

## **Economy Scrutiny Committee**

### **Minutes of the meeting held on 9 November 2016**

#### **Present:**

Councillor Richards – in the Chair

Councillors Amesbury, Appleby, Davies, Farrell, Hacking, S Judge, Moore, H Priest, Raikes, Razaq, A Simcock, Smitheman

Councillor Leese, Leader

Councillor Priest, Deputy Leader

Ashley Cowen, Amazon

Anne Morgan, Greater Manchester Planning and Housing Team, Greater Manchester Combined Authority

Lee Sale, Wates

Pete Bradshaw, Manchester City Football Club

Professor Ruth Lupton, Inclusive Growth Analysis Unit (IGAU), University of Manchester

**Apologies:** Councillor Shilton Godwin

#### **ESC/16/50            Minutes**

#### **Decision:**

To approve as a correct record the minutes of the meeting held on 12 October 2016.

#### **ESC/16/51            Inclusive Growth**

The Committee received a report of the Strategic Director of Development which outlined national and local responses to inclusive growth over the last year, including the launch of the Inclusive Growth Analysis Unit (IGAU) based at the University of Manchester. The Committee welcomed Professor Ruth Lupton from the IGAU. Professor Lupton delivered a presentation on the work of the unit and emerging actions which could be taken by Greater Manchester to achieve a more inclusive economy.

The Leader explained that changes to develop more inclusive growth needed to be done at a national level. However in relation to Greater Manchester there had been recognition of a better understanding of the social, political and economic policy through work of this nature. He concluded that the refresh of the Greater Manchester Strategy to be carried out next year would have a greater emphasis on inclusive growth.

In response to a member requesting further information on family poverty, the Head of Work and Skills confirmed that the Family Poverty Strategy would be brought to the Committee in December. A member expressed concern that small businesses were being lost in the development of a more inclusive economy as they were not aware of the assistance that Manchester City Council could provide. The Head of

Work and Skills explained that the Business Growth Hub was a link to the services for businesses, but recognised that there was further work to be done to promote the offer to small businesses.

Members expressed interest in the Inclusive Growth Conference being held which would feed into the refresh of the Greater Manchester Strategy. The Leader advised that an invite had been extended to Councillor Sue Murphy as the appropriate member to attend. Members requested that Councillor Murphy provide feedback to the Committee. The Chair added that an invite would be extended to Councillor Jean Stretton who was leading on the refresh, at an appropriate time.

In response to a members' query on whether the work of the IGAU was unique, Professor Lupton confirmed that they were working closely with New Economy to avoid any duplication.

In response to the Chair's query regarding whether any horizon scanning work had been completed, Professor Lupton confirmed that the IGAU were planning to organise and fund a horizon scanning workshop next year and welcomed any suggestions in relation to this. The Chair also asked if devolution had been considered as part of this project. Professor Lupton stated that whilst the work of the IGAU will touch upon devolution, the Joseph Rowntree Foundation were also contributing to this work and IGAU's input would feed into the work that New Economy was delivering on the Greater Manchester Strategy.

In response to the Chair's question on the status of the work of the Greater Manchester Poverty Commission, Professor Lupton confirmed that the Commission were undertaking significant work on poverty, through the Greater Manchester Poverty Action Group. Professor Lupton also confirmed that IGAU were working with the Commission to develop indicators of poverty alongside indicators of growth.

The Chair thanked Professor Lupton for the report and requested that the Committee receive a future update on the work of the IGAU at an appropriate time.

[Cllr Appleby and Cllr Hacking declared an interest in Manchester College}  
[Cllr Moore declared an interest as an employee of the University of Manchester]

**Decision:**

1. To note the report.
2. To request that Councillor Sue Murphy reports back to Economy Scrutiny Committee following attendance at the Inclusive Growth Conference
3. To note that an invite would be extended to Councillor Jean Stretton to a future meeting at an appropriate time
4. To request a future update and invite Professor Ruth Lupton to a future meeting at an appropriate time.

## **ESC/16/52                      Job creation through the City's large investments**

The Committee received a report of the Head of Work and Skills. The report provided an overview of the activities that Manchester City Council and partners have delivered to support Manchester residents to access and benefit from the jobs created, as a result of the economic growth of the city. The report detailed the strategies in place across the Council to support this work and provided examples of delivery vehicles by which this work is undertaken. It also provided information on large developments that have taken place across the City in the last 5 years and an overview of jobs created which have been filled by Manchester residents.

