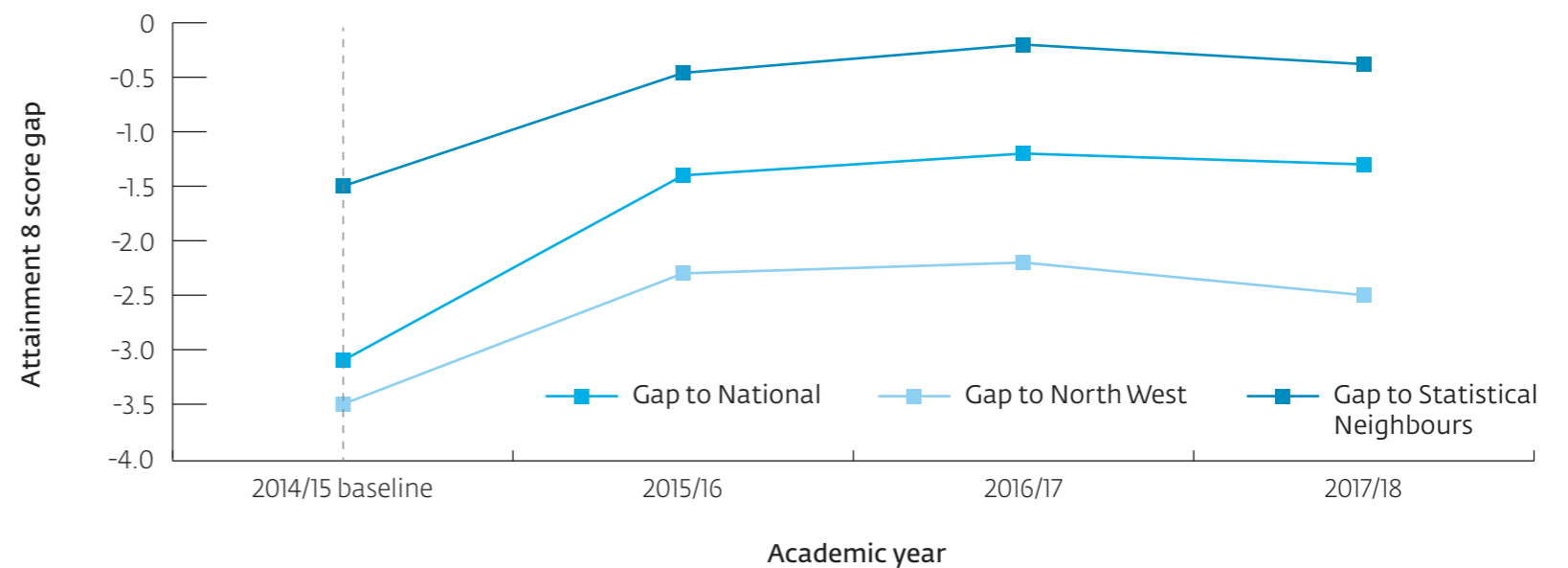
At 43.2, Manchester has a slightly lower Attainment 8 score than the national score of 44.5, and a slightly lower score than the north west and statistical neighbours. Across all comparator groups, the gap has widened slightly.

Figure 3.7:
Attainment 8 score, 2017/18



Source: Department for Education

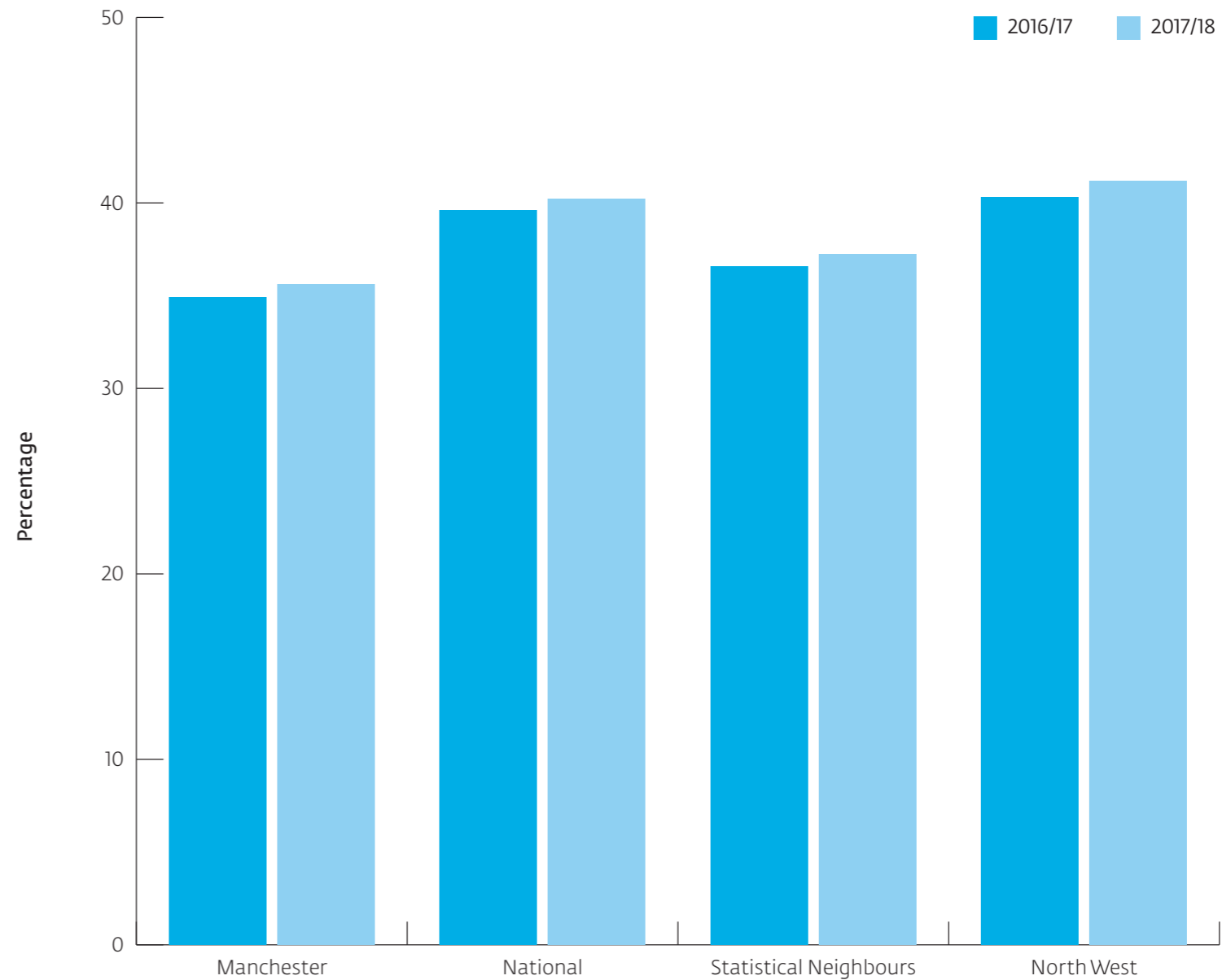
Figure 3.8:
Attainment 8 score Manchester gap comparison



Source: Department for Education

Figure 3.9 shows that at 35.6% Manchester has a lower percentage of pupils achieving a GCSE in both English and Maths than the national figure of 40.2%, or in the comparator groups, although the number has increased slightly since 2016/17.

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

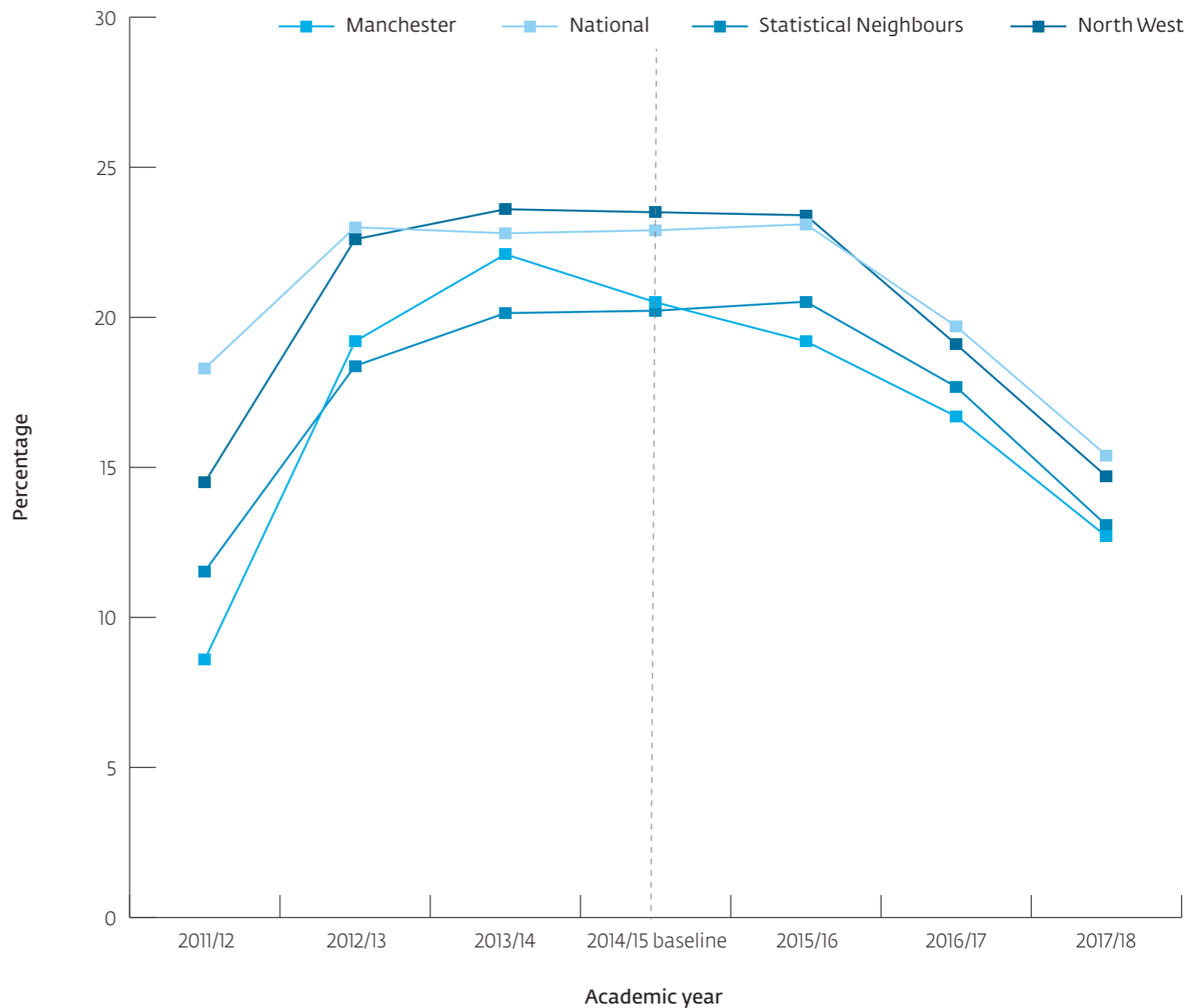


Source: Department for Education

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 12.7% the percentage of Manchester pupils achieving the English Baccalaureate, with grade 5 or above in English and Maths, remains below the national average of 15.4% and both the north west and statistical neighbours. The difference between Manchester and the national figure has narrowed slightly.

