

Economy Scrutiny Committee

Minutes of the meeting held on 1 February 2017

Present:

Councillor Richards– in the Chair
Councillors Amesbury, Davies, Farrell, Green, Hitchen, S Judge, Moore, H Priest, Raikes, Razaq, Shilton Godwin and A Simcock, Smitherman,

Councillor Leese, Leader
Councillor Priest, Deputy Leader

Clair Lowe - Partnership Manager, Corridor Manchester
Vicky Rosin - Programme Director, ESOF 2016, Marketing Manchester
Sally MacDonald – Director Museum of Science and Industry

Apologies: Councillors Hacking

ESC/17/09 Minutes

The minutes of the meeting held on 4 January 2017 were received.

Decision:

To approve as a correct record the minutes of the meeting held on 4 January 2016, subject to the above amendment.

ESC/17/10 Budget Process 2017-2020 Consideration of the Executives Draft Budget Proposals and Directorate Budget Reports and Business Plans

The Leader presented the report, which provided an update on the Council's financial position and set out next steps in the budget process, including scrutiny of the Executive's draft Budget proposals and Directorate Budget and Business Plan reports and accompanying delivery plans.

The Committee were asked to consider and make recommendations to the Executive on those draft budget proposals which were within the remit of the Committee and to comment on draft Directorate Business Plans and Delivery plans which were designed to ensure the Council delivered high quality services and outcomes for residents, as well as a balanced budget, across the three financial years 2017/18-2019/20.

The Chair welcomed the report and commented that the appendices proved a good tool for the Committee to track the budget process. A member queried why the term "savings" had been used throughout the paper as opposed to the term "cuts", arguing that it portrayed them as positive when they were not. The Executive Member for Finance and Human Resources responded that he took the point on board and that language in these situations was important, moreover following Scrutiny's

consideration of the original options the Executive had tried to use the Council's resources as best possible to minimise the impact of cuts. The Leader also commented that no cuts were to be made to areas the Committee had asked. A member asked the Leader to confirm that there were going to be no cuts to the Work and Skills budgets, and in response the Leader confirmed that this was correct.

Members welcomed that the Executive had taken into account the Committee's recommendations on which options should not be taken forward and had excluded these options from their budget proposals.

Members requested that the Committee receive an update report on the Directorate Delivery Plans for Growth and Neighbourhoods and Strategic Development at its November 2017 meeting.

Members enquired about recent increases to business rates, asking if they were sustainable. In response the Executive Member for Finance and Human Resources said that it appeared there were yet to be any impacts of the increase, and that small business relief as well as the right to appeal were still in place. He also commented that the Council was committed to supporting small businesses whenever they could. The Leader also commented that whilst the Council retained the money from business rates, they did not control how these were set.

A member asked that the Council further lobby government to allow them to charge student landlords business rates. In response the Executive Member for Finance and Human Resources said that there were a number of issues regarding student landlords, including the times of year in which students were not living in their properties, and the role of universities as landlords. He also commented that the Treasurer's Office was intending to bring a report to the Resources and Governance Scrutiny Committee on this issue. The Leader also commented that there were three options in this situation; students paying council tax, landlords paying business rates, or the government compensating the council for losses in council tax revenue as it had done previously. Finally he commented that whilst the Council lobbies government on this issue regularly there had been no success thus far. Members recommended that issue of student landlords and business rates be forwarded to Resources and Governance Scrutiny Committee for investigation.

A member queried if the predicted figures for business rate income had taken into account the growth of businesses and new businesses in the city. In response the Leader confirmed they had.

Decisions:

1. To recommend that the issue of student landlords and business rates be forwarded to Resources and Governance Scrutiny Committee for investigation.
2. To receive an update report on the Directorate Delivery Plans for Growth and Neighbourhoods and Strategic Development at the Committee's November 2017 meeting.

ESC/17/11 Update on Transport for the North and HS2

The Leader and the Head of City Centre Growth & Regeneration presented the report to the Committee. The report provided Economy Scrutiny Committee Members with background on High Speed 2 (HS2) and Northern Powerhouse Rail (NPR) and outlined the latest positions of them both.

