

Economy Scrutiny Committee

Minutes of the meeting held on 7 December 2016

Present:

Councillor Richards – in the Chair

Councillors Amesbury, Appleby, Davies, Farrell, Green, Hacking, Moore, H Priest, Razaq, Shilton Godwin, A Simcock, Smitheman

Councillor Leese, Leader

Councillor Priest, Deputy Leader

Councillor S Murphy, Deputy Leader

Matthew Jackson, Deputy Chief Executive, Centre for Local Economic Strategies

Julie Blairs, Financial Inclusion Manager, One Manchester

Councillor Reid, Chair of Children and Young People Scrutiny Committee

Apologies: Councillor S Judge and Councillor Raikes

ESC/16/56 Minutes

The Committee considered the minutes of the meeting held on the 9 November 2016. Councillor Green noted that her attendance was not recorded. Councillor Davies advised that she had given apologies.

The Committee considered the minutes of the District Centres Subgroup held on 27 October 2016.

Decision

1. To approve as a correct record the minutes of the meeting held on the 9 November 2016, subject to the above amendments.
2. To note the minutes of the District Centre Subgroup meeting held on 27 October 2016

ESC/16/57 District Centre Subgroup Update

The Chair of the District Centre Subgroup said there had been a further meeting held in November 2016, the minutes of which were not yet available, where a number of traders and representatives had delivered oral presentations to the Group. She welcomed the presentations. A member of the Subgroup added that written submissions were submitted by the traders following the meeting and he recommended that these be shared with Economy Scrutiny Committee members, to which the Committee agreed.

Decision:

To request that the written submissions from traders submitted following the District Centre Subgroups November meeting be circulated to members of Economy Scrutiny Committee for information.

ESC/16/58 Family Poverty Strategy

The Committee received the Family Poverty Strategy Report, which set out the progress made in developing a refreshed Family Poverty Strategy for Manchester. The Committee welcomed Matthew Jackson, Deputy Chief Executive from the Centre for Local Economic Strategies (CLES).

The Policy and Partnership Manager explained that the strategy aimed to add value to Manchester City Council's other strategies. He then highlighted the strategies focus on sustainable work as a route out of poverty and the role of anchor institutions (geographically grounded institutions that employ large numbers of people and invest in the city) as key players in the strategy. Following this he noted that whilst the strategy made the economic case for supporting families through employment it also recognised this is not everybody's route out of poverty, and that building financial resilience was also of great importance. He informed the Committee that the methodologies used to formulate the Strategy were in line with the Our Manchester approach, drawing from literature, academics, place based work and over 120 conversations with citizens led by officers trained in strength based approaches. Finally he informed the Committee that the strategy was not yet complete, and that further development was ongoing.

Julie Blairs, Financial Inclusion Manager from One Manchester advised that they employed six advisors dealing with personal debt and benefits advice, and had a strong employability offer. She highlighted personal debts as a key issues that faced residents which was addressed in the report, including those resulting from council tax and rent arrears. Building upon this she discussed how few people in debt sought advice, and outlined the work that had been done in response to this, including taking advice services into job centres.

Matthew Jackson from the Centre for Local Economic Strategies emphasised the importance of anchor institutions and described the work of organisations such as the University of Manchester and Kellogs in addressing family poverty. He stressed the importance of economic growth and public sector reform in addressing inequalities through this strategy and others.

Members welcomed the report, and the Chair praised the feedback it contained from children and young people. The Chair queried the lack of feedback from parents. The Chair requested that officers consider a broader narrative around the aspirations of the strategy, focusing on parents as well as young people.

Members acknowledged the important role anchor institutions played in helping to deliver the strategy. A member asked about how the themes embedded in the strategy could be implemented by the diffuse group of anchor institutions, each possessing their own cultures and priorities. In

response Mathew Jackson said that these institutions needed to focus on embedding social value considerations into their procurement processes, review their employment and human resources policy and practices, and harness those assets and land they had for the benefit of the city.

A member queried why smoking had not been mentioned in the strategy, especially considering the health and economic costs it incurred. The Head of Work and Skills responded that as a topic smoking did not come up in their ethnographic research. Both the Head of Work and Skills and the Statutory Deputy Leader agreed that there was a link between smoking and poverty and that more work needed to be done with Public Health around this. The Chair of Children and Young People Scrutiny Committee agreed it was a problem but commented that the ethos of Our Manchester was to work with communities rather than dictate to them. The Committee requested that consideration be given to including performance indicators for smoking and life expectancy within the strategy.