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



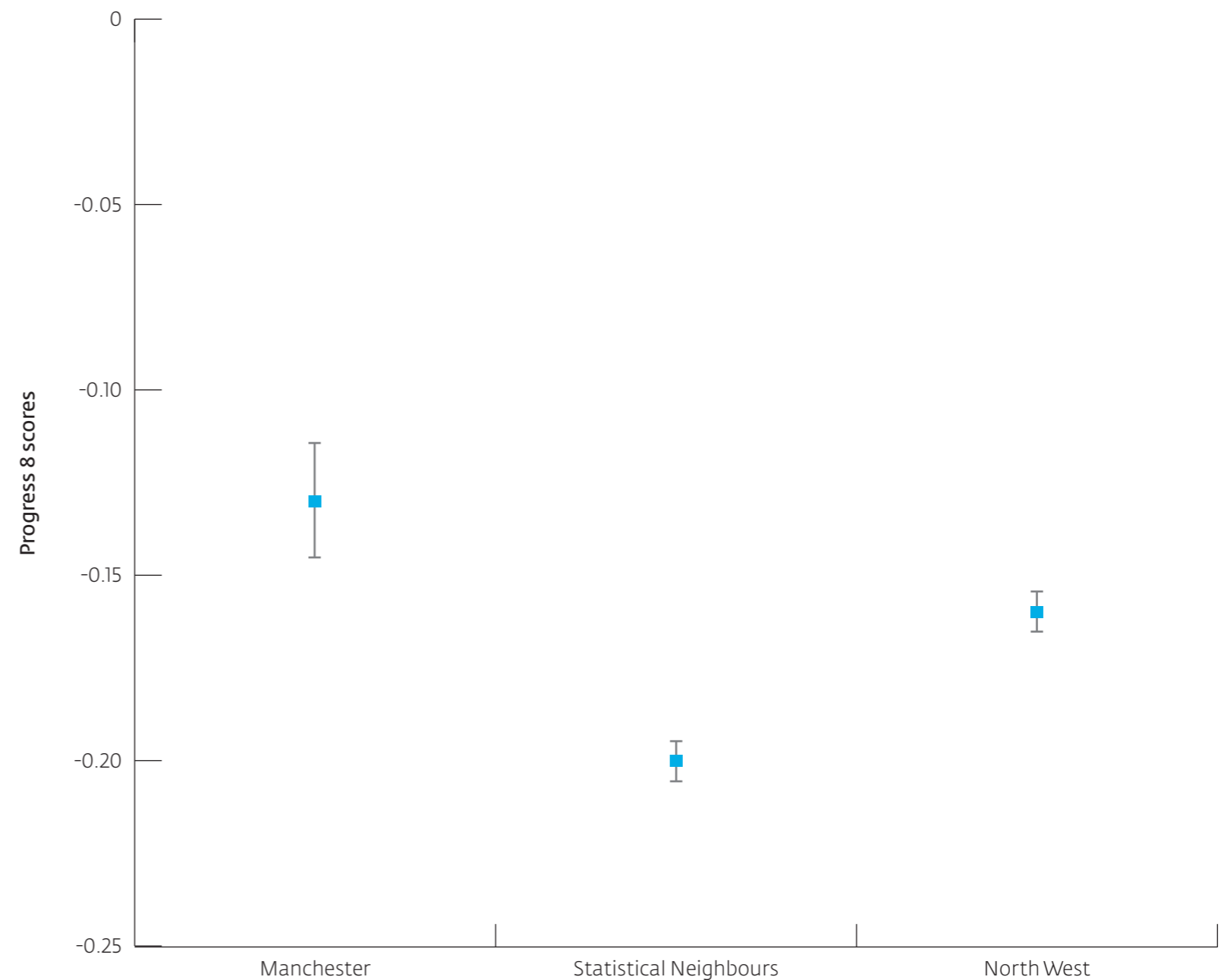
Source: Department for Education

Key Stage 2 to 4 progress

The new progress measure, 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 -0.13 , which is higher than statistical neighbours and the north west but below the national progress score of 0.

Figure 3.11:
Progress 8 scores, 2017/18



Source: Department for Education

Post-16 attainment

Key Stage 5

Results for the percentage of A level entries that achieved an A*–E pass grade in Manchester have decreased slightly in 2017/18 but remain higher than national results, which have also seen a slight decline. The percentage of entries achieving the top grades of A*–A is lower in Manchester than nationally, but the gap has narrowed, despite a decrease (Table 3.1).

The Council engages with all post-16 providers through the post-16 reference group and is focused 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
Number of entries	Manchester	5,935	5,946	6,646	7,469	8,271	8,151	8,342
Percentage of entries achieving A*–A	Manchester	24.4	23.7	23.2	22.0	22.3	24.5	21.8
	England	27.2	26.7	26.7	26.7	26.5	26.9	23.6
Percentage of entries achieving A*–E	Manchester	98.9	99.1	99.0	98.8	99.1	98.7	98.0
	England	98.6	98.7	98.6	98.8	98.8	98.2	97.7

Source: Department for Education

Post-16 vocational education

The Manchester College delivers a significant volume of post-16 vocational education each year – over 5,000 16 to 18-year-olds enrolled in 2018/19. The provision is aligned to the skill needs of Manchester, with the College working with employers to co-create, co-design and co-deliver a curriculum that meets their needs. The proportion of study programme learners completing work placements has increased significantly. In 2018/19, 90% of level 2 students and 96% of level 3 students undertook a meaningful work placement. The College has high achievement rates and in 2017/18 ranked first among Greater Manchester colleges for overall achievement (15th nationally). The College’s planned estate strategy will create Centres of Excellence to deliver technical and

professional vocational education and training, addressing the skill needs in key priority areas such as Creative and Digital; Health and Wellbeing; Construction and Logistics; and Business, Financial and Professional.

Focusing on science, technology, engineering, maths, digital skills and creativity

The growth sectors in Manchester require a highly skilled workforce, particularly in those subjects that underpin the growth sectors in the city, such as the creative and digital industries. Therefore, there is a focus on pupils obtaining qualifications in the STEM subjects (Science, Technology, Engineering and Maths). Table 3.2 shows that over the past seven years the number of A level entries in STEM subjects

has been increasing. The percentage of pupils in Manchester achieving top grades of A*–A in STEM subjects has fallen since 2016/17 and the gap to national figures has widened. The percentage of pupils achieving an A*–E pass grade in STEM subjects is now lower in Manchester compared to the national figure.

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
Number of entries	Manchester	1,812	1,844	2,060	2,249	2,479	2,486	3,001
% entries achieving A*–A	Manchester	27.5	27.5	26.7	27.0	26.8	27.6	25.9
	England	36.3	35.8	35.4	35.3	35.2	31.2	31.1
% entries achieving A*–E	Manchester	98.3	98.8	98.8	93.6	98.7	98.1	93.7
	England	98.3	98.8	98.4	98.5	98.5	97.2	96.9

Source: Department for Education

Addressing digital skills challenges in the city and working with the sector to build skills for the future

There is a high volume of creative and digital businesses based in Manchester, making it the largest tech hub in the UK outside of London.³ The city has experienced considerable growth in attracting a number of large and leading tech businesses, given the lower rental costs and good transport connectivity. Hanover Building is home to Amazon’s first UK corporate office outside of London, bringing 600 jobs to the city, and GCHQ will soon create hundreds of jobs at its new intelligence facility.

Despite its growth, the city is experiencing a major skills gap, which continues to be one of the biggest inhibitors to growth in the creative and digital sector in the north west. According

to the Manchester Digital Skills Audit 2019, 31% of digital businesses had to turn away work as a result of not being able to find the right local talent. To be a world-leading digital city, a strong pipeline of highly skilled digital talent is needed to ensure businesses continue to invest in their workforce and recruit locally. Increasingly, when differentiating between candidates and ensuring they are work-ready, employers in the sector focus on and value soft skills such as good communication, social intelligence and teamworking skills.

Manchester has a vibrant digital skills ecosystem and there are a number of innovations from industry, our universities and schools to develop the creative and digital workforce further. For example, Northcoders provide an industry-led approach to the skills shortage,

³ <https://www.cbre.co.uk/research-and-reports/tech-cities>

offering 12-week full-time and 24-week part-time coding bootcamps, with employment support. Since April 2016, they have trained 280 people, and 96% of the programme's graduates now work as software developers.

Manchester Metropolitan University is working on a number of digital initiatives, including the Institute of Coding (IoC) and the School of Digital Arts (SoDA). The IoC is a national programme that brings together partners to focus on students learning new skills and digital workers extending their skills in data science, artificial intelligence, software development and cyber security via undergraduate/master apprenticeships and short courses. SoDA is a £35million investment in skills development and innovation across all forms of creative content, such as media production, film, sound, photography, animation, AI and games design. The school opens in 2021 and will offer undergraduate and postgraduate courses, research and degree apprenticeships, short courses and CPD to address the skills and the R&D needs of industry.

The Greater Manchester Combined Authority has awarded two contracts that aim to support industry to develop long-term strategic relationships with schools so that pathways to digital jobs for young people are industry-

relevant. The first programme, Go Digital, will deliver activity to excite young people at Key Stage 3 about digital opportunities; it will also build their skills outside of the formal curriculum, working with year eight girls. The second, Digital Futures, will offer a programme of strategic support to build sustainable connections between education and the digital/tech industry through a teacher CPD programme. Manchester City Council works in partnership with the four providers delivering the programmes to ensure 11 Manchester schools most in need have access to the programme and opportunities arising from it.

There has been a large increase in membership of Manchester's Digital Skills Network over the past 12 months, reflecting the industry's appetite for investment in local talent. The network comprises over 100 digital and education professionals and has the broad purpose of sharing good practice and collaborating on activity that tackles Manchester's digital-skills challenge. More recently, the focus has been on motivating young people to consider a career in digital and to improve accessibility of opportunities in digital for adults. The ultimate aim is to enable all residents to gain digital confidence, participate in and to drive growth in the digital sector, and progress in the future economy.

Diversity continues to be a key challenge for the industry. The Manchester Digital Skills Audit 2019 highlights marginal progress over the past 12 months, with gender and age profiles of people working in our digital businesses in the city. Results show a small increase of women in technical roles, and the age breakdown of the workforce showed 7% of the workforce were 51+, compared to 5% in 2018. There still remains a poor ethnic representation, with only 10% from black, Asian and minority ethnic groups.

