

## **Economy Scrutiny Committee**

### **Minutes of the meeting held on Wednesday, 10 October 2018**

#### **Present:**

Councillor H Priest (Chair) – in the Chair

Councillors Connolly, Davies, Douglas, Green, Hacking, Johns, Newman, C Paul, Raikes, Razaq, Shilton-Godwin, A Simcock and K Simcock

**Also present:** Councillors: Leese, N Murphy and Stogia

**Apologies:** Councillor Noor

#### **ESC/18/42 Minutes**

The minutes of the meeting held on 5 September 2018 were submitted for approval as a correct record.

Further to minute ESC/18/40 (Greater Manchester Mayor's Good Employer Charter), Councillor Johns requested that the point he made in relation to the inclusion of Trade Union representatives on the Independent Panel which would be set up to oversee the running of the Charter and its development be included in the minute.

#### **Decision**

To approve as a correct record the minutes of the meeting held on 5 September 2018 subject to the above amendment.

#### **ESC/18/43 Minutes of the District Centres Sub Group**

#### **Decision**

To note the minutes of the District Centres Sub Group held on 11 September 2018

#### **ESC/18/44 Manchester and Greater Manchester Local Industrial Strategies**

The Committee considered a report of the Deputy Chief Executive, which provided an update on the development of the Manchester and Greater Manchester Local Industrial Strategies and their respective engagement approaches. The Strategies would support the delivery of the Our Manchester Strategy and the Greater Manchester Strategy by setting out a set of priorities which would deliver a more inclusive city and city region.

The Strategic Lead, Policy and Strategy referred to the main points and themes within the report which included:-

- The Manchester Local Industrial Strategy (LIS) would support the delivery of the Our Manchester Strategy by producing a delivery plan that would help to create a more inclusive economy;
- The Strategy would be aligned to both the existing UK Government Industrial Strategy and also the Greater Manchester Local Industrial Strategy (GM LIS) which was also currently under development;
- The Manchester LIS engagement approach would include a wide ranging listening exercise with young people, residents, workers and businesses across the city to provide an evidence base to inform citywide and neighbourhood actions to address the fundamental issues of low pay and productivity;
- A particular target group to engage with were people over 50, as an ageing society was identified specifically as one of the four main challenges in the Government's Industrial Strategy;
- The draft timeline for the development of the Strategy, with formal adoption taking place in summer 2019;
- The GM LIS would reflect the main themes of the national Industrial Strategy, but also take a place-based approach that built on the area's unique strengths and ensured all people in Greater Manchester could contribute to, and benefit from, enhanced productivity, earnings and economic growth;
- Greater Manchester already had a strong evidence base, however, to enable the GM LIS process to drive forward the next phase of devolution and partnership working with Government, there would be a need to build on this evidence and co-produce additional analysis with HMG;
- An Independent Advisory review was being progressed and a high-profile expert panel had been formed, who had identified a select number of research commissions that they had recommend be taken forward to support the GM LIS; and
- The views of industry would be brought into the analysis through a number of challenge sessions which would bring together businesses, policy makers, and academics to discuss the research findings.

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

- There was concern that it did not appear that the proposed engagement approach would collect any new information that had not already been collected following the previous consultation on the Our Manchester Strategy;
- Was it considered that the investment in the consultation on the Manchester LIS was worthwhile;
- What questions would be asked in the GM LIS engagement process;
- There was a view that there were important organisations missing, such as the NHS and Mental Health Providers, from the identified key strategic boards that were to be consulted with to help shape the development of the LIS;
- There was concern that the makeup of the high profile expert panel undertaking the Independent Review did not include any representation from Manchester;
- How would the strategy reflect back to residents to show their views had been included;
- How would the Manchester LIS relate to existing Council Strategies;
- What type of interventions would be part of the scope of the delivery plan;

- How would the strategy influence major employers within the city to progress their workforce;
- There was concern that the institutions represented on the expert panel all shared similar views on economic growth and the potential impact that this might have on Manchester's LIS;
- How comprehensive did the GM LIS need to be in order to obtain government funding and likewise Manchester's LIS to ensure Manchester received an appropriate amount of this funding to deliver the aspirations of the city;
- Could the LIS look to address the gaps that exist within the green jobs sector; and
- Would it be appropriate to invite comments on the proposals from external bodies who perhaps had different views from those that were currently represented on the expert panel

The Leader advised that in relation to the membership of the expert panel, the Chair of the Panel, Diane Coyle, had detailed knowledge of Manchester as she had recently left her position as a professor at Manchester University and had also led on the Manchester Independent Economic Review. The rest of the panel all had strong reputations within their respective fields which would ensure that the findings of the review would have credibility with Government.. He agreed that the link to the GM consultation would be shared with all Committee Members so they were aware of the questions that were to be asked. The Leader also informed the Committee that the Council did not currently have a coherent economic development strategy and it was envisaged that the LIS would deliver this for the Council.

