

Economy Scrutiny Committee

Minutes of the meeting held on 25 May 2016

Present:

Councillor Richards – in the Chair

Councillors Amesbury, Appleby, Battle, Davies, Farrell, H Priest, Raikes, Razaq, Shilton Godwin, A Simcock and Smitheman

Councillor S Murphy, Statutory Deputy Leader and Chair of the Governing Body of the Manchester College

Councillor B Priest, Deputy Leader

John Thornhill, Chief Executive, Manchester College Group

Apologies: Councillors Green and Hacking

ESC/16/20 Minutes

The Committee considered the minutes of the meeting held 24 February 2016.

The Chair said an update to recommendation 2 of item ESC/16/12 'European Union (EU) Referendum – Potential implications for Manchester of the UK leaving the EU' is provided to members outside of the Committee.

Decisions

1. To request that an update to recommendation 2 of item ESC/16/12 'European Union (EU) Referendum – Potential implications for Manchester of the UK leaving the EU' be provided to members outside of the Committee .
2. To approve as a correct record the minutes of the meeting held on 24 February 2016.

ESC/16/21 Strategic update – The Manchester College

The Committee considered the report of the Chief Executive, Manchester College Group which provided members with an update on changes that are in progress across England in Post 16 Education and Skills.

The Committee welcomed John Thornhill, Chief Executive, Manchester College Group who introduced his report which provided members with a general overview of the challenges in the post 16 sector; an update on the already very significant changes to provision in Manchester since 2010/2011; an update and explanation of the draft recommendations from the Greater Manchester area review project and an overview of the implications of the Area Review for Manchester.

Mr Thornhill described to the Committee the scale of change and challenge that is required to meet and support the Greater Manchester skills priorities to 2025. He said

that he was confident that the College will respond effectively to meet the ambitions of the residents of Manchester. He said that the aspirations that the College has for 16 – 18 year old is the same as the University sector in the city has for their students.

Mr Thornhill explained that The Manchester College is working closely with Trafford College to deliver courses collaboratively and make necessary efficiency savings. He said that this collaborative approach will help meet the increasing demand for apprenticeship training, as these students often require different delivery models of learning, such as IT support rather than the traditional class room model of learning. In response to a member's question regarding the financial position of the College he reassured the Committee that they remain financially viable.

In response to a members question regarding the commercial income that was referred to within the report, Mr Thornhill said that this described income from a numbers of sources. He said that these include national employers who pay to have specific course delivered to their staff, and they also have unit that delivers professional qualifications that are required by employees to progress within their chosen profession. Mr Thornhill said that he would circulate a list of the employers that they work with.

A member asked if the reported percentage reduction in the delivery of Level 1 and 2 courses across the city was as a result of a reduction in demand or a reduction in funding. Mr Thornhill responded by saying that the number of providers of these courses across the city had significantly increased. Mr Thornhill said that he would circulate the figures of students accessing Level 1 and 2 courses and a list of alternative providers across the city.

Mr Thornhill said that the city had witnessed an increase in demand for Level 3, 4 and 5 courses, and that the College had responded to deliver these courses. He said that by doing so the College can help and support Manchester residents to access higher paid jobs and share in the wider economic success of the city.

Members commented upon the demand for ESOL courses. Mr Thornhill said that research into this had been commissioned and the findings of this are to be analysed. He said this will then help inform how this ESOL is to be best delivered and an update will be provided to the Committee at an appropriate time.

The Committee then welcomed Cllr Sue Murphy who was attending the meeting in her capacity as Chair of the Governing Body of the Manchester College. She said that the ethos of the College that underpins all of their activities is to improve the lives of residents. She said this approach is adopted whether it is a 16 year old, a prisoner or a professional seeking a qualification. In response to a comment from a member she said that the College had produced an Annual Equality and Diversity Report and recommend that this be circulated to members of the Committee.

Mr Thornhill informed the members that an announcement on the outcome of the Area Review was expected later that evening. He said that he would circulate a briefing note to the members following any announcement.

Decision

1. To note the report and thank Mr Thornhill for attending the meeting.
2. To receive an update report regarding the outcome of the Greater Manchester Area Review at an appropriate time.
3. To receive and update report on the provision of city wide ESOL courses at an appropriate time following analysis of the review.
4. To request that the Annual Equality and Diversity Report, produced by the Manchester College be circulated to members of the Committee for information.
5. To welcome the recommendation that the further information regarding the number of students accessing Level 1 and 2 course is circulated to members.
6. To welcome the recommendation that the further information detailing alternative providers of Level 1 and 2 course across the city is circulated to members of the Committee.
7. To welcome the recommendation that the further information detailing national and local employers that the College delivers courses on behalf of are circulated to members of the Committee.
8. That the Committee receives a report on the proposed 'Post 16 education and skills model for Manchester' consultation exercise at an appropriate time. An invitation will be sent to the Youth Council to attend and contribute to this discussion.