Members welcomed the report. A member asked what guidance should be given to organisations and landowners who were now affected regarding planning permission and building on land by the changed HS2 route. In response the Leader said they should stop any activities and that this was referred to as planning blight.

A member sought clarification of the purpose of moving the location of the HS2 terminus near Piccadilly station, as well as asking if this could change again. In response the Leader said it was an issue of re-alignment of the track due to technical reasons, namely that the trains needed a straighter route exiting the station than previously thought to quickly get to maximum speed, which in turn allowed for more trains in and out of the station. The Head of City Centre Growth & Regeneration also clarified that if any more changes were to be proposed further rounds of consultation would be added.

A member asked what was going to be done with the open space between the two stations. In response the Head of City Centre Growth & Regeneration said that work was currently underway addressing the pros and cons of various options. Following this a member asked about the distance between Piccadilly station and the HS2 terminal, and what plans were in place regarding this. In response the Head of City Centre Growth & Regeneration said that the gap between the stations was going to be between 5-20 meters, but that work is being done with HS2 to formulate a technical solution to make a fully integrated station.

A member expressed their disappointment that 50% of the cost of the station was to be met via local contributions, and asked why Manchester was being treated differently to other locations regarding the funding of stations. The Leader replied that the Council had been very clear that Manchester was to be treated the same as any other locality.

A member raised their concerns that the growth task force had only considered and examined the economic growth potential of this project, and had not considered environmental issues or impact for local communities as criteria for the station. Following this a member asked how the growth task force was to address job creation for citizens. In response the Head of City Centre Growth & Regeneration said that they were creating growth strategies around the HS2 station, which included looking at work and skills.

A member asked if any work had been done exploring the economic benefits of Northern Powerhouse Rail for Manchester, particularly concerning the Trans-Pennine Route. In response the Leader said that the business case is currently being developed and a piece of work on this issue was being produced.

A member provided their support and assurance for HS2, but asked that councillors be given future warning of any information releases going to residents via post, as she had many enquiries from worried residents following the last batch of HS2 information released to “affected properties”.

A member asked where the trains were to be manufactured. In response the Leader said that the procurement process was ongoing, but that train building capacity in the UK and Manchester was increasing, with a focus on component manufacturing in Manchester.

A member asked the Leaders view on the capability of Greater Manchester and the UK Government to deliver the station projects themselves, as well as Network Rails capabilities considering recent challenges they have had delivering projects. In response the Leader said that whilst he recognised Network Rails difficulties they are not involved in the delivery of HS2, however despite this he recognised there are challenges.

The Chair asked for clarification on the integrated strategy outlined in the report. In response the Leader said that both HS2 and Network rail sit on the Transport for The North Partnership board, and try to integrate the broader programmes in their own projects.

The Chair asked when the bus franchising bill was to come out of parliament, and if there were any indication of when it will come back on the agenda. In response the Leader said that the second reading was to take place in a weeks time, and that as long as the opposition did not disrupt the parliamentary process he had been assured it will pass through parliament in the time required.

The Chair thanked officers for the report, and commented that the Committee would like to receive an item on the single integrated strategy at a future meeting, as well as receive an item on the growth plans at a future meeting.

Decision:

1. To request a future report on the Single Integrated Strategy, at an appropriate time
2. To request a future report on the Growth Plans at an appropriate time
3. To note the report

ESC/17/12 Corridor Manchester

Clair Lowe – Partnership Manager, Corridor Manchester introduced the report. The paper provided an overview of the activities of the Corridor Manchester partnership during 2016, as a follow on from the presentation of the Strategic Vision in January 2016. Key investments were described which together it is estimated would be £2.3 billion to 2020. Corridor Manchester’s contribution was substantial, with £3 billion in GVA per annum, which equated to 20% of Manchester’s economic output.

Members welcomed the report. A member asked about progress in terms of providing car parking spaces on the site, and if people were not going to drive how people were going to access the site. The member also asked how successful the Wilmslow Road cycle lanes had been and if there were plans to extend the cycle lane network to other parts of the city. The Leader responded that the evaluation of cycling along Wilmslow road had been complete but the Oxford road component had not. Clair Lowe said that the issue regarding car parking was going to be discussed by Manchester estates, following which she echoed the importance of cycling and public transport provision.