Beyond technology skills needed for employment, technology is reshaping every aspect of our lives, meaning it is essential our residents have the access, skills and motivation to confidently go online. According to the 2019 ONS Internet Users Survey, an estimated 6.3% of Manchester residents had either last used the internet over three months ago, or had never used the internet; this is lower than the UK average of 9.1% and an improvement compared to the 2018 and 2017 survey figures of 7.8% and 8.7% respectively. There is a challenge for the city to develop a more targeted and collaborative approach that improves skills, access to learning opportunities, connectivity and affordability to tackle digital exclusion. The Manchester Digital Inclusion working group, supported by the Get GM

Digital programme, has been convened to bring together a number of the city’s key partners from the public, private and charitable sectors. It aims to bring greater coherence to current provision and identify some of the barriers and motivations of those who are or are at risk of becoming digitally excluded, increasing the digital capability needed to live in a digital world.

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

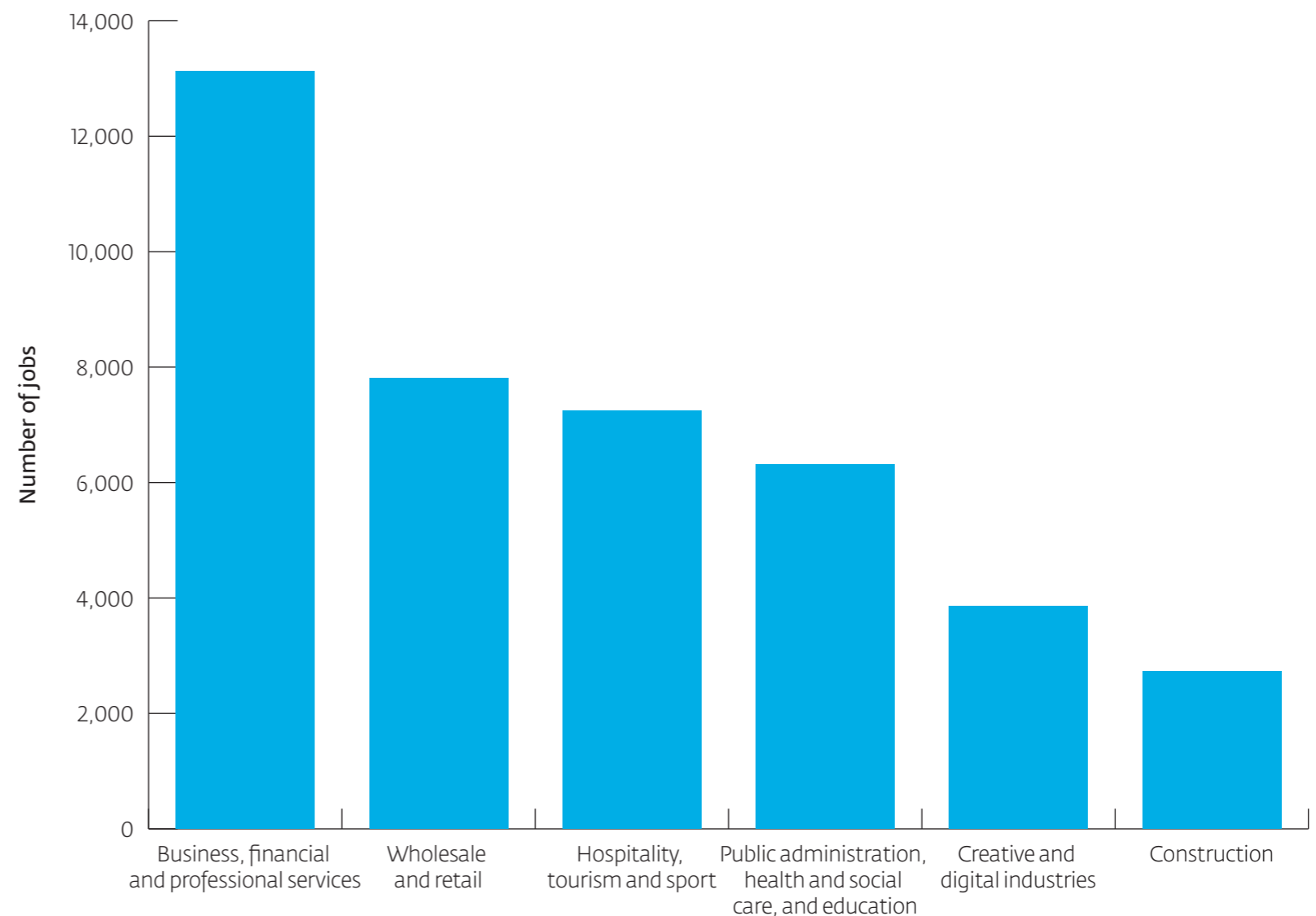
Skills for life and Careers Education Information and Guidance (CEIAG)

It is crucial that school-age children have an exposure to and understanding of the world of work and the jobs that will be available if they are to gain the necessary skills and benefit from these opportunities in their future careers. This exposure can develop some of the softer skill-sets that employers increasingly state are lacking in school-leavers and are in demand just as much as, if not more so, than formal qualifications. These include skills such as problem-solving, confidence, time management, communication and organisational skills.

Ensuring schools have the right support in providing CEIAG is not only a statutory obligation but crucial to ensuring that students are equipped with and informed of accurate and

timely information about the growth sectors and job roles in the city. Figure 3.12 provides an overview of the growth that has been forecast across key sectors in the city.

Figure 3.12: Forecast growth in number of jobs from 2018 to 2028 in key growth sectors



Source: Greater Manchester Forecasting Model 2018, Oxford Economics

CEIAG Network and Award

The CEIAG Network provides the opportunity to link schools with employers and partners, often around a particular theme or growth sector. There is a quarterly CEIAG newsletter that increasingly features Labour Market Intelligence (LMI) articles. A focus on key growth sectors supports careers staff to provide information for students on the skills and attributes needed for different roles across growth sectors.

We continue to support Manchester's Schools and Colleges to achieve the Inspiring Information Advice and Guidance (IAG) Award (stages 1–3), which supports the national Quality in Careers Standard (QiCS). The QiCS is now highly recommended in the National Careers Strategy and Statutory Guidance, and has been refreshed to align with the **Gatsby Benchmarks**.⁴ In Manchester, nine schools/colleges are working towards stage 1, seven have achieved stage 1, four have achieved stage 2, and eight have achieved stage 3 (the full QiCS). This means 28 out of 39 schools or colleges in the city are working towards or have achieved the QiCS.

Skills for Life programme

In recent years there have been growing calls from young people locally, regionally and nationally for a 'curriculum for life', which would equip children and young people with the 'softer skills' and knowledge needed to succeed in the real world. There have been similar calls from employers, who highlight a need for school and college-leavers to be better prepared for the world of work.

Manchester has responded to this by creating a Skills for Life programme that has a clear focus on the development of five skills: Communication, Teamwork, Self-management, Self-belief, and Problem-solving. Children and young people will be provided with opportunities to develop and practise these skills throughout their formal and informal education, from Early Years to post-16. The programme has been piloted this academic year 2018/ 2019 within 30 education settings and launched in June 2019.

The Enterprise Advisor Network (EAN)

Linking businesses and employers to schools to achieve this is a key priority in the Work and Skills Strategy, and it will be delivered via Careers and Enterprise Co-ordinators who run and manage the EAN through co-ordinating business and skill networks across the city.

The aim is to link an Enterprise Advisor – a business professional – to each secondary school and college in the city. Their role is to support schools and colleges to undertake a diagnostic review of their careers provision, mapped against the eight Gatsby Benchmarks. A joint action plan is developed to improve progress of schools and colleges against the benchmarks, focusing specifically on employer encounters and workplace experiences. Two Enterprise Advisors are working with schools across Manchester. Currently, 23 schools and colleges have been matched, eight are waiting to be matched, and a further seven schools are interested in joining the EAN.

⁴ 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 second 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 give young people the skills and professional connections to succeed.

A meaningful work placement for every young person

A meaningful work placement for every young person and particularly for people 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 and minority ethnic (BAME), 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 experience placements across a variety of departments.

The Greater Manchester initiative, the Meet your Future programme, encourages employers to provide work-experience opportunities for young people aged 16–19 so they can experience different levels of exposure to an organisation. This ranges from a day or two observing and shadowing, to a full work placement. It gives them an in-depth understanding of the workplace and the chance to learn about different roles and gain the skills and knowledge needed across different sectors.

Since September 2016, the Our Town Hall (OTH) project team have been working with a number of schools and colleges around Manchester to help young people gain a better understanding of the types of careers available in the construction industry and the various pathways into them. This has included attending more than twenty careers fairs, mock interviews and enterprise days, and providing work experience for 22 Manchester school students and ten Manchester college students. We have so far been able to support young people from 11 secondary schools and three colleges in the city. We have also welcomed groups of young people into the building to meet the team and

find out more about the project. In addition, we are connecting more young people to apprenticeship opportunities via our mentoring programme, which involves current apprentices acting as mentors to young people in Manchester schools.

Increasing the number of graduates in the city

Graduate retention is the main reason for the increasing proportion of Manchester's working-age residents with higher-level qualifications. In January 2019, more than 73,000 students enrolled at Manchester's two universities. As Table 3.3 shows, the proportion of graduates indigenous to Manchester who entered work in the city within six months of graduating has ranged between 36% and 42% over the past five years. This is a positive trend that sets Manchester above the national average for the proportion of residents who hold level 4 qualifications and above: 44% in 2018 compared to 39.9% in 2017.⁵ 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.

⁵ ONS Annual Population Survey, 2018

Table 3.3:
Work location of graduates indigenous to Manchester

Location	Academic year						
	2010/11	2011/12	2012/13	2013/14	2014/15 baseline	2015/16	2016/17
Manchester	27%	28%	41%	39%	40%	42%	36%
Greater Manchester (excluding Manchester)	45%	41%	31%	31%	32%	29%	33%
Greater Manchester	72%	69%	72%	70%	71%	71%	70%
North west (excluding Greater Manchester)	7%	8%	7%	7%	8%	9%	7%
UK (excluding north west)	18%	21%	19%	20%	18%	18%	21%
Non-UK	2%	2%	2%	3%	3%	2%	3%

Source: HESA destination of leavers survey

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

Upskilling the city’s workforce to ensure that Mancunians can benefit from the new jobs created, is essential to addressing inequality. Manchester’s Work and Skills Strategy highlights this, as well as the need to develop a work and skills system that meets the growth needs of business and enables residents from all backgrounds to obtain the skills and attributes required by employers. One mechanism to deliver this is through more residents undertaking apprenticeships, including higher-level apprenticeships across a range of sectors. 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.