John Holden, Assistant Director, Strategy & Research (GMCA) added that the detailed research work undertaken as part of the work of the expert panel was being carried out in part by academics belonging to local universities., referencing the Inclusive Growth Analysis Unit. The Strategic Lead, Policy and Strategy advised that in terms of engagement on the Manchester LIS, there would be different approaches for different cohorts and gave examples of what this would look like. He acknowledged the point made around the inclusion of NHS and Mental Health Providers on the key strategic boards and agreed that this would be picked up. In terms of the value of undertaking the consultation, it was considered a worthwhile exercise as there a lot of quantitative information obtained would be made available by the GM review, which now needed matching with qualitative data to help identify the different needs across the city. The Deputy Leader noted the point made about the membership of the Strategic Boards and gave a commitment to ensure that those organisations identified by Committee Members were made aware of the consultation.

The Leader reported that the Council had a lot of policies on economic development but no strategy that linked them all together and it was envisaged that the LIS would link all these together, addressing the 'Thriving and Sustainable' economic theme within the Our Manchester Strategy. The Leader did not share the same concerns in relation to the institutions represented on the expert panel and it would be their role to provide a body of evidence which the Council would be able to utilise. The Assistant Director, Strategy & Research (GMCA) advised that the GM Good Employment Charter would look to influence major employers within the city to progress their workforce.

The Leader welcomed the comments made in relation to the green jobs sector and advised that at a Combined Authority Level, it was an ambition for the city region to become a UK leader within this sector. In terms of the process, it was explained that the expert panel would not be informing the Council what its LIS should be but rather it would provide an evidence base the Council needed to form its LIS. It was noted that economic growth would require infrastructure investment and it was envisaged that the LIS would establish a base with government to prevent the need for resubmitting funding needs.

The Chair then invited Committee Members to highlight a number of areas that Members felt the GM and Manchester LIS should address.

## **Decision**

The Committee:-

- (1) endorses approaches being developed in Manchester and Greater Manchester and the links between the two pieces of work;
- (2) suggests the following issues/topics as the most significant issues that need to be need to be addressed by the two Strategies:-
  - the development of the green jobs sector;
  - addressing the disparity in wages and those earning the real living wage between employees and residents of Manchester;
  - to have an inclusive economic view of employment within social care;
  - a pragmatic approach to ensuring large employers within Manchester take a more serious approach to the employment of Manchester residents;
  - how the self-employed and those working within the gig economy can benefit from the city's economy; and
  - a commitment to improving the wage share of income and that all Manchester residents benefit from increased GVA; and
- (3) supports the Manchester engagement process as detailed in the report.

## **ESC/18/45 Gap analysis of the City's Bus network service**

The Committee considered a report of the Strategic Director (Development) and the Deputy Chief Executive, which provided a brief overview of the operation of the current bus service network and gaps and issues relating to these services. The report also provides a summary of the powers brought about by the recent introduction of the Bus Services Act.

The Head of City Policy referred to the main points and themes within the report, which included:-

- The role of buses in Manchester;
- Public transport journeys across Greater Manchester (GM);
- How people travelled into the City Centre during morning peak hours;
- How bus services were currently delivered in Manchester;
- The provisions of the Bus Services Act (2017) and Bus Reform, which included;

- Advanced Quality Partnerships (AQP)
- Enhanced Partnerships (EP)
- Bus franchising; and
- Advanced Ticketing Scheme and Information Availability.
- Key issues and opportunities for Manchester's bus services, which included a GM wide review of bus services, identifying key gaps in the overall provision of services that should be addressed through any form of bus service reform.

Some of the key points that arose from the Committee's discussions were:-

- It was felt that the Committee should be included in any future debate around the possible model of bus reform in the city and that as part of this debate, the Committee needed to look at the demographics of people who used buses and the reasons why they use them;
- As part of the review of bus service networks, it would be useful to look at routes that have either been removed or reduced in frequency in recent years to the detriment of service levels previously enjoyed by local residents;
- It was felt that public authorities should have the ability to specify ticket prices and compel operators to provide particular services;
- Was it necessary to identify/explore AQP's and EP