The Committee welcomed presentations from Lee Sale of Wates, Pete Bradshaw of Manchester City Football Club and Ashley Cowen of Amazon. Mr Sale delivered a presentation which provided an overview of a Joint Venture, Matrix Homes Ltd (set up by Manchester City Council and the Greater Manchester Pension Fund) which had delivered 240 new low-rise family homes for sale and rent across five sites in Manchester. Mr Sale's presentation also explained how the partnership had delivered on social value through construction and housing activity. Mr Bradshaw's presentation on the Manchester City Football Academy included how it had delivered on its corporate social responsibility and contributed to the local economy.

Mr Cowen delivered a verbal presentation on the new Amazon Fulfilment Centre in Wythenshawe. He explained it was not just a warehouse but a business in its own right with a broad range of skills and roles including human resources, security and ICT support. He stressed their commitment to local employment and thanked the Council for their help with this as 66% of their staff had been recruited via job fairs organised by the Council. He described how Manchester City Council had attached local employment as a planning condition to the planning approval to the site. Members welcomed the planning conditions attached to planning approval processes. The Head of Work and Skills explained the partnership work that had been done with the Skills Company.

Members' expressed concern about low paid workers and zero hours contracts. Amazon, Wates and City Football Academy confirmed their commitment to the living wage and permanency of employment where possible and explained the benefits that entry level workers could expect to receive. Mr Cowen advised that Amazon encouraged its workers to attend training and development and would pay the majority of costs even for non work related courses. In response to a query Mr Cowen advised the turnover at Amazon was about 1% per annum. Members expressed interest in visiting the Amazon Fulfilment Centre and Mr Cowen welcomed this. A member requested that the Amazon presentation be circulated to all members, to which members agreed.

In response to a members' question about the biggest barriers when it came to inclusive growth, Mr Cowan stated that transport links to the Fulfilment Centre had been an issue, however they had created their own bus service to better connect employees to the Fulfilment Centre. He also added Amazon were currently looking into how they can offer employment to people who were of no fixed abode or had refugee status. Mr Sale welcomed the Council's commitment to social value and stressed that further work was needed at a national level. He added that Wates were

one of the UK's major contractors and were driving that agenda at a national level. The Chair welcomed this. Mr Bradshaw highlighted that work needed to be done on aspiration within communities and low level literacy skills at entry level employment. The Deputy Leader confirmed the importance of the Skills Strategy in order to enhance aspirations within communities and bridge the skills gap.

**Decision:**

1. To request the Committee Support Officer arrange a visit to the Amazon Fulfilment Centre.
2. To request the Committee Support Officer circulate the Amazon presentation to all Manchester City Councillors.

**ESC/16/53                      Greater Manchester Spatial Framework**

The Committee received the Executive report which provided an update on the process of developing the Greater Manchester Spatial Framework, including the forthcoming consultation process under regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012. The consultation began on 31 October and will last until 23 December and will be carried out in line with the Statement of Community Involvements of the 10 local planning authorities.

The Greater Manchester Spatial Framework is an important part of the Greater Manchester Devolution Agreement, and will set out the scale and spatial distribution of new housing, employment land and associated infrastructure across Greater Manchester until 2035. The Greater Manchester Spatial Framework will thereby set the strategic context for the sustainable growth of Greater Manchester over this period, and will inform and help shape the Council's own local plan for the City of Manchester. The report was also to be submitted to Executive for information. Members of the Committee were not asked to endorse any recommendations, but to provide comments on potential implications for the city.

A member expressed concern about the lack of affordable housing across Greater Manchester. Anne Morgan from the Greater Manchester Planning and Housing Team explained that affordable housing is a general concern across Greater Manchester. The framework will allow for each of the ten districts to determine their own policy to provide affordable housing.

A member enquired as to whether there was a working partnership between the Greater Manchester Spatial Framework (GMSF) and Transport for Greater Manchester's (TfGM) Greater Manchester Transport Strategy 2040. The Head of Policy, Partnerships and Research confirmed that whilst they are subject to differing timelines, it was recognised that it is essential that both documents are aligned and further work is planned to ensure this. In response to a members concern about whether the transport infrastructure had been incorporated into the framework, Anne Morgan from Greater Manchester Planning and Housing Team confirmed that sustainable transport was integral to the framework.