Our ambition is to increase the number and quality of apprenticeships in the city as a route to ensuring that residents develop the skills and attributes needed to succeed in the labour market. It is crucially important that adults – particularly over-50s – have access to the support required to enter and sustain employment through apprenticeships, irrespective of their age or stage of working life.

Employers in key-growth sectors are now increasingly recognising the need to work in partnership with training providers to develop higher-level roles for their industries aligned to new apprenticeship standards, which are lacking in some sectors. This is partly a result of the introduction of the apprenticeship levy which, alongside the devolution of the Adult Education and Skills budget, should allow us to be more innovative in the ways we support our employers and training providers. The implementation of new standards and delivery models designed by employers aims to increase the number of achievements of higher and advanced apprenticeships across all age groups.

Stimulating Employer Demand for Apprenticeships (SEDA) is a project that aims to target SME employers to increase demand for apprenticeships. It is a Greater Manchester initiative, delivered by the Growth Company and is funded until the end of the current financial year. Complementary to this, and to increase the number of apprenticeships, an Apprenticeship Support Grant for Employers has been awarded to the ten Greater Manchester local authorities to incentivise SMEs (small and medium enterprises) to employ apprentices within their organisation. It is aimed at SMEs who have yet to engage in an apprenticeship. The Growth Company will deliver a number of

elements of the support package through an extension of SEDA, and we will work to align the programmes across Manchester. Support to SMEs will include workforce planning advice and support, a levy matchmaking service, as well as quality advice and improvement.

The Greater Manchester Apprenticeship Hub, #SEEDIFFERENT, brings together partners from across the city-region, working together to increase the scale, breadth and quality of apprenticeships in Greater Manchester. Key objectives include: maximising employer take-up of apprenticeships in Greater Manchester's key sectors; improving information, advice and guidance services for young people; and developing the capacity of providers to ensure that supply is matched to demand.

There is a range of Greater Manchester CEIAG projects that the Council has supported. The Apprenticeship Ambassador scheme provides valuable advice and guidance for schools, with apprentices sharing their knowledge and experience with pupils, teachers and parents. We also support Inspiring IAG by developing good-practice frameworks for organisations that work with young people. This programme recognises schools and colleges with a CEIAG offer in place that is above and beyond the national minimum standards.

There have been a number of reforms to the apprenticeship system since 2017, including:

- From 1 April 2017, the introduction of an apprenticeship levy for employers with a wage bill exceeding £3million
- A new online Apprenticeships Service digital portal to enable employers to manage levy funds, and access performance data on apprenticeship providers
- Funding bands for existing apprenticeship frameworks, and new standards that vary according to the type and level of apprenticeship
- Government contributions and additional funding for non-levy-paying employers, 16 to 18-year-olds, priority groups, and English and Maths support.

While these reforms were intended to streamline and simplify the apprenticeship system, employers report that they find the system difficult to navigate. The number of apprenticeships nationally has significantly declined since the introduction of the apprenticeship levy, and this has been replicated – albeit not quite to the same extent – in Manchester. The decline can be attributed to businesses, in particular SMEs, not yet fully understanding what is required

for them to take advantage of the levy. This adjustment period must be taken into account before any firm conclusions are drawn on the impact of the levy. However, this highlights the importance of Greater Manchester and citywide employer engagement, as well as support and communication campaigns that continue to promote apprenticeships, the levy and the digital service.

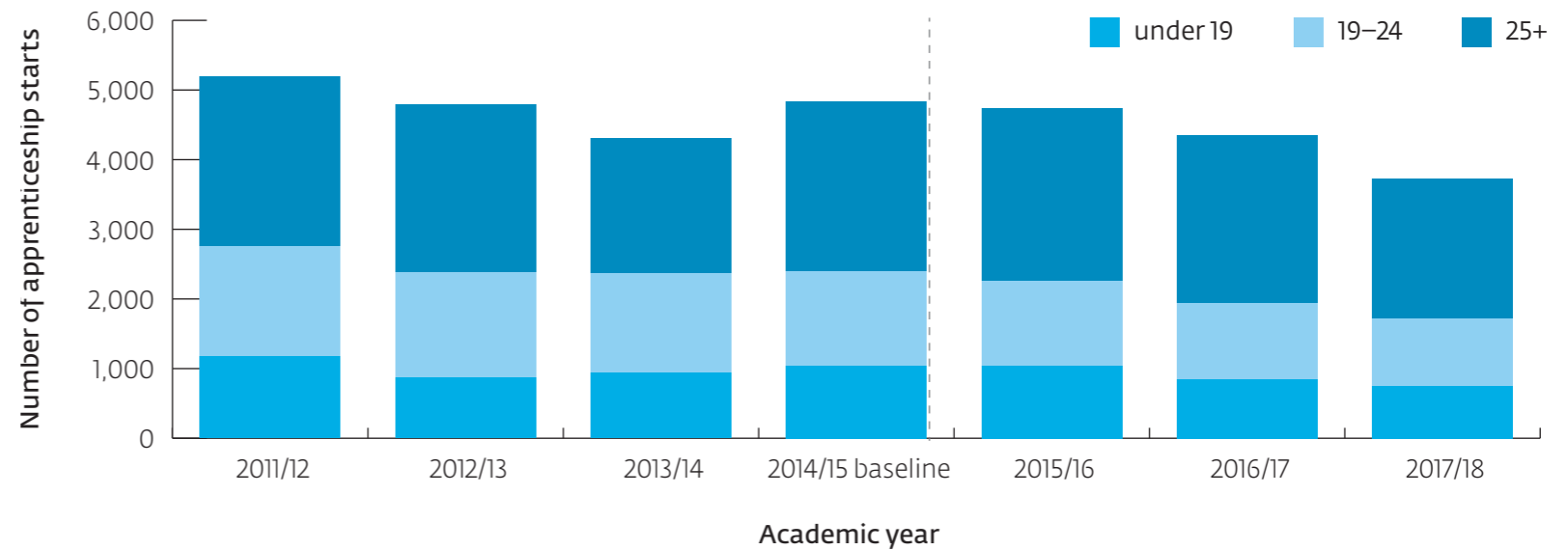
Figure 3.13 shows the trends in apprenticeship starts from 2011/12 to 2017/18 by age. Following the peak of 2011/12, with 5,190 starts, the number of apprenticeship starts gradually declined through to 2013/14. However, 2014/15 saw starts rising again to 4,830. Apprenticeship starts dropped by 1,010 between 2015/16 and 2017/18. This is significant and relates to both supply and demand of apprenticeships.

A noticeable trend is that the greatest number of starts has been in the 25+ age group, which is consistent with the rest of Greater Manchester and a trend that has continued into 2017/18. This is consistent with large employers using the apprenticeship levy to upskill their workforce. This will help with productivity. However, there continues to be a need to focus our efforts on higher and advanced-level apprenticeships to meet high-

level technical skill gaps in the economy. 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.

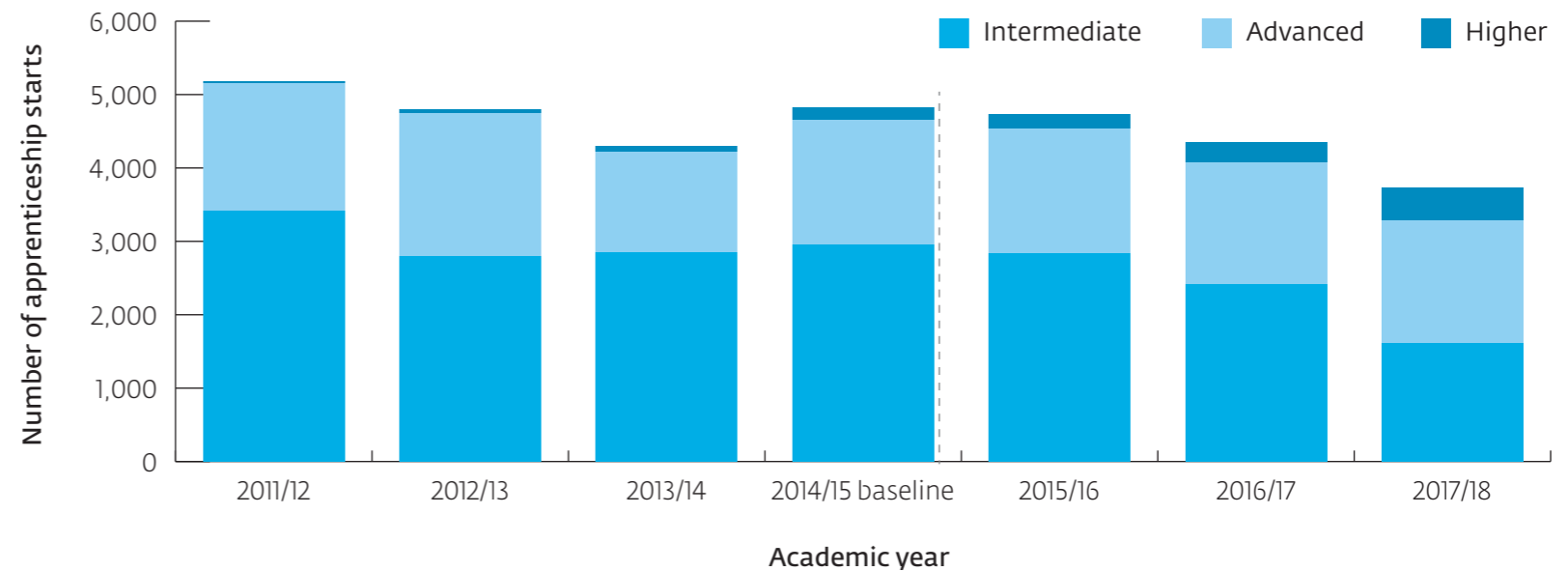
Figure 3.14 shows that while apprenticeship starts at intermediate and advanced level have either declined or remained the same since 2014/15, higher-level apprenticeship starts have more than doubled from 170 in 2014/15 to 440 in 2017/18. Work delivered through apprenticeship campaigns and promotion of the benefits of apprenticeships (including job security, pay progression, and avoiding student debt) mean that more people are choosing higher-level apprenticeships. Moreover, larger employers are choosing to improve the skills of their existing workforce by offering employees higher-level apprenticeships so they can maximise the use of the levy.

Figure 3.13:
Apprenticeship starts by age



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

Figure 3.14:
Apprenticeship starts by level



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

M Futures Higher Level Apprenticeship Scheme

The M Futures is a higher-level apprenticeship scheme in construction management, and is being used for the Our Town Hall project. Apprentices recruited to the programme are employed by one employer, such as structural engineers, architects, quantity surveyors or project managers, and rotate through several of the participating organisations during their apprenticeship. This gives apprentices practical knowledge of the construction sector, and sets them up with the right skills and experience.

