

Economy Scrutiny Committee

Minutes of the meeting held on 23 May 2018

Present:

Councillor Richards – in the Chair

Councillors Connolly, Johns, H Priest, Newman, Shilton-Godwin, Raikes, Razaq, A Simcock and K Simcock

Councillor N Murphy, Deputy Leader

Councillor Stogia, Executive Member for Environment

Apologies – Councillor Green

ESC/18/15 Minutes

Decision

To approve as a correct record the minutes of the meeting held on 28 February 2018.

ESC/18/16 Economy Scrutiny – Overview and Key Issues

The Committee considered a report of the Chief Executive and received a presentation, which provided an overview of a number of key issues and challenges relating to Manchester's economy that would be of relevance to the work of the Committee during the 2018/19 Municipal Year.

Officers referred to the main points and themes within the report and the presentation which included:-

- Manchester's population had grown well ahead of previous Office for National Statistics forecasts, with the third biggest increase of any local authority in the UK;
- The three employment sectors that were projected to grow at the fastest rate were Business, Financial and Professional services; Cultural, Creative and Digital; and Science, Research and Development;
- A number of key Greater Manchester priorities were expected to be taken forward over the next 12 months which would have an important influence on the city and included:-
 - The Greater Manchester Strategy Implementation Plan;
 - A revised Greater Manchester Spatial Framework for consultation; and
 - National transport investment decisions including HS2 Northern, Powerhouse Rail, Manchester Airport, potential Bus franchising and the City Centre Transport Strategy.
- Greater Manchester's Local Industrial Strategy and how this translated to a local context, with a focus on growth, people and place;
- The City Council's Residential Growth Strategy;
- The development of a Manchester Digital Strategy to ensure opportunities within the digital economy were maximised;

- The introduction of Technical Levels, as part of the Government's Post 16 skills Plan and the implications in delivering this at scale across the City;
- The devolution of the Adult Education Budget for the 2019/20 academic year and its impact on MAES; and
- The new Work and Health programme commissioned by the GMCA to support Manchester residents on long term health related benefits into work.

The Chair informed Members that at the rise of the meeting, Members would have a Work Programming session to determine which issues they wanted to scrutinise over the forthcoming year.

Some of the key points that arose from the Committees discussions were:-

- How was the Greater Manchester Industrial Strategy and Manchester's Local Strategy going to work alongside the national Industrial Strategy;
- What impact was Brexit going to have on the economy of Manchester and what was being done to understand and prepare for this impact;
- How robust were the assumptions around population growth in light of Brexit and the implications of European citizens choosing not to live in the UK and more precisely, Manchester, in the future;
- How confident was the Council in being able to deliver the transport infrastructure needed for the expected population growth;
- What was being put in place to assist Manchester residents who were 50 plus to gain worthwhile employment;
- The public transport network was fragmented and did not deliver for residents at the present moment;
- Was there any plans to invest in the transport network and specifically was there any plans to extend the Metrolink provision;
- What was being done to address family poverty; and
- There would be a need to hold stakeholders to account in terms of the forthcoming revised GMSF proposals.

The Strategic Director (Development) advised that discussions were ongoing in terms of what the GM Industrial Strategy and a local Industrial Strategy would look like and what it would aim to achieve, although it was acknowledged that a balanced approach for the City was required. He suggested that this could be an area that the Committee should look at as a part of its work programme for 2018/19.

The Chief Executive reported that despite Brexit, the City was seeing productivity and growth in a number of sectors and not just those that were growing at the fastest rate. The Head of Work and Skills acknowledged the challenges that faced the City in terms of skill levels of residents, the disparity in certain employment sectors between required skill levels and wages and the likelihood that some sectors would require investment due to a migrant labour market. In terms of Brexit, it was reported that political lobbying was being carried out for Government to recognise the importance of Core Cities like Manchester and the GMCA received monthly Brexit updates on how its implications were impacting on Manchester and the wider Greater Manchester region. It was suggested that these monthly updates could be shared with Scrutiny Members for information.

In terms of population growth, the Strategic Director (Development) reassured the Committee, advising that outside of London, Manchester was the fastest growing economy in the UK. There was a large amount of dialogue taking place between the Council and businesses who were interested in locating to the city and it was anticipated that this would bring significant job growth, which in turn would place demand on the city's housing market, nor was there an anticipated wholesale exit of the EU population from the city as a result of Brexit.

Officers acknowledged the concerns in relation to a lack of investment in transport connectivity and advised that there would be a need to look at ways of increasing investment for local transport strategies. At a Greater Manchester level, work was still ongoing in terms of investment priorities for Transport 2040. Capital investment at a national level was low and, as such, was having a significant impact for Manchester. In terms of any extension to the Metrolink, it was reported that the only planned extension was at the Airport, to extend it from where it currently ceased to Terminal 2.

The Head of Work and Skills explained that the changes in the welfare system had resulted in more pressure on the over 50's population and there would be a greater focus on this going forward. Businesses were however realising that they needed to do more in terms of work force retention in order to address skills shortages and changes in the Apprenticeship Levy were required to appeal to adults and how businesses viewed apprenticeships. It was reported that the Council already had in place a Family Poverty Strategy and it used the Our Manchester approach in its delivery. The Head of Work and Skills offered to submit a report on the progress of the strategy to a future meeting of the Committee.

Decision

The Committee:-

- (1) thanks the Officers for the presentation.
- (2) agrees to take into consideration the areas identified when determining its work programme.

ESC/18/17 Economy Dashboard – Quarter 4 2017/18

The Performance Analyst and Governance Lead presented the key headlines from within the Economy Quarterly Dashboard (Q4 2017/18).

The Chair informed the Committee that the dashboard was available on line and a training session on interrogating the data within the dashboard would be arranged for new Committee Members in due course.

A request was made by the Committee as to whether future Dashboards could contain a Brexit element and statistics on apprenticeships

Decision

The Committee:-

- (1) notes the dashboard; and
- (2) requests Officers consider the requests put forward by the Committee for inclusion in future dashboards.

ESC/18/18 Re-establishment of the District Centres Sub Group

The Committee considered a report of the Governance and Scrutiny Support Unit that provided Members with the current terms of reference and work programme of the District Centres Sub Group. The Committee was invited to re-establish the group and agree the membership, terms of reference and work programme.

Decision

The Committee:-

- (1) agrees in principle that the District Centres Sub Group is re-established for the 2018/19 Municipal Year;
- (2) agrees to defer the formal appointment of Members to the Sub Group to the next meeting of the Committee to allow discussions to take place between the Chair of Economy Scrutiny Committee, the existing Chair of the District Centres Sub Group, the appropriate Executive Member and Officers as to the future direction the Sub Group should take; and
- (3) requests that if any Member is interested in sitting on the Sub Group that they notify the Scrutiny Team Leader or current Chair of the Sub Group.

ESC/18/19 Overview Report

The Committee considered a report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit and responses to previous recommendations was submitted for comment. Members were also invited to agree the Committee's future work programme.

The Committee noted that it would be discussing the work programme for the forthcoming municipal year in further 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

The Committee notes the report.