A member asked about the process of finding interviewees, and if work was being conducted to reach people hard to engage with, particularly individuals in crisis. The Policy and Partnerships Manger responded by stating that interviewees had been sourced via a variety of routes, for example through sports and cultural venues and the Early Help Assessment Team but acknowledged that more work was needed. The Head of Work and Skills agreed that a targeted approach for certain groups was needed.

The Chair asked if other European cities had been looked at in the formulation of the strategy, particularly those in Scandinavia. The Policy and Partnerships Manger said that the other core cities had been approached, and that Manchester was in fact an early adopter in formulating a non-statutory poverty strategy. He also took the point on Scandinavian cities, and said that it would be looked into. The Chair praised the work around the poverty premium and the role of the Rent to Own companies. She requested a further report once the strategy was complete.

Decisions:

1. To welcome the report and thank officers.
2. To acknowledge the important role of anchor institutions in helping to deliver the strategy
3. To request that officers develop further the health aspects of the strategy and give consideration to including performance indicators for smoking and life expectancy.
4. To request that officers develop a broader narrative around the aspiration within the strategy, focusing on parents as well as young people.
5. To welcome the work around the Poverty Premium and acknowledge the role of Rent to Own companies.

6. To request a future update once the strategy is complete.

ESC/16/59 Housing Affordability

The Committee received a report from the Strategic Director for Development which presented an assertive Housing Affordability Policy Framework for Manchester that linked household income to the provision of new homes across the city. The aim was to ensure that residents who were on or below the average household income for Manchester had access to decent and secure homes. The policy recommended that Manchester City Council aim to ensure delivery of between 1,000 and 2,000 new affordable homes in Manchester each year and seek to use a range of resources to build social rented housing aimed at replacing those lost through the right to buy scheme and demolitions

The Deputy Leader explained that whilst there was a lot of new housing in the city a balance was required between housing offered at market rates and for those living on low incomes, and the report concerned how Manchester City Council could exert its influence to make more properties available to those in lower income groups. In relation to the largely expanding private rented sector he said that Manchester City Council would not tolerate bad quality homes, high rents and insecure tenancies, and would challenge poor landlords across the city. Finally the Deputy Leader assured members that whilst the report was ambitious it was deliverable.

Members welcomed efforts to ensure more affordable housing was provided within the city; and to encourage Registered Providers to build more social housing. Members discussed affordable housing, noting that the term was often misunderstood. Members enquired whether sites had been identified within the city for developments. The Director of Housing assured members that affordable housing was planned across a number of areas citywide; and consideration would be given to a mix of tenure.

Members discussed problems associated with the private rented sector including poor quality and badly insulated accommodation, insecurity of tenure, and lack of regulation of private landlords. The Director of Housing described efforts to tackle these problems, including the rogue landlord's project and selective licensing. The Chair noted that Neighbourhoods and Environment Scrutiny Committee considered housing and received more detail on this. In respect of poorly insulated homes and the links between high heating costs and poverty the Director of Housing advised that properties subject to selective licensing would have thermal assessments carried out. He added that following review of the pilot this may be extended. The Committee asked the Director of Housing to consider further how fuel poverty and carbon reduction could be incorporated within the Housing Affordability Framework.

A member noted that lack of a deposit or a bad credit history may be a barrier to private rented accommodation. He queried how the Council planned to

help support those in the rental sector with uncertain and inconsistent incomes. The Director of Housing informed members that he was working with both private and social landlords to explore options such as flexible rent schemes; but this was still in the early stages. In respect of deposit schemes the Director of Housing described the government schemes available to both tenants and first time buyers. He added that private rented properties subject to selective licensing were checked to ensure they used a tenancy deposit scheme. He said that a small amount of funding was provided by the Council's through its Adult Social Care Department for vulnerable people that required assistance with a tenancy deposit. He added that there was potential for this to be expanded. The Committee requested that the framework adopted a stronger narrative regarding income inequality.

The Chair noted that the report stated that affordable housing for vulnerable demographic groups was still under review. She requested that the Committee be updated on this further at an appropriate time.

The Committee agreed to endorse the recommendations to Executive.

Decision:

1. The Committee requested the Director of Housing consider further how fuel poverty and carbon reduction could be incorporated within the framework.
2. The Committee requested that the framework adopt a stronger narrative regarding income inequality.
3. The Committee requested a future update on affordable housing for vulnerable demographic groups at an appropriate time.
4. The Committee endorsed the recommendations to Executive that:

The Executive is recommended to;

1. Note the contents of the report and provide comment
2. Approve the Housing Affordability Policy Framework contained within Section 3 of this report.