A current apprentice from Whalley Range joined the scheme in September 2018 and is employed by the consultant project managers working on the iconic Town Hall. Since starting work he has completed placements with the architects and Manchester City Council, and is now working with mechanical and electrical engineers. He has described his experience below:

"I never imagined that I would get to work on one of Manchester's most famous buildings, but the experience of working inside the Town Hall has been amazing. I'm now on my third placement and the different roles I have undertaken have really opened my eyes to the different range of jobs and careers in the construction sector. I've still got

another three placements to complete, but I'm starting to get an idea of where my strengths are and what I enjoy. Following the apprenticeship I'd like to progress into higher education with the support of my employer and undertake further training relevant to the career path I've chosen."

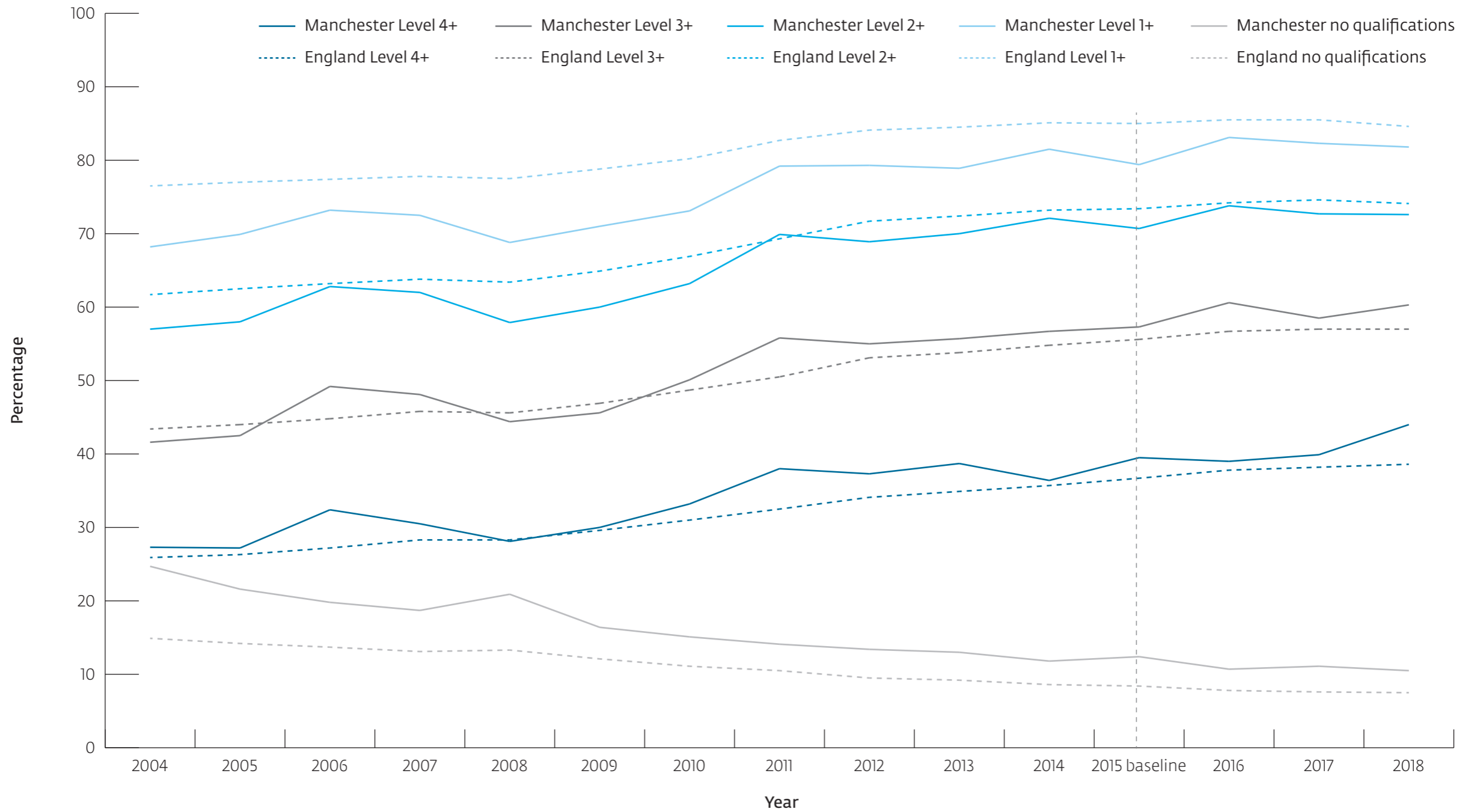
Reducing the number of residents with no or low qualifications, and increasing the opportunities for people to improve their skills throughout their working lives

Manchester still has a high proportion of its working-age population with no or very low qualifications, over half of whom are not in work. Having no qualifications is an indicator of social exclusion, as is poor health, and there is a strong link between these factors. 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.

The proportion of the Manchester population not holding qualifications above Level 2 has fallen from 42% in 2008 to 27% in 2018, but it remains above the national average (25%). Also, there continues to be a larger gap between the estimated proportion of the Manchester population with no qualifications at all, compared to the national average: 10.5% of Manchester residents have no qualifications, compared with the national figure of 7.5%.

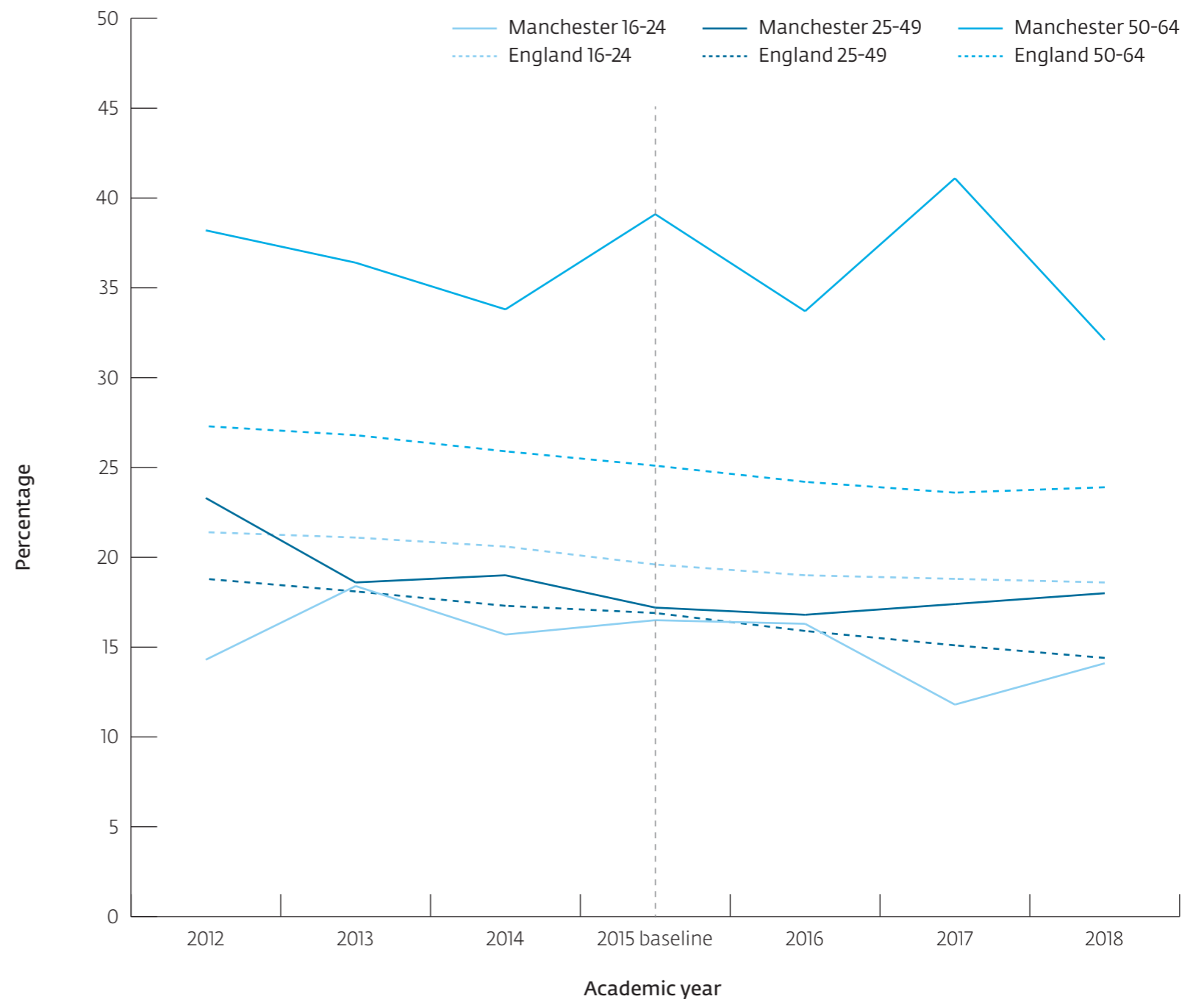
Figure 3.15:
Percentage of resident population aged 16–64 qualified to NVQ level



Source: Annual Population Survey, 2018, 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: 18% compared to the England average of 14.4%, and the gap has been widening since 2015. There is a much higher proportion of residents aged 50–64 with no or low qualifications, 32.1% compared to the England average of 23.9%, although the historical trend is quite erratic for Manchester, having reduced from 41.1% reported in 2017. 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, 2018, ONS © Crown Copyright