A member asked how the Corridor was being branded. In response Clair Lowe said that work was taking place regarding the creation of a brand identity with a consultant to best capitalise on the opportunity Oxford Road presents. She also commented that at present branding such as the post showing how many cyclists have gone past for the year was on display.

A member asked what work was being done to connect the Corridor to other parts of the city including North Manchester, citing the cancellation of the cross city number 42 bus service as one such issue. In response the Leader said that work was currently under way to increase cross city bus connectivity, and that soon the 42 bus will be able to run down Rochdale road to the University. Following this a member outlined that Transport for Greater Manchester (TFGM) had proposed no action to solve this problem, and recommended that the Council enquire with TFGM regarding possible action that could be taken.

A member asked how health devolution was going to be used to take up new medicine and medical technologies in the city. In response the Leader said that this issue had to be seen in the wider context of the Teaching Hospitals in Greater Manchester. He added that one of the work streams for the health and social care devolution plan was innovation and was hoped to increase Manchester's footprint in this area. Health Innovation Manchester was expected to give a report to the Strategic Partnership Board of its progress to date on this issue.

Members asked what had been done regarding the development of job opportunities and career pathways along Corridor Manchester for local people, as well as what was being done with apprenticeships. The Head of Work and Skills said that the apprentice levy presented a massive opportunity along the Corridor, following which Clair Lowe said she would come back to the Committee with more details on apprenticeships and employment.

A member said they were interested to read about Manchester Metropolitan University employing local people in the report, and asked that in future such data be gathered regarding other major employers in the city. In response the Leader said that Manchester Metropolitan University were a great example of a large organisation employing local people, with over 3000 jobs offered through the charity The Works, and that their was a focus with Corridor Manchester on local jobs for local people.

A member asked what work was being done regarding increasing pedestrian movement up Corridor Manchester. In response Clair Lowe said that increasing pedestrian traffic was a key part of their plans.

A member noted that Brexit was likely to impact those working on Corridor Manchester in science and innovation. In response Claire Lowe said the implications of Brexit for students and staff was being considered at the board level.

The Chair commented that the report although extensive did not provide any kind of benchmarking to substantiate the statistics it contains, and asked that a report be brought back about the level of jobs, career entry pathways and other employment issues along Corridor Manchester. Finally she commented that it was important that the cities major institutions were engaging with local residents through employment.

Decisions:

1. To note the report
2. That the Council contact TFGM regarding what possible action could be taken to improve the 42 bus service whilst road works are being undertaken.
3. That a report be brought back before the end of the municipal year about the level of jobs, career entry pathways and other employment issues along Corridor Manchester.

[Councillor Shilton-Godwin declared a personal interest in this item as she worked for an organisation that received funding from the University; but that was not named within the report]

[Councillors Priest and Moore declared prejudicial interests as employees of the Universities and left for the duration of this item]

ESC/17/13 European City of Science 2016 and EuroScience Open Forum (ESOF)

Vicky Rosin - Programme Director, ESOF 2016, Marketing Manchester introduced the report. A video summarising the EuroScience Open Forum was played to the Committee, following which Vicky Rosin provided a summary of the event. She highlighted that 85% of delegates were satisfied and positive about the sessions and collaborations, and that they wanted to put an emphasis on the relationship between business and science.

A video was shown summarising the Manchester Science Festival. Vicky Rosin followed this by highlighting the work Marketing Manchester did with schools to make sure the legacy of these events was continued, and that partnerships with the Universities and businesses would continue. Sally MacDonald, Director of the Museum of Science and Industry (MOSI) followed by stating it was the best year the festival had had, and that their was ambition to grow it further. She also informed the

Committee that new partnerships had been made across the city as a result of ESOF and the European City of Science status.

Members welcomed the report and videos. A member commented that it was good to have seen nearly equal levels of attendees at the festival who were female and male, as well as lots of attendees being Manchester residents. In response Vicky Rosin said that a focus had been put on maintaining a gender balance from the beginning.

A member enquired why the ESOF event was held in July. In response Vicky Rosin said they obtained a discount from the conference centre during this date, and that it was a good time for academics to attend.

