

Economy Scrutiny Committee

Minutes of the meeting held on 5 March 2014

Present:

Councillor Green – in the Chair
Councillors Boyes, Chamberlain, Davies, Karney (Items ESC/14/10-12), Keegan, Manco, Ollerhead, Pritchard (Item ESC/14/12 onwards), Raikes, Razaq, Richards, Simcock and Stogia.

Councillor Leese, Leader of the Council

Mark Hughes, Manchester Growth Company
Richard Jeffery, Manchester Growth Company
Judith Emmanuel, Steady State Manchester
Benjamin Irvine, Steady State Manchester

Apologies

Councillors Smitheman

ESC/14/10 Minutes

Decision

To approve the minutes of the meeting on 8 January 2014 and note the minutes of the Environmental Sustainability Subgroup on 29 January 2014.

ESC/14/11 Business Growth Hub Update

The Committee welcomed Mark Hughes and Richard Jeffery of the Manchester Growth Company to the meeting. Mr Hughes explained he was the group Chief Executive for a number of companies working on economic development for Greater Manchester. The growth hub in Manchester was the first of its kind in England.

The Committee welcomed the report, particularly the level of detail it provided. A member asked if there was anything Mr Hughes felt that the Hub should be focusing on that it was not. Mr Hughes said the Hub needed resources to provide a better initial telephone and frontline service. He confirmed the Hub planned to do this, and was seeking funding from the government or European Regional Development Fund (ERDF). Mr Hughes also said the support the Hub provided for innovation and the support for trade could be developed further.

A member asked for more detail on what sectors the Hub supported businesses in. Mr Hughes explained the offer was available in all sectors and the Hub had supported businesses in a wide variety of sectors. He told the Committee that the Hub delivered the UKTI (UK Trade and Investment) contract for the whole of the North West, which it was looking to link up more closely with the Manufacturing Advisory Service to provide a better offer. The Committee asked for figures on the

sectors the Hub was supporting businesses in to be included in a future report.

A member asked how the Hub was supporting innovation in the science industry, particularly as this was dominated by very large businesses. Mr Hughes said this was a core focus of the Hub, which worked in partnership with the science park and provided specific advice and guidance for business on working with academic organisations. Mr Jeffery added that the Technology Strategy Board had invested in the Hub to provide tailored support to businesses working in the science industry.

The Committee asked for more detail on how the Hub worked with banks. Mr Hughes explained the Hub worked in partnership with the banks as it provided an alternative product to what banks offered. He said that Natwest, Royal Bank of Scotland and Barclays had a formal process in place, in which they referred people they have turned down for funding to the Hub.

The Committee thanked Mr Hughes and Mr Jeffery for attending and providing the report. The Committee agreed that it wanted to return to this subject at an appropriate time to consider progress in the development of the Hub. The Committee agreed to invite Mr Hughes to this meeting and to provide a further report with particular detail on:

- the key performance indicators of the Business Growth Hub;
- detail on the sectors that the Hub supports businesses in;
- detail of where the businesses are based;
- detail of the jobs created, including location, where the people recruited to them live, whether they are full time and whether they are sustainable;
- to also invite a business who had used the Hub to attend.

The Leader told the Committee he was interim Chair of the Manchester Growth Company and the board were debating key performance indicators and what they should measure, for example whether they should be strategic and whether geographical breakdown would be helpful. He told the Committee the Hub had recently presented proposals to the government to secure funding and had received positive feedback.

Decision

To invite Mark Hughes to a further meeting of the Committee and to request that he provides a further report to update members on the development of the Business Growth Hub and provide the specific information requested in this meeting.

[Councillors Manco and Stogia declared disclosable pecuniary interests in this item, and withdrew from the room for its duration]

ESC/14/12 Christmas 2013 Summary

The Committee considered a report of the Chief Executive which provided an overview of the Christmas activity promoted by the Council in 2013. The Committee welcomed the report. A member said that the Christmas economy was a highly competitive market, and Manchester took it very seriously. It boosted the city's economy and provided happy memories. He told the Committee that Manchester

Christmas Market had the highest number of unique visitors to its webpage in 2013 of all the Christmas markets in Europe. The Leader welcomed his comments and added that the report underplayed the number of jobs created in the Christmas economy.

The Committee discussed small business Saturday, which had taken place during the festive period. The Assistant Director (Communications, Customers and ICT) explained this initiative had grown significantly and was driven by the private sector. The Council encouraged businesses to take part and would be promoting it next year. Districts had found it was more successful when a number of businesses had grouped together. Anecdotal evidence suggested that taking part in small business Saturday was worthwhile and businesses saw an increase in trade.

A member asked whether it was right to invest in new Christmas lighting for the city when the Council's budget had been reduced significantly. The Leader said this question asked whether it was right to continue to invest in improvements in the city which make it more attractive, which he felt it was. He said the Executive considered the funding when it made the decision on lighting, and found that it was cheaper to buy the LED lighting because owning them was overall cheaper than contracting out.

The Committee discussed whether the lights should be used for other events, such as events taking place in the city's districts and Eid. The Committee asked for officers to investigate how much it would cost to provide shared lights for use by all the district centres, which councillors could consider funding with cash grants. A member also noted that Longsight held a big celebration of Eid every year which was successful, but did not make the most of local business and promoting the local economy. She said that it would benefit from support from the Council's events team.

A member asked for more detail on how the return of £41 for every £1 spent on communications was worked out. The Assistant Director explained that this was based on what the Council funded, not all the funding put in. The private sector funded a significant amount of this and the Council's input has fallen, so the ratio is excellent. She explained that a return of £10 for every £1 was considered good, so £41 is excellent. She confirmed it was difficult to get big retailers to invest in a local campaign of this nature, especially if they have a big national campaign, but they have been contributing, which is positive. She said there was firm evidence that more people came to the city and they spent more when they were here.

A member welcomed that activity on social media had increased, but she would have expected this anyway because of its general increasing popularity and asked how this was measured. The Assistant Director explained that the best way to analyse social media was to compare to other local authorities. Manchester was the second most followed local authority after Newcastle. She said it was difficult to measure performance and had asked the social media team to do more work into this.

The Committee supported the suggestion in the report that the Council carry out a full economic impact study of the markets in 2014.

Decision

1. To request that the Assistant Chief Executive (Communications, Customers

and ICT) look into how much it would cost to provide shared lights for use by all the district centres.

2. To support the suggestion that the Council carry out a full economic impact study of the markers in 2014.

ESC/14/13 District Centre Policy Co-ordination

The Committee considered a report of the Head of Policy, Partnerships and Research and the Head of Planning, Licensing and Building Control which considered how the Council could take a more holistic approach to supporting district centres to ensure that local issues are taken into account, particularly in planning and licensing decisions.

A member asked why neighbourhood plans were not considered as one of the options in the report as a way to influence a district centre. The Planning Strategy Manager explained that Neighbourhood Plans are community driven, so this was not something the Council would necessarily lead on.

A member felt that the Council did not have enough ownership over district centres and a stronger focus and clearer vision was needed. She gave the example of Longsight, which was a popular location with a strong economy. People struggled to get a business premises but when they do become available they usually become takeaways. The Executive Member for Housing and Regeneration agreed but noted that drawing together relevant services in the Growth and Neighbourhoods Directorate would give the Council more control, and a long term plan was needed. The Executive Member for the Environment agreed and said there were plans to review how district centre policies were made and how the influence the Council has should be used, so this report came at a good time.

The Committee discussed how the Council could reduce the number of shisha bars. Members agreed that it was important to reduce the number operating in the city and they had a detrimental impact on district centres. The Head of Planning and Licensing said officers were aware of the problems, but it was very difficult to use the planning or licensing enforcement powers to close them down. She said that under the new Growth and Neighbourhoods Directorate, the relevant parts of the Council would work closer together to see how far existing powers could be used, through enforcement and reviewing policies. Officers confirmed that £50 on the spot fines could be issued to people caught smoking in businesses and these fines were used by the Council. A member noted that the Council would not let pubs allow smoking and asked whether it would be possible to increase the number of fines issued by targeting shisha bars multiple times a day in order to affect their business. Another member said out that the neighbourhood delivery teams did not have the resources to do this, and if they did it would be to the detriment of other areas of their work. The Executive Member for Housing and Regeneration pointed out that pubs were licensed by the Council for selling alcohol, so the Council could withdraw this licence if they allowed smoking, effectively ruining their business. Shisha bars were cafes and therefore not licensed. He also told the Committee that officers had to catch customers in the act of smoking to issue a fine, which was difficult. If enforcement officers attend at one shisha bar, the rest of the bars in the area will find out and stop

selling until the officers leave. The Committee asked officers to look into the feasibility of increasing fines for customers of shisha bars, to determine whether this would have a positive impact.

A member welcomed the positive changes he had noticed in north Manchester's district centres, including improved food on sale and chain coffee shops, which had led to a better atmosphere.

The Committee considered the planning and licensing policy options provided in the report. The Head of Policy, Partnerships and Research explained that the Core Strategy, the Council's main planning policy document, was being reviewed to be brought in line with national policy, so these options would be considered as part of this review. She said one option was to review district centre policy as a theme in the Core Strategy, and further reports would be brought on this as it progressed. Members asked to be involved as it progressed.

Decision

1. To request that the Head of Planning and Licensing investigates how feasible it would be to significantly increase fines for customers of shisha bars, to determine if this would be an effective use of resources and whether it would have a positive impact.
2. To support the intention to consider the Council's options in improving district centres as part of the review of the Core Strategy, and request that the Committee is involved in this process.