Focusing on residents aged over 50 and the challenges they face

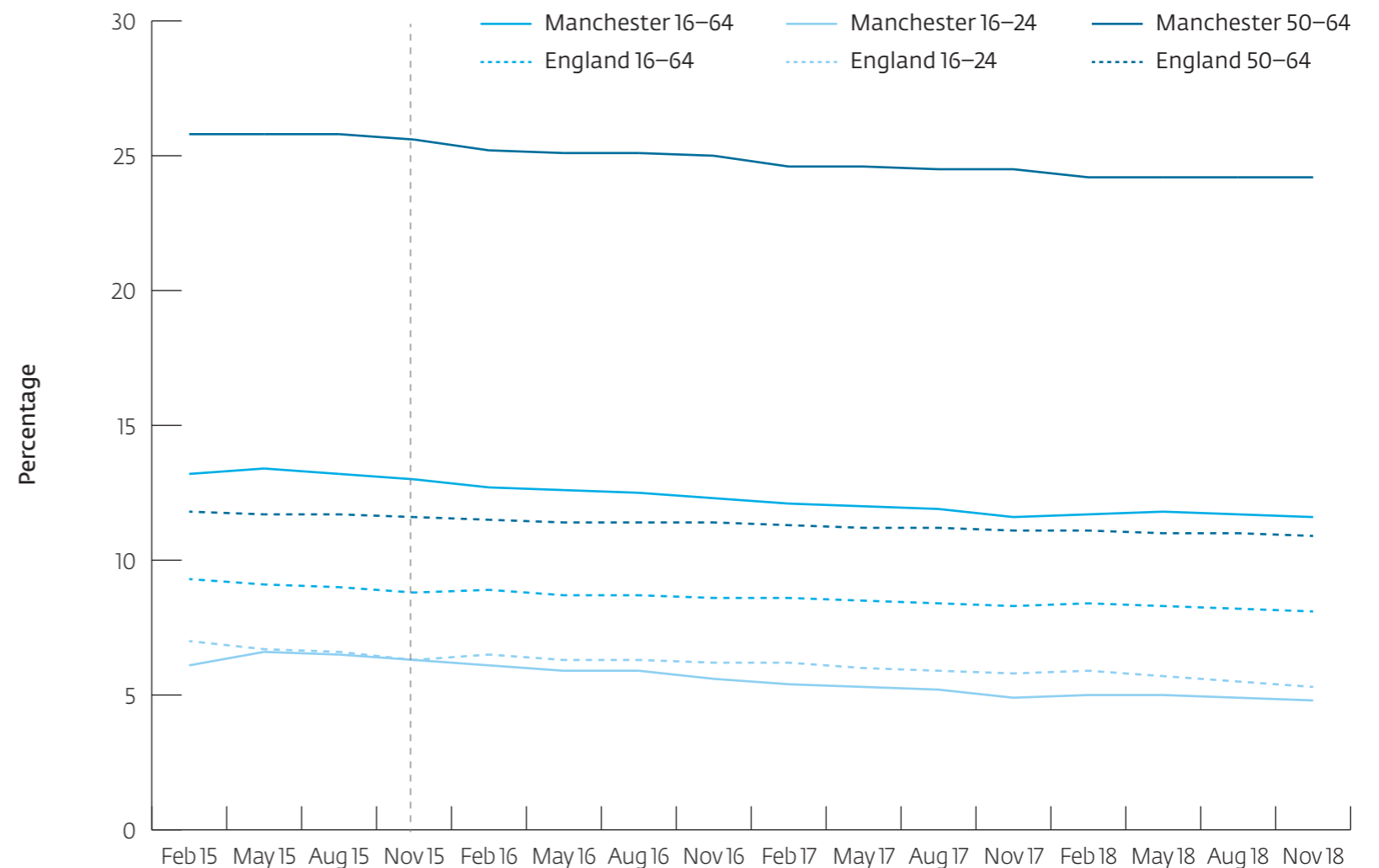
In 2018, a third of Manchester’s 50 to 64-year-olds (32.1%) were estimated as having no or very low qualifications compared to only 14.1% of 16 to 24-year-olds. Therefore, the unqualified proportion should reduce over time as older working-age residents reach retirement age and are replaced by more highly qualified school leavers and graduates. However, this will remain a challenge for many years.

This issue is reflected in the high proportion of benefit claimants in Manchester aged 50–64 in November 2018 (37%), although this was an improvement on five years ago (47%) despite the number of residents aged 50–64 increasing; however, it still remained higher than the national average. Of these benefit claimants, two-thirds were claiming out-of-work benefits (17,240 people).

According to Public Health England, Manchester’s healthy life expectancy is 56 years (the age when health conditions are likely to affect everyday life). Within the out-of-work benefit claims in November 2018, 13,367 were claiming Employment Support Allowance (ESA) because

of ill health, with 46% of those being for mental-health problems. Nearly all (96%) of the 50 to 64-year-olds claiming ESA had been claiming for more than a year, and 59% had been claiming it for at least five years.⁶

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



6 Source: Department for Work and Pensions

Annual Population Survey, 2018, ONS © Crown Copyright

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 but, although lower, the same pattern is seen nationally.

We have a better understanding of the challenges and issues for this group 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; 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.

Understanding the nature and characteristics of 50 to 64-year-olds

A high proportion of Manchester's 50 to 64-year-olds are not skilled in today's industries. The large number of young adults in the 1970s and 1980s who left school expecting to find work requiring few, if any, qualifications found those jobs disappearing with the decline of Manchester's traditional manufacturing industries. This impact is expected to last until at least 2030. Matching these residents' existing skills and developing new skills for the growth sectors as outlined previously is a

challenge. Meeting this challenge will include recognising that this group will have specific needs such as:

- Relevant training for today's/future sectors
- Change in attitude to recruitment, training and apprenticeships
- Flexible work patterns if caring for parents or partners
- Adaptable workplaces to meet changing health
- Workplace wellbeing.

In response to some of these challenges we have introduced a number of work streams to increase our focus on the different cohorts within the over-50s population.

In the Know tours

The Work and Skills Team run 'In the Know' tours of the workplace at Manchester City Council to let people know about the different roles available and future growth sectors. The tours are usually aimed at young people about to leave school; however, this year 18 long-term unemployed adults from the Volition Work Club based in Manchester Cathedral came on an In the Know tour in Manchester Town Hall. The aim of the tour was to dispel

many of the myths about apprenticeships not being appropriate for older people. Many of the group didn't realise that apprenticeships can be for people of any age and assumed they were just for young people. However, they left with an understanding of apprenticeships, growth sectors and where jobs are available. They were told where to find further information on accessing CEIAG, improving their functional skills, as well as training courses and where to get help to go online.

Age-Friendly Manchester and Work and Skills

The Council's Work & Skills team and Age-Friendly Manchester are working closely together to align the Ageing Strategy and the Work & Skills Strategy. To give direction to this work, two key objectives have been identified as priority areas to focus on over the next two years. The first is to raise levels of economic participation in the over-50s, and the second is to ensure employers maximise opportunities for the over-50s. To provide governance and co-ordinate activity to address these priorities, an Over-50s Employment & Skills Support Group has been established. The main purpose of the group is to address the cohort of involuntarily workless people over 50, aiming to work better together to tackle discrepancies across the city. Chaired by the Work & Skills team, membership includes Age-Friendly

Manchester, Department of Work and Pensions, MACC, The Growth Company, Ambition for Ageing, and housing providers.

Sonder Radio – ‘Get Digi with it’

In October 2018, The Work and Skills team commissioned Sonder Radio, a third-sector organisation, to deliver a ‘Get Started in Radio’ pilot project for over-50s. This entailed a week-long course to help participants to develop confidence and gain creative and digital skills. It culminated in the production of a radio show, leading on to a three-month progression into volunteering opportunities. Following the pilot, a further one-week course was held at Sonder’s new studio in the Bonded Warehouse and the Aquarius Community Centre in Hulme. Participants from the central area chose to theme their radio show around older people having a voice, and delivered a live broadcast.

A participant added the following quote to our Facebook page about this course:

‘The Sonder Radio DIGI course has opened more doors than I ever anticipated and I am looking forward to a new career with great enthusiasm. Thanks to Sonder, Manchester City Council who made it all possible. Sign up folks. This course could be your big breakthrough.’

Case Study: Age-Friendly Enterprise Pilot

The Council’s Work and Skills team commissioned People Plus to deliver a bespoke enterprise programme targeting adults aged over 50 in south Manchester. The scheme complemented existing enterprise support, such as the European Regional Development Fund (ERDF), Start Smart, New Enterprise Allowance, and Business and Intellectual Property (BIPC) projects. The aim was to work solely with residents aged over 50 to:

- Raise awareness of and promote self-employment as a viable option for residents aged over 50
- Evaluate if current enterprise-support methods are fit for purpose for this priority group
- Develop a better understanding of the support requirements of this group
- Gather knowledge around the barriers to self-employment that over-50s face, particularly in key sectors.

From March to June 2019, People Plus engaged with two cohort groups, each comprising 10–12 residents aged over 50. All those engaged were monitored, recorded and supported accordingly. The two cohort groups were tracked on their journey towards self-employment. Participants demonstrated a genuine appetite for self-employment and a good knowledge of the type of enterprise they wanted to pursue. Many attendees wanted to use their self-employment as a vehicle to give something back or to offer opportunities to others.

Every attendee was given the opportunity to discuss their personal situation within the group or on a one-to-one basis. The attendees all supported each other, offering tips and advice. The relaxed and informal sessions meant that attendees were willing to open up about health issues, confidence issues and insecurities. Social anxiety was a concern, but it was felt that informal daytime networking could help to reduce this. Overall, each group was extremely positive, believing that age is not a barrier to starting a business. Attendees felt that the best way to challenge any ageist/negative thinking is for the 50-plus community to proactively work together to produce results.

The majority of attendees were digitally competent – everyone had at least one social media platform and access to personal email. Most attendees required specific advice regarding how to increase and maximise their online presence; they also needed help with setting up their own website and e-Commerce structures. The Leg Up social programmeⁱ was well received; however, it appears there was limited take-up of the initiative.

People Plus will provide ongoing support and development, and will continue to build on the learning and success of this pilot. A detailed review of the pilot will be completed in autumn 2019.

ⁱ A free collaborative project from the digital community to help small businesses, charities and social enterprises with digital

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 3.4 shows the different rates depending on age (April 2019).