ESC/16/60 Our Manchester Strategy

The Committee received a report of the Deputy Chief Executive (Growth and Neighbourhoods) presented by the Policy and Partnerships Manager and the Leader of The Council. The report provided information to the Committee regarding the delivery of the Our Manchester Strategy, Key Performance Indicators and the governance arrangements for the strategy including the role of Executive Members, Scrutiny Committees and the Our Manchester Forum (OMF).

Members welcomed the report, and asked for more detail on the membership of the Our Manchester Forum once confirmed. A member asked about the

way volunteering was framed in the report, asking why age profiles had not been included in the data regarding volunteers. The Leader responded that indeed age profiles would be useful, but they would be a level below the high level indicators contained within this report. He added that further indicators would be developed.

A member queried the statistics on rough sleeping found in the report, asking why they only concerned the City Centre and not other areas of the city. In response the Leader stated that they will be revising their strategy on rough sleeping, but whilst other areas of the city do indeed need work in this area it was not to the same extent as the city centre. He also commented that a clear distinction must be made between rough sleeping, homelessness and begging, and that this must be detailed in the strategy in future.

A member asked if the Leader believed the strategy to create a cleaner city was realistic. In response the Leader noted that visual disamenity caused by litter was an ongoing challenge however this should not prevent the Council and its partners from having aspirations to tackle this. In conclusion he commented that despite this he did believe the strategy was achievable over time, and that building better relationships between businesses, citizens and contractors on these issues would be key.

A member queried the reliability of the indicators in the report as a means to help identify and tackle inequality at a ward level across the city. In response the Leader assured members that these were high level indicators, and that further indicators would be developed.

A member asked what work was being done to measure that the cultural shift within the Manchester City Council workforce had been achieved. In response the Leader commented that there were indicators within the People Strategy. He stressed that it was important that employees shared the Council's values.

A member asked how the gap between reported crime and actual crime was addressed in the strategy, particularly regarding domestic abuse where this differential was high. The Leader commented that it is very difficult to track crimes not reported and that further work needs to be done to ensure people felt confident in reporting, despite the track record of increasing report rates.

Decisions:

1. To note the report.
2. To request that the term 'domestic violence' be updated to 'domestic abuse' within the strategy
3. To request that membership details of the 'Our Manchester Forum' be circulated to members of the Committee once confirmed

ESC/16/61 Delivering the Our Manchester Strategy

Part 1 – The Leader of the Council

The Leader presented his report to the Committee and welcomed any comments or recommendations. The report provides an overview of work undertaken and progress towards the delivery of the Council's priorities as set out in the Our Manchester strategy for those areas within the portfolio of the Leader of the Council.

A member asked the Leader how through the Our Manchester Strategy he is changing his approach, and how he sees things changing in the future. The Leader replied by stating that he has given up his position as chair of Core Cities Cabinet to focus on his role, he was trying to be far more visible when working with staff and spending more time with partners, providing immediate engagement in service delivery. He added that he was going to engage with community based listening sessions which are planned to be rolled out, as part of an attempt to be more visible in communities and he was spending time working on the Our Manchester forum.

A member asked the Leader to expand on what he meant by being responsible for bridging the North/South divide as one of his priorities. In response the Leader replied that he had worked for over 4 years with Northern Rail and was a board member of the Northern Powerhouse Partnership. At the conurbation level he stated that he had worked to bridge the North/South divide by developing a revised economic strategy, which focussed on economic inclusion across the city.

A member asked the Leader how effective he thought the Our Manchester training workshops had been. In response he said he thought they had been remarkably successful, with many partner organisations participating who were now working on their own strategies and ways to contribute to Our Manchester.

A member queried the Leader's role in the Manchester Airport Group. The Leader clarified that in his role he was a representative of the Council as a shareholder of the airport group. He noted the Group's strong emphasis on corporate social responsibility within their charter which he did address as a Director, and that this was reflected in activities such as the Airport Group sponsoring two of the cities' academies.

The Chair asked if the new potential Head of Paid Service was committed to the Our Manchester approach. The Leader responded by stating that throughout the interview process there had been a major emphasis on this approach.

Part 2 – The Deputy Leader of the Council

The Deputy Leader presented his report to the Committee. The report provided an overview of work undertaken and progress towards the delivery of the Council's priorities as set out in the Our Manchester strategy for those areas within the portfolio of the Deputy Leader (Housing and Regeneration).