A member commented that they were disappointed to see that the impact of the city was only measured in economic impact, and would like to see the analysis of future impacts strengthened to incorporate other areas. Vicky Rosin empathised but explained that they only focused on economic impact through the lens of delegate spend as calculating impacts in other ways would have required too much speculation.

A member enquired as to why only 66% of respondents knew that Manchester was the European City of Science before attending ESOF. In response Vicky Rosin said that this had been promoted. A member asked if Manchester would be able to host the event in future following Brexit. In response Vicky Rosin said that the European Commission contributed 1 million Euros to the running of ESOF, and that following the Brexit vote it was highly unlikely that ESOF would be returning to the UK. A member asked if Manchester should be targeting the global market following the Brexit vote, to which Vicky Rosin replied the European City Of Science brand gave a platform for Manchester to build upon as a global city and that it was going to be taken forward with this in mind. A member stressed the importance of building links between science and business as well as promoting the economic impact of this, and the role of Manchester as a leading centre for science and business.

A member commented that many young people in wards outside of the city centre would have struggled to engage with the Manchester Science Festival's events, and asked if the sort of pop up events seen throughout the festival could occur in other district centres. In response Sally MacDonald said this was something they wanted to build upon in the future, and that this year was the first time any pop up style events had been run. Following this she discussed the 1,200 volunteer ambassadors MOSI had working in 92% of Secondary Schools in Greater Manchester, 43% of which were women. She highlighted their importance as a means to inspire young people throughout Manchester to get involved in science.

The Chair thanked guests and officers for their attendance, and thanked them for the report and videos.

Decision:

To note the report

ESC/17/14 Economic Impact of Supporting Over-50s into Employment

The Strategic Lead, Public Health introduced the report. The report described the national, regional and local policy context of older workers and set out an overview of existing services aimed at this age group. Members welcomed the report.

A member asked why volunteer work of older people was not included in the report. In response the Strategic Lead, Public Health said although not mentioned in the report there were programmes aimed at increasing the amount of volunteer participation of individuals in neighbourhoods

A member enquired about the problem of many older people staying in work due to lack of adequate pension arrangements, and asked for this to be included in a future report. Following this a member highlighted the problem of people losing pensions to pension funds that fold, and asked what the impact of that was now for residents as well as looking towards the future. In response the Strategic Lead, Public Health said that people chose not to leave work for a multitude of reasons, and that he could come back with a more complete report on this issue in the future. He also acknowledged the problem of older people in high levels of debt, and the issue of people losing their pensions.

A member queried if the trends seen with over 50s are affected by gender, ethnicity or class and requested more detail on these factors. In response the Strategic Lead, Public Health highlighted that one of the key demographics was middle aged men, who generally had trouble with networking and social skills and that this was discussed in the report.

The Strategic Lead, Public Health said that Greater Manchester wanted to become an international leader in terms of ageing cities, with increased numbers of people over 50 in employment. According to the think tank New Economy if Greater Manchester had the same levels of over 50s in employment as the UK national average they would contribute 800-900 million pounds per year into the local economy. He added that there was beginning to be a renewed focus on this age group, but that public policy had quite rightly been focused on young workers in recent years, and that if real change was to be achieved a renewed focus was required for this age group.

The Head of Work and Skills commented that traditionally those in their 50s and on benefits but employed were left alone until their pensions began and that the report addressed this issue, exploring ways to get them into work. She commented that key topic areas in this regard included businesses using flexible hiring, but that this is not at present a widely accepted practice. Finally she highlighted the difficulties often presented for those who have become carers in their 50's getting back into work.

The Deputy Leader commented that the report alerts the Council to a number of issues it is already aware of as well as areas that needed to be looked into further.

The Chair thanked officers for attending, and commented that it was a thought provoking report. Following this she asked that it be referred to the Committee's work programming session in May and that consideration be given to how it could be

brought back in the new municipal year. Finally she asked officers to explore with the Greater Manchester Hub and the Executive Member key milestones ready for the Committee's work programming session in May.

Decisions:

1. To note the report.
2. To request that officers liaise with the Greater Manchester Hub and the Executive Member to establish the key milestones and provide these prior to the Committee's work programming session at its May meeting.

ESC/17/15 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.

Decision:

To note the report and approve the work programme.