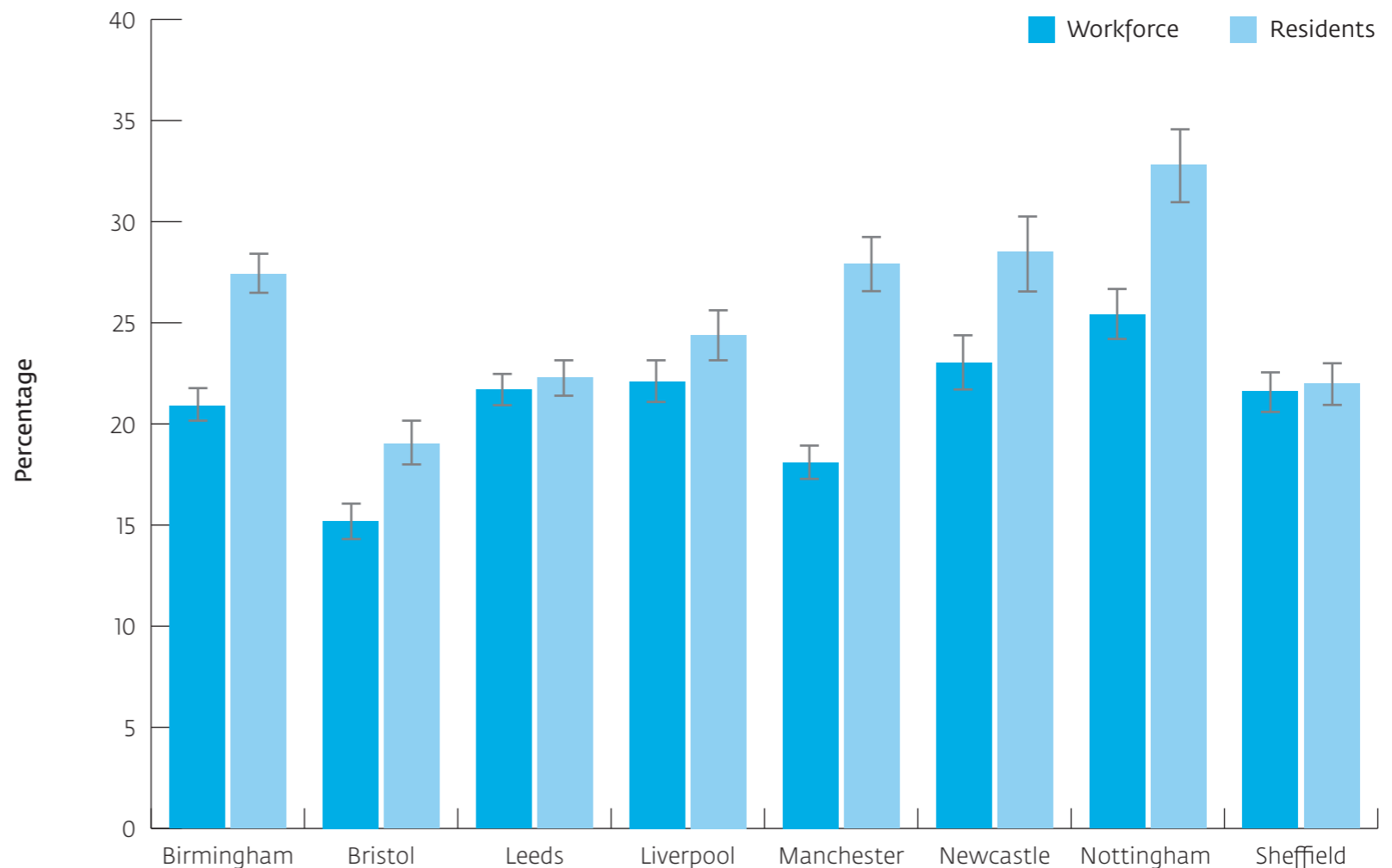
However, the Living Wage Foundation campaign for a National Living Wage to ensure that everyone can earn a real Living Wage that meets living costs,⁷ not just the Government minimum. Currently, the real Living Wage is set at £9 per hour. Figure 3.18 shows that the disparity between Manchester resident employees and Manchester workforce employees earning less than the real Living Wage stands at approximately 10% – the highest disparity in comparison to other core cities. In 2018, an estimated 18.1% of the employees working in Manchester and 27.9% of employees living in Manchester were paid less than the real Living Wage, which was £8.75 at that time.

Table 3.4:
National minimum and National Living Wage by age, April 2019

	25 and over	21 to 24	18 to 20	Under 18	Apprentice
April 2019	£8.21	£7.70	£6.15	£4.35	£3.90

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

Figure 3.18:
Percentage of employees paid less than the real Living Wage in 2018 (provisional) – English Core Cities



⁷ Based on a core basket of household goods and services, housing costs, council tax, travel costs and childcare costs

Source: Annual Survey of Hours and Earnings, 2018 (provisional), ONS © Crown Copyright

According to the ONS Annual Survey of Hours and Earnings (ASHE) Manchester's average weekly workplace wages (those who work in the city but may live elsewhere) reduced slightly from £571 in 2017 to £556 in 2018, the third-highest of the English Core Cities (behind Birmingham and Bristol) and below the England average of £575. However, Manchester's average weekly resident wages (those who live in the city but may work elsewhere) are the second-lowest of the English Core Cities but increased from £479 in 2017 to £493 in 2018. The combination of high workplace wages and low resident wages results in the largest gap of the English Core Cities, standing at £63 per week in 2018; however, this gap has reduced from £92 in 2017 and £76 in 2016 but is still higher than the £51 gap reported in 2015.

The reasons for this are complex and long-standing, but it is an indicator that those who live outside but work in the city are more likely to be enjoying the benefits of the city's growth than Manchester residents who work in the city. The challenge is therefore not only to 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.

Low-level earnings for Manchester residents come as a result of them being concentrated in lower-skilled occupations and low-productivity sectors: 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.⁸

We are 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. The Council has been consulted by the GMCA to support the development of the Greater Manchester Good Employment Charter. The Charter seeks to ensure that employers provide good and well-paid jobs and reduce the number of residents working in low-paid and insecure work. We promote and will continue to promote the Charter through our citywide business networks; we will also promote research in this area done by organisations such as the Living Wage Foundation.

⁸ Ekosgen Research into Adult Skills for Manchester City Council, 2019

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 under way through our Family Poverty Strategy. This is 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 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. They include payment of the Manchester Living Wage, which at £9 per hour is equivalent to the national real Living Wage and higher than the national Living wage of £8.21.

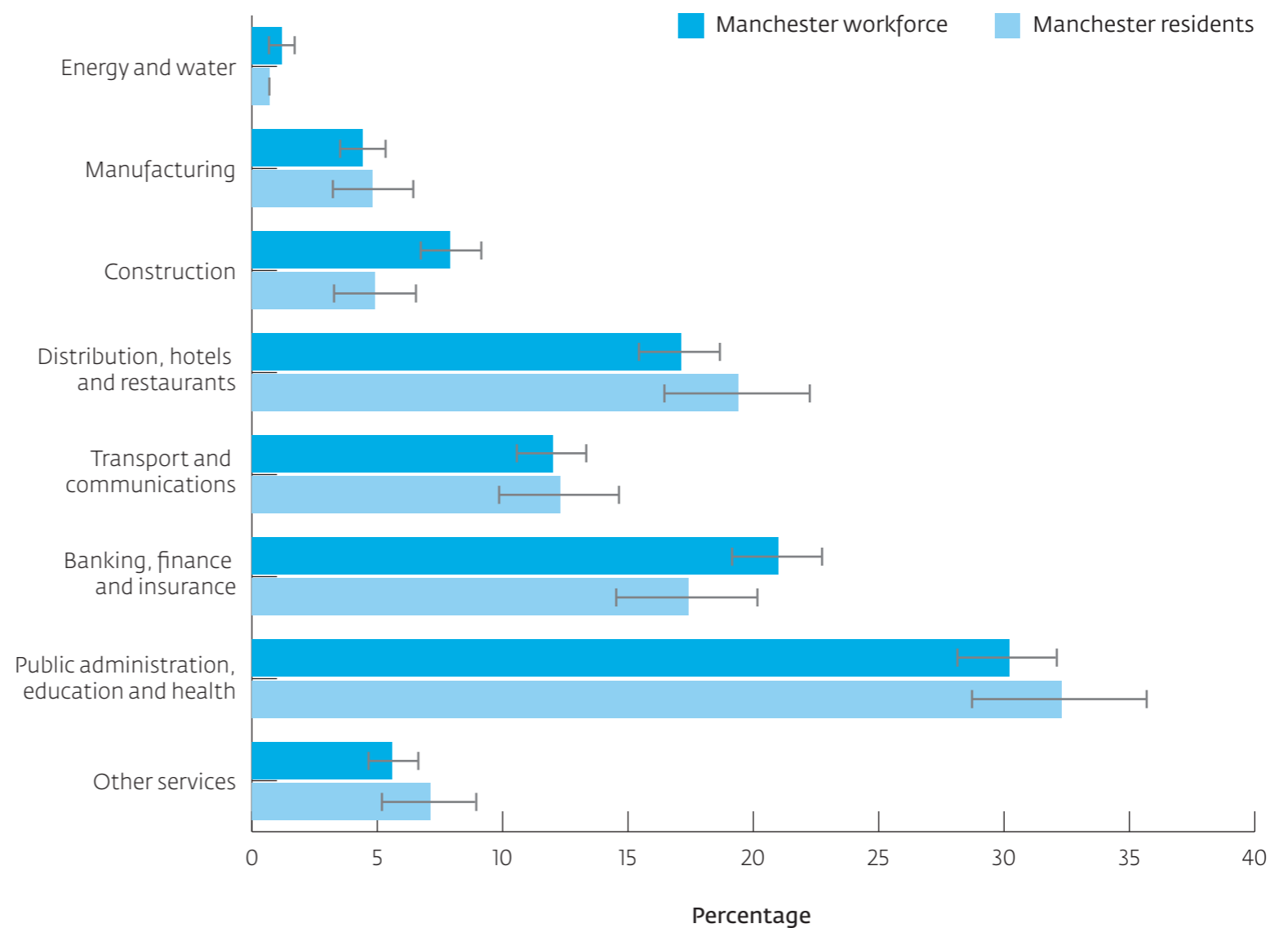
As we have seen in the previous chapter, several of Manchester’s largest employment sectors employ a third of the workforce (Accommodation & Food Services, Retail, Art, Entertainment & Recreation, and Business, Administration & Support Services sectors). Traditionally, these sectors have the lowest median hourly pay (under £10 per hour) with entry-level opportunities that are accessible to Manchester residents with no or low skills. The key challenge is to ensure that Manchester residents are able to progress from entry-level jobs and that they are equipped with the skills and qualifications to benefit from the higher-paid opportunities being created in the city.

As can be seen in Figure 3.19, Manchester residents are less likely to work in banking, finance and insurance, and more likely to work in the sectors described above. This demonstrates the need for an Industrial

Strategy that maximises our residents’ opportunities of obtaining roles. This will be done by reducing any barriers, while ensuring

that we have good jobs with good pay and progression in other sectors, and a strong foundational economy.

Figure 3.19: Manchester residents vs Manchester workforce – percentage employed by industry of employment



Source: Annual Population Survey, January–December 2018, ONS © Crown Copyright

Adult education is a route to respond to these challenges, and 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 are developing an Adult Education and Skills Plan. This is timely, not least because the devolution of the Adult Education Budget presents an opportunity for increased autonomy for Greater Manchester in terms of what provision is commissioned. The plan also offers an opportunity for the city to shape a place-based approach, which better meets our needs.

The Manchester Education and Skills Plan is being developed by a partnership of the providers in the city. It 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, and that all Manchester's businesses can find the skilled and productive workers they need to thrive, while offering good-quality, well-paid work to local people. It also explains 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 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 and apprenticeships/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 an opportunity to shape a place-based approach, which better meets our needs as a city.