A member asked the Deputy Leader how effective he thought the Our Manchester training workshops had been. In response The Deputy leader said he thought they had gone well to date and was pleased with how many had attended the sessions. Furthermore he stated that although the process was not complete and will require a few more years he was impressed by the response from Manchester City Council staff and partners.

A member asked the Deputy Leader what was being done to tackle issues in the private rented sector outside of the pilot selective licensing scheme. The Deputy Leader responded that there was a limited amount that could be done with housing outside of the pilot scheme due to budgeting issues, but hoped that the scheme will be a means to learn what works best and then potentially be rolled out further.

A member asked how in relation to the Our Manchester approach residents were being consulted regarding the Town Hall Renewal Project. The Deputy Leader responded by stating that there had been an effort to be as transparent as possible, with media and press coverage actively sought. He stated he was also conscious of the public's concern with the cost, but that the project would have no consequences on current services, and would be self-financed through borrowing.

A member asked how local small and medium sized businesses would be able to take part in the town hall project. In response the Deputy Leader noted that the employment of Mancunians should have been highlighted more in the report. He noted that while still at the planning stage a dozen apprentices were involved with the project, and he hoped as much work was completed as possible by local companies, through which the capacity of the city's building expertise would improve. The Deputy Leader did note that some of the work would have to be completed by specialists that may not be from the city. Members asked if a report could be provided to Economy Scrutiny Committee focusing on the work and skills element of this project.

Decisions:

1. To note the report.
2. To request a future report on work and skills development for the Town Hall Project.

ESC/16/62 Budget Reports

The Committee received a report of the Deputy Chief Executive (Growth and Neighbourhoods), Strategic Director (Development) and the City Treasurer.

The report set out the financial considerations, the current forecast position and savings options for the period to 2019/20. The Committee was asked to use the information provided to identify which, if any, of the options put forward fall into either of the following categories: A: Options which should only be considered by the Executive if the overall level of savings required exceeds £40m or B: Options which should only be considered by the Executive if the level of savings required means that all options have to be taken forward, and no alternative savings can be found. The report was accompanied by a number of appendices including the Directorate Budget Report. The Deputy Chief Executive (People) introduced the report.

A member commented that they would like the work and skills budget to be ring-fenced, as she believed even 'efficiency savings' would negatively affect services for citizens. The Chair added that work and skills and strategic development go hand and hand, and asked that option A be chosen for these items, to which members agreed

Members discussed budget options regarding the Performance Research and Intelligence (PRI), Reform and Innovation and the Policy, Partnerships and Research teams. A member asked that these departments be ring-fenced from cuts, and another questioned this, noting that many staff were employed across these areas. The Deputy Chief Executive (People) outlined the case for maintaining the aforementioned departments, highlighting their essential role in carrying out statutory duties, promoting the council's interests and fostering inclusive growth. He stressed the importance of maintaining these roles in the current circumstances following the vote in favour of the UK leaving the EU and with devolution planned. The Chair commented that this budget option fell under the remit of the Resources and Governance Scrutiny Committee but also has relevance to the Economy Scrutiny Committee, and as such that they would pass their recommendations on to the Resources and Governance Scrutiny Committee.

Similarly members noted they did not want to see any cuts to the Neighbourhood Teams and resolved to recommend to the Neighbourhoods and Environment Scrutiny Committee that the Budget Savings Options for the Neighbourhood Teams also be categorised as Option B

Decisions

1. To categorise the following options as Option A whereby they should only be considered by the Executive if the overall savings required exceed £40m:
 - i. Work and Skills
 - ii. Strategic Development
2. To recommend to the Resources and Governance Scrutiny Committee that the Budget Savings Options for the Performance Research and Intelligence (PRI), Reform and Innovation and the Policy, Partnerships and Research teams be categorised as Option B.

3. To recommend to the Neighbourhoods and Environment Scrutiny Committee that the Budget Savings Options for the Neighbourhood Teams be categorised as Option B

ESC/16/63 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.

In respect of the Economic Dashboard a member queried the differential of the average earnings of Manchester residents versus those working in Manchester compared to other cities as outlined in the report. In response the Leader noted that the comparison with other core cities discussed in the Economic Dashboard within the Overview Report was somewhat misleading, due to the fact that Manchester City Council's administrative boundaries do not contain many of the cities 'Suburbs' like other core cities. The Chair said that when the Committee next received the Quarterly Economic Dashboard she would schedule this as a separate agenda item and invite relevant officers, to which the Committee agreed.

Decisions

1. To note the report and agree the work programme
2. To note that when next receiving the Quarterly Economic Dashboard the Committee would like this as a separate agenda item and to invite relevant officers when this is next considered.