The Chair expressed concern about the accessibility of the framework and the level of public engagement. Anne Morgan acknowledged that it was a lengthy document. To engage people there had been an ongoing media campaign throughout the consultation, an online video and an Executive Summary had been produced in order to better inform the wider public. She offered to share this with Members of the Committee to which this was agreed. However, media focus had been on the loss of the green belt. The Chair suggested that the large more focused documents that sit within the Greater Manchester Spatial Framework be provided to the Economy Scrutiny Committee when relevant to items on its work programme.

The Head of Policy, Partnerships and Research confirmed the focus is to continue supporting urban regeneration and concentration, developing brownfield sites whilst ensuring transport is incorporated within it. He also added that the majority of the development proposed in the framework is on brownfield sites and a significant proportion is intended for housing and commercial space in the city of Manchester. The Leader explained the importance of the framework and stated that in order to protect high quality and high value green space within the conurbation, the best available option is to release some of the green belt.

In response to a members' question on the availability of industrial space in Manchester, the Leader confirmed that whilst there are opportunities for small scale industrial manufacture, there are greater opportunities to the north and east of Manchester within the Greater Manchester conurbation. The Leader confirmed that a high proportion of development within the city will be high density development built around existing transport nodes.

#### **Decisions:**

1. To note the report.
2. To request that where documents within the Greater Manchester Spatial Framework are appropriate to items on the agenda of the Economy Scrutiny Committee they be provided.
3. To request the Committee Support Officer circulate the link to the Greater Manchester Spatial Framework video and the Executive Summary to all members of the Council.

#### **ESC/16/54                      Budget Savings Options**

The Committee received a report from the Deputy Chief Executive (Growth and Neighbourhoods), Strategic Director (Development) and the City Treasurer. The accompanying Directorate Budget reports briefly set out the financial considerations, current forecast position and savings options for the period to 2019/20. The financial position is based on the best information available. Appendix 2 to this report set out the detailed findings of the recent budget conversation held with the residents, businesses, partners and other stakeholders of Manchester which are informing the strategic plans for the city.

The Leader informed the Committee that the options contained in the reports were not Executive proposals and the Executive would be considering a draft budget in January 2017. He added that final decisions on the budget would be made in March 2017. Members of the Committee were invited to comment on the options and these comments would be provided to the Executive. The Chair advised the Committee to highlight those budget options that they would like further information on so they can be discussed in detail at the December meeting.

The Chair noted that scrutiny of the economy was overarching and may involve consideration of issues falling under the remit of other Scrutiny Committees, however, she asked members to focus on the Committee's remit. If members of the Committee wished to comment on items outside of this they can attend the relevant Committee. The Chair also noted that the whilst the Corporate Core budget was scrutinised by the Resources and Governance Scrutiny Committee, the work of the teams including Reform and Innovation and Performance, Research and Intelligence had implications for the Economy Scrutiny Committee and she may request further information on this.

The Chair was concerned about the reduction in the Work and Skills project budget and the budget and staffing in Work and Skills and requested further information for consideration. The Chair requested an overarching report on the cumulative impact of the budget savings options on the economic growth of the city. The Chair also requested a report on the Councils organisational ability to deliver its work and skills priorities and its ability to deliver its priorities in relation to growth and jobs should the proposed savings options be taken forward.

A member expressed concern about the potential reduction of the economic benefit for Manchester in relation to the Christmas offer.

The Committee discussed the savings options for Wythenshawe Forum Trust, the grounds maintenance proposal, Harpurhey and Wythenshawe markets, and opportunities for the Council to maximise its commercial income recognising that whilst these fell under the remit of other scrutiny committees, they had an impact on the economic well-being of the city.

## **Decision**

1. To request an overarching report on the cumulative impact of the budget savings options on the economic growth of the city and delivering work and skills priorities.
2. To request further information on the Christmas offer.
3. Subject to consultation with Resources and Governance Scrutiny Committee, to request further information on the savings options pertaining to Reform and Innovation, Performance, Research and Intelligence, Markets, and the opportunities for the Council to maximise its commercial income

## **ESC/16/55**

## **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 Chair asked the Committee for agreement for Councillor Sarah Judge to become a member of the District Centres Subgroup to which members agreed. The Chair added that spaces were still available for anyone that had not confirmed attendance to the visit to Manchester City Football Club following the meeting.

The Budget Reports were received late and published in a supplementary agenda as all of the budget reports were published simultaneously. Two presentations were also received late and published in a supplementary agenda. The presentations were additional information from external sources and were still published in advance of the meeting.

**Decisions:**

1. To agree the work programme.
2. To appoint Councillor Sarah Judge to the membership of the District Centres Subgroup.