[Councillor Appleby declared a disclosable pecuniary interest and withdrew from the meeting during consideration of this item of business]

ESC/16/22 Affordability of New Homes

The Committee considered the report of the Strategic Director, Strategic Development which provided the Committee with information on how affordable housing is currently defined, developed and delivered in Manchester placing this within a wider housing market context. The report described an alternative view and approach to affordability linking income to the cost of buying and renting a home within the city.

The Director of Housing introduced the report across its broad themes. He described the challenges experienced in the housing sector and said that by applying the principles as set out within the report to future housing requirements Manchester City Council can begin to match residents with a range of products that will support them into good quality affordable homes for sale and rent.

The Committee was invited to comment upon this strategy prior to its submission to the Executive.

Members discussed the report and challenged the figure of 30% of gross income that person could be expected to spend on their rent or mortgage before a house is deemed unaffordable. A member commented that when net income is taken into account this will be a significantly higher percentage of a person's real income.

A member commented that this was a crude assessment and did not take into consideration the varying economic differences between the north and south of the city, an indeed between neighbouring wards. The Director of Housing said that this is a standard figure that is used and advised that this approach should not be viewed in isolation, but rather as part of the wider Reform Agenda and the Residential Growth Strategy that will link the growth of jobs with wider economic activity and help deliver a correct balance of housing tenure for future demands.

Members said that in certain wards they had witnessed many incidents of social housing being bought under the Right to Buy scheme that are then subsequently let by private landlords with significantly higher rents. Members commented that this has made many areas, especially in the south of the city unaffordable for many residents.

A member commented that historically there had been issues with some housing developers delivering a poor quality build standard of housing. She said that the legacy of this had created many problems for residents. The Strategic Director, Development said that he acknowledged that this had been an issue in the past. He advised that the lessons had been learnt and that a commitment is given to working with responsible developers to ensure that the housing provided is of a suitable and high quality.

A member said that smaller, local developers should be encouraged to build houses. The Housing Strategy and Partnerships Manager said that they are in those areas where they are building on smaller in-fill sites.

A member commented on the significant high cost of renting in the city centre, especially when you take into consideration the additional cost of service charges. She said that Planning regime had to be used more rigorously to ensure that affordable housing is available in the city centre.

A member commented that when old housing stock had been demolished and replaced with new builds this had attracted a higher Council Tax banding. The Director of Housing acknowledged this, however stated that as new build houses were more energy efficient these savings to the occupier would off set any additional cost in Council Tax.

In response to a comment from a member regarding the need to build more general needs affordable social housing the Director of Housing said that they have built 650 general needs properties and where possible they had purchased Right to Buy properties to retain this stock when financially possible to do so.

The Committee welcomed the Deputy Leader. He informed the Committee that the Housing Bill is presenting a significant challenge with the extension of the Right to Buy scheme and changes to tenure for those residents in Social Housing. He advised that external market forces and the practical issue of space to build are also

considerations. He said that this report will begin the consultation process to inform and explore options as to how best to respond to this changing landscape.

Decision

The Committee endorsed the recommendation that the Executive ;

1. Approve the principles contained in Section 4 of this report and authorise officers to consult with residents and stakeholders on the development of a new approach to housing affordability as described in the report
2. Note the commitment in Sec 2.18 to develop a strategy and plan to bring forward new development of social and affordable housing that seeks to maintain the current quantum of social and 'affordable' homes with a further report to a future Executive on the details of how this will be achieved.

ESC/16/23 Re-establishment of the District Centres Subgroup

The Committee considered the report of the Governance and Scrutiny Support Unit that provided members with the current Terms of Reference for the District Centres Subgroup. The Committee was invited to agree the Terms of Reference and the Work Programme. The Committee was further invited to approve the membership of the Subgroup.

Decisions

1. To approve the Terms of Reference and Work Programme for District Centres Subgroup.
2. To approve the membership as Councillors Amesbury, Appleby, Farrell, Hacking, Richards, Shilton Godwin, Siddiqi and A. Simcock.
3. To appoint Councillor Shilton Godwin as Chair of the District Centres Subgroup.

ESC/16/24 Overview Report

A report of the Governance and Scrutiny Support Unit was submitted. The overview report contained key decisions within the Committee's remit, responses to previous recommendations and the Committee's work programme. The Committee was asked to approve the work programme.

The Committee noted that it would be discussing the work programme for the forthcoming year in more detail in a private session following the meeting, and that an updated work programme reflecting this discussion would be circulated as normal in the papers for the next meeting.

Decision

To note the report.

ESC/16/25 Overview and Key Issues

The Committee received a report and presentation of the Strategic Director, Development. The presentation provided an overview of some of the key issues relating to Manchester's economy that will be of particular relevance to the work of the Committee over the coming year prior to it setting its work programme for 2016/17.

The Performance Manager (Place and Core) provided the Committee with an oral report on the data in the Quarterly Economy Dashboard that is provided to the Committee and information on the ward level economic data available through the Intelligence Hub. Members welcomed the information provided within the Economic Dashboard and requested that data is provided at a ward level and where possible comparative performance data against other core cities be provided.

The Committee noted that it would be discussing the work programme for the forthcoming year in more detail in a private session following the meeting and thanked officers for attending and helping inform the work programming session.

Decision

To note the report and the presentations.