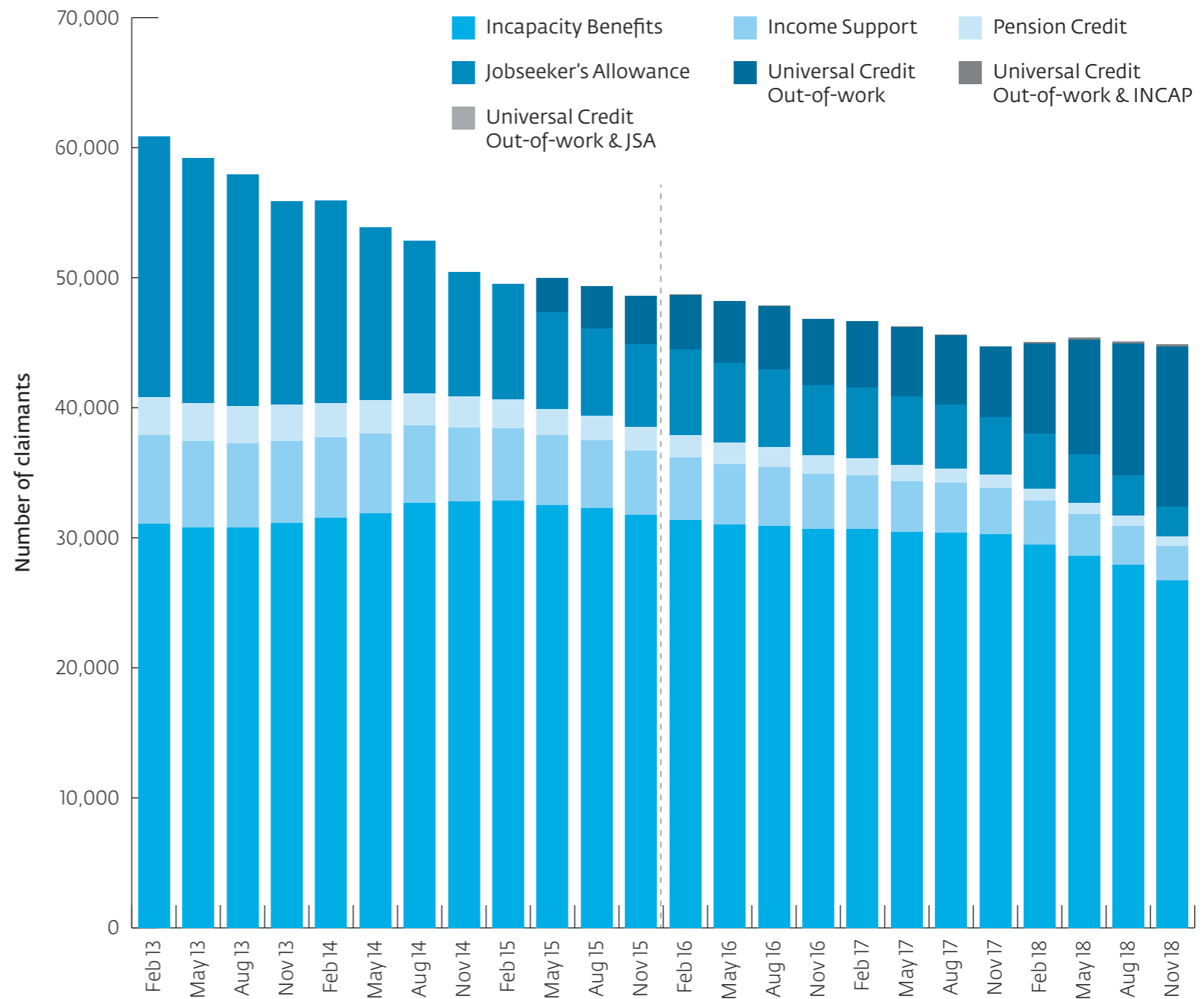
Creating new jobs accessible to Manchester residents, and reducing the number of people who are out of work

Figure 3.20 shows that in November 2018 there were 44,855 people claiming out-of-work benefits in Manchester. The worklessness levels in Manchester fell steadily between February 2013 and November 2017, from 60,858 to 44,720, and have only risen slightly since then. This is one of the lowest claimant counts for decades. 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, for example 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'.

Under Universal Credit, a broader span of claimants are required to look for work than under Jobseeker's Allowance; this has the effect of increasing the Claimant Count. To address this, the Alternative Claimant Count measures the number of people claiming unemployment benefits by modelling what the count would have been if Universal Credit had been in place since 2013 with the broader span of people this covers. The statistics thus provide a consistent measure of local levels of claimant unemployment over time and are a better indication of labour market change. According to the monthly Alternative Claimant Count (which includes Jobseeker's Allowance claimants, Universal Credit 'searching for work' claimants and estimates of those additional claimants who would have been 'searching for work' under Universal Credit had it existed) in Manchester there were 17,664 claimants in February 2019 compared to 15,468 in February 2018 – a 14% annual increase compared to a 4% annual increase nationally. 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.

Figure 3.20:
Residents aged over 16 claiming an out of work benefit by type



Source: Department for Work and Pensions

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 2015/16 there was an average of around 33,400 families/individuals who were in work and claiming tax credits in Manchester. Of these, 21,900 families claimed both Working Tax Credit (WTC) and Child Tax Credit (CTC), 5,600 families claimed CTC only, and 5,900 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.

At 11.6% in November 2018, the out-of-work benefits claimant rate for those aged 16 and over in Manchester remains higher than the national rate of 8.4%. However, between November 2015 and November 2018, 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.

Response to welfare reform

Regular monitoring and investigation into the impact of welfare reform is enabling us to respond to the issues and more effectively mitigate their impact. We have a good understanding of the number of households affected by welfare reform legislation and where the effects may be felt, but also where the extent might not be known, for example homelessness and demand for advice services. We are also able to assess the variations of the number of affected households and impacts at a place level.

There are certain parts of the city that are disproportionately affected by different aspects of welfare reform. For example, in the fourth quarter of 2018/19 the south and Wythenshawe had 2,470 social-housing tenants affected by underoccupancy legislation – 44.3% of the citywide affected total of 5,578 tenants.⁹ The high percentage of family homes in Wythenshawe means that the area will remain affected and a significant proportion of discretionary housing payments (DHP) continue to be allocated to support tenants affected by underoccupation legislation.

Data shared from Manchester's main housing providers shows a disparity between the levels of rent arrears for tenants on Universal Credit

(UC) and those claiming housing benefit. The average arrears for registered provider tenants in receipt of UC in the fourth quarter of 2018/19 was £771, which is £287 higher than registered provider tenants overall. The total amount of arrears owed by Universal Credit social tenants across the five providers is £4.14 million – an increase of 10.1% in one quarter alone.¹⁰

To gain a better understanding of the impact on residents, we carried out a resident-impact analysis from October 2018 to December 2018 through surveying those affected by Universal Credit. The survey was promoted through social media, partners and advice-support providers, community groups and venues. We also arranged focus groups from residents from different parts of the city to gain a more in-depth understanding.

⁹ Welfare Reform Board Quarter 4 2018/19

¹⁰ Welfare Reform Board Quarter 4 2018/19

The survey received 104 responses from a range of residents. There were 11 focus group participants, with a further five telephone interviews for residents keen to be involved but unable to attend the focus groups. Overall, the feedback had some practical solutions regarding issues and challenges the residents have faced or are facing while going through the Universal Credit process.

The results provided some insights into where we can improve on awareness-raising regarding claims, paying rent, sanctions etc. It also highlighted the need for all support agencies/workers (Manchester City Council and partners) to be trained with up-to-date information on Universal Credit. Training should enable support agencies/workers to support residents with the application process and refer residents for further support, particularly in the areas of maintaining their Universal Credit claim, digital skills, budgeting and debt advice, careers advice and ways to get back into work/progress in work.

Conclusion

Manchester is thriving, entrepreneurial and a great place to live, work and visit. We have an above-national-average proportion of Manchester residents who have high-level qualifications due to graduates choosing to stay in the city – a position very different than a decade ago. Although school attainment at KS2 and KS4 remains slightly below national levels, Manchester's children and young people are making good progress. The Council is committed to working with schools and education providers to focus on further improving outcomes for Manchester children and young people at all levels of education to ensure they can benefit from the success of the city.

However, not all are benefiting from Manchester's success. A lot of the jobs that have been created are in low-paid sectors, with insecure and zero-hours contracts becoming more common. Self-employment has risen by 70% since 2008 and now accounts for 13% of the total employment of residents. While there are some success stories, there are also lots of cases of enforced self-employment to subsidise the loss of benefits, and self-employment in low-value enterprises. In-work poverty is becoming a major issue for Manchester due to

the introduction of Universal Credit. Although more people are in work, we have discussed above that the type, quality and security of this work can be poor. This results in poor quality of life and in-work poverty, with between a third and 50% of children growing up in families living in poverty (Manchester Family Poverty Strategy).

At the same time, 85,000 new jobs were created in the city between 1996 and 2016, and another 65,000 new jobs are expected by 2036. There are currently 1.5 jobs per Manchester resident of working age, and many of these are good-quality, well-paid jobs with progression. The Greater Manchester Independent Prosperity Review recently highlighted that we have world-class strengths in advanced materials and health innovation. While job creation is key to reducing unemployment, better matching of Manchester residents' skills and new skill development to meet the demands of future growth sectors are also key. Those more vulnerable to the digitisation of industries and roles need to develop the skills to become more resilient to this.

The Greater Manchester Forecasting Model 2018 continues to project that future roles in all sectors will require applicants to have high-level skills. In particular, the retail, creative and digital, and financial and professional services sectors highlight an increasing need for management and leadership skills. For people who have low or no qualifications, many of these roles will be difficult to aspire to. Although there is still a need for entry-level jobs, the lower-skilled roles in sectors with large employment bases in the city – such as retail – will be much more vulnerable as digital disruption has a greater impact on low and intermediate skilled roles. Conversely, there is a reported shortage of skills and talent in the digital, health and social care, and construction sectors.

There also remain some significant skill challenges: 11% of Manchester residents have no qualifications, compared to the national figure of 8%. The majority of those affected face multiple interrelated barriers to employment and progression, so approaches to address these cannot focus on skills in isolation. While there are opportunities in the Manchester labour market, those who work in the city are benefiting more from them than Manchester residents. Manchester residents are concentrated in low-skill and

low-pay jobs, and in-work poverty has become a significant problem for the city as a result. As we have seen, 50 to 64-year-olds are most affected by this. From August 2019, £92million of the Adult Education Budget will be devolved to Greater Manchester, and while this only accounts for part of the system, it is an opportunity for Manchester to have more autonomy to design, align and co-ordinate provision that is appropriate for the city.

Furthermore, the demand for 'soft' skills – in addition to the high-level technical skills required by Manchester residents – should also be considered. Employers consistently stipulate through networks, partnerships, surveys and job adverts that communication skills, organisational skills, timekeeping and problem-solving are required, and we are responding to this through the Skills 4 Life, as discussed above.

The development of an Adult Skills Plan will enable us to realise the benefits of devolution, and although current adult-education provision provides some good outcomes for adult learners every year in the city, it has the potential to deliver real economic and social impact if better co-ordinated and funded.

The Our Manchester Strategy provides the vision for this journey, and Our Corporate Plan, with a focus on Growth that Benefits Everyone, provides us with the framework for engaging with all partners. We need to respond to the skill challenges of the city explored above and make a significant difference for residents, communities and businesses.