

Economy Scrutiny Committee

Minutes of the meeting held on 24 June 2015

Present:

Councillor Green – in the Chair
Councillors Appleby, Bridges, Davies, Ellison, Hackett, Hacking, Karney, Moore, Raikes, Razaq, Shilton Godwin, Siddiqi, Strong and Peel

Councillor Battle, Executive Member for Culture and Leisure
Councillor Leese, Leader of the Council

Apologies: Councillors Amesbury, Farrell, Richards, and Simcock

ESC/15/29 Appointment of Chair

Councillor Green was nominated to Chair the Committee in Councillor Richards absence. This was seconded and approved.

Decision

To appoint Councillor Green to Chair the meeting

ESC/15/30 Minutes

Councillor Appleby noted that she was present at the last meeting

Decision

To agree the minutes of the meeting held on 27 May 2015 as a correct record subject to the above amendment.

ESC/15/31 Economic Impact of Culture on the City

The Committee welcomed Nick Merriman, Director of the Manchester Museum, who attended to provide an oral report on the Economic Impact of Culture on the City. Members had been provided with a study entitled “The Impact of Manchester’s Cultural Organisations” October 2014 which had been commissioned to evidence the impact of cultural organisations within the city.

Nick Merriman introduced the report across its main themes. He advised that cultural institutions in Manchester were aware that recent strategies did not address the cultural offer in the city; and had commissioned a study to address this and evidence the impact of Council spend on culture in the city. The report considered both the social and economic impact of culture in the city. Key findings of the report included 16 key institutions supported 221 employees and received 4.5 million visitors per annum, 671,000 of which were overnight visitors. He advised that the Council funded these organisations by up to £10 million; but that that leveraged an additional £30 million pounds of core public funding for the city. He talked of the social and economic impact of the organisations which contributed directly to council priorities,

for example, health and wellbeing, education and skills, and making the city a desirable place to live.

Members discussed volunteering and a member challenged whether the £12 estimate as an average evaluation of a volunteer workers time was appropriate. Nick Merriman advised this was a simple average and talked of the different reasons that people volunteered. Members discussed ways volunteering could be helped to encourage people back into paid work. Nick Merriman noted the importance of the quality of volunteering opportunities, and felt the impact of this needed more consideration. Members welcomed the cultural apprentices programme.

Members talked of the difficulties of working with the voluntary sector to support match funding. Nick Merriman responded by stressing the importance of doing things differently and for organisations to work in collaboration. He also explained that spend per head from the Department for Media Culture and Sport for Londoners was distorted. It was significantly more than for the national population as many organisations which operated nationwide were based in London.

In response to members queries Nick Merriman explained the merits of the Factory Venue. Members noted the need to promote and build Manchester's brand in order to compete with the number of visitors to cities such as Liverpool. Members welcomed some of the excellent organisations and events captured in the document and felt these need to be promoted more.

The Executive Member for Culture and Leisure suggested a future report should include the benefits to residents of the cultural offer within the city.

Decision:

1. To thank officers for attending
2. To receive a future report at an appropriate time, which includes the impact of the work on Manchester residents

ESC/15/32 Tax Avoidance

The Committee received a report which provided information on Council policies and public procurement law which governs the procurement of services from any organisation found to be manipulating the UK taxation system. The Strategic Director (Strategic Development) introduced the report and the Head of Corporate Procurement was also in attendance to answer questions.

Members noted similarities between tax avoidance and recent issues within the Living Wage campaign. A member noted the report was more about what we couldn't do than what we could, but felt that whilst we should comply with relevant legislation we shouldn't be restricted from doing something for fear of legal challenge. Members queried the lack of information on Corporate Social Responsibility (CSR). The Head of Corporate Procurement explained that the Council's procurement process was based around ethical CSR but stressed that we were still subject to legal constraints.

A member queried how we could ensure public money was being spent on companies that did not avoid paying tax, and therefore contributed to the public purse. He also noted the increase in shared arrangements with other local authorities for procuring services. Another member described activity ongoing at European Union (EU) level to address the issue. Members agreed this was a broad issue which they wanted to explore in more depth. They noted that this was an issue residents felt strongly about. A member recommended that Councillor Moore lead on addressing this issue. The Chair noted that a motion carried by Council in February 2015 recommended that a task and finish group be established to look into Tax Avoidance in more detail.

Members queried what other local authorities were doing to tackle this issue. The Strategic Director (Development) confirmed that other local authorities were also subject to legal constraints. He described work Sheffield Council was doing to develop a fair tax mark. Members also noted the importance of wider issues such as the impact of businesses on human rights.

Decision:

To recommend that Councillor Moore leads on the establishment of a tax and finish group for Tax Avoidance

ESC/15/33 Demographic Change in Manchester

The Committee received a report which looked at the issues in Manchester relating to demographic change and the challenges in forecasting the future direction of change. A similar report had recently been received by Finance Scrutiny Committee who recommended it be shared with all members for information. The purpose of today's meeting was to consider the economic impact of the demographic changes outlined in the report. The Committee welcomed the Head of Performance and Intelligence who was in attendance to answer questions.

Members welcomed the report and noted its importance, for example informing housing strategy. The Strategic Director (Development) advised that a report on the residential growth strategy and action plan would be submitted shortly to Executive. He advised there were major pressures on land in the city for example for Education, and the implications of permitted rights to convert buildings for residential use and the quality of those conversions. He advised that a report would be submitted to the next Executive on the Greater Manchester Spatial Framework. The Chair noted they would be interested in adding this to the work programme. A member noted the difference in quality and affordability between the private rented sector and social housing and wondered what scope there was to expand social housing, perhaps with affordable market rents rather than subsidised rents. The Strategic Director advised this was included in the work he was doing.

In response to a members query the Head of Performance and Intelligence explained there were different confidences in the intelligence sources. International Immigration figures were based mainly on the survey. She explained the use of modelling to make predictions.

Members discussed the growth in older people and the impact this had on the

economy. The Head of Performance and Intelligence described the use of 'what if' scenarios used by the Council to make predictions regarding key policies to analyse the impact. The Head of Regeneration said that an Age Friendly seminar was being run in the Town Hall on Friday 26 June and encouraged members to attend.

In response to a members query regarding whether we were receiving the right growth the Leader referred to the Manchester Community Strategy. The Strategy set out in 2005 the kind of growth the Council wanted. The State of the Cities report would be available within the next few weeks and would provide a progress update on this.

Members discussed the loss of green space, poor quality buildings, and the resistance of residents to building work near them. In response the Strategic Director advised it was difficult to refuse planning permission unless it did not meet planning requirements. He talked of developments to produce a residential design guide. He also supported the use of brownfield sites (previously built upon) to avoid the loss of green space.

Members discussed the loss of families from the city and ways this could be prevented. The Head of Performance and Intelligence advised this was not a new trend and not particular to Manchester; as families grew they tended to move further away from the city centre. She noted that different cohorts of people had different expectations with regard to services. For example, younger people today had not experienced life without the NHS. Members noted the importance of ensuring the city centre was a desirable place to live for a wide range of people.

A member noted that people living in Manchester did not recognise city boundaries. They may live or work outside of the city and vice versa. Members discussed the plans for devolution and how we could work with other local authorities to address demographic change. The Head of Performance and Intelligence advised there were proposals for a Greater Manchester Intelligence Hub that would be not just analytical. The Leader agreed with the benefits of working at a greater Manchester level and the recognition that we were increasingly a single economy.

Decision:

To add the Greater Manchester Spatial Framework to the work programme

ESC/15/34 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.

Decision:

To note the work programme.