ESC/14/14 Update on Community Budgets and Troubled Families

The Committee received a report of the Deputy Chief Executive (Performance) and the Head of Integrated Care which provided an update on the troubled families programme. A member asked for more detail on the sanctions. The Head of Integrated Care said there had been some debate on this, but for most families the ultimate sanction was the children being taken into care, which was to be avoided if possible. She said the benefit sanctions were decided by the Department for Work and Pensions (DWP), not the Council. There were other sanctions that were more innovative, for example for some participants it was a condition of their probation that they engage with this programme. The Committee asked for figures on sanctions to be included when it next considered this subject.

A member asked whether the programme used participants who had made improvements to work with people on the programme. The Head of Integrated Care confirmed this was a key part of the programme. Peers working with families could have more influence than officers and in some cases participants were working informally with other families not in the programme.

The Committee discussed the comparison between the Troubled Families programme and the Work Programme for successfully getting people into employment. Members noted that the Troubled Families programme was more successful at this, which showed that often the best solution can only be found

locally. The Head of Regeneration explained that the DWP was funding 50% of the costs of the evaluation. She said the test was whether the Council could prove that the programme had a better impact than the Work Programme, which would encourage partners to align their services to the programme. She said the evaluation compare similar cohorts of people who participate in the Troubled Families programme to those participating in the Work Programme only.

A member asked what scope there was for officers working with the families to find bespoke solutions to their needs. The Head of Regeneration confirmed this was key. There were some requirements, such as a maximum number of caseloads and face to face interventions, but within these innovation was encouraged.

The Committee discussed the impact of smoking. Members queried why smoking was included in the presenting issues affecting referred families. The Head of Integrated Care said these issues had been set out with a view to proving the impact of the programme, but she agreed that they should reflect Public Health more.

Decision

To request that, when the Committee next considers Troubled Families, figures on sanctions are included in the report.

ESC/14/15 Final Report and Recommendations of the Environmental Sustainability Subgroup

The Committee considered the final report and recommendations of the Environmental Sustainability Subgroup. The report summarised an investigation into the environmental economy in Manchester and proposed 16 recommendations based on this investigation. The Scrutiny Support Officer told the Committee that the report had also been considered by the Neighbourhoods Scrutiny Committee, which had endorsed all the recommendations, with one amendment to recommendation 16: that the Neighbourhoods Scrutiny Committee also monitor the implementation of the recommendations. The Economy Scrutiny Committee endorsed this amendment.

The Committee welcomed Judith Emmanuel and Benjamin Irvine, of Steady State Manchester, to the meeting, who had participated in the investigation. Ms Emmanuel said Steady State Manchester appreciated that it had been listened to and emphasised it was important to follow up the recommendations.

Councillor Stogia, who chaired the Subgroup for the latter part of its investigation, thanked the members who had taken part, external partners for their input and officers for their support. She agreed with Ms Emmanuel that it was now crucial to monitor the recommendations in order to see their impact.

The Committee discussed whether to endorse the recommendations. A member suggested two additional points to be included:

- A further recommendation that the Council develops an energy policy which reflects the priorities identified in the investigation;
- That follow up work on this include consideration of the economic impact of the green industry, including sustainable energy and the jobs market.

The Committee agreed to endorse the recommendations in the report, with the addition of these two points. The Environmental Strategy Manager welcomed these suggestions and said that from their point of view the investigation had been extremely helpful in developing new relationships with groups such as Steady State Manchester. He added that the Manchester – A Certain Future Steering Group was undergoing a restructure and was considering how it could focus on the bigger questions asked by the Subgroup. The Steering Group had indicated it wanted to be a part of the follow up work to the Subgroup's investigation.

The Committee asked for a report to be submitted to next meeting of the Committee in June 2014 which assessed how each of the recommendations can be measured. The Committee thanked the Subgroup for their work, partners for their involvement in this successful piece of work.

Decision

1. To endorse the recommendations in the report, with the amendment that the implementation of the recommendations is also monitored by the Neighbourhoods Scrutiny Committee.
2. To agree to the following two additions to the report:
 - A further recommendation that the Council develops an energy policy which reflects the priorities identified in the investigation;
 - That follow up work on this include consideration of the economic impact of the green industry, including sustainable energy and the jobs market.
3. To request that officers submit a report to the June 2014 meeting of the Committee which proposes how the impact of each of the recommendations will be measured.

ESC/14/16 Overview Report

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

The Chair noted that this was the last meeting of the municipal year. She said the Committee was most effective when it focused in detail on particular matters, rather than looking at a number of things in a broad way. The Committee supported this general principle and agreed to bear this in mind when considering the work programme for next year, which it would do in detail at its first meeting next year in June. A member also noted meetings worked well when the different items being considered were linked in theme.

Decision

To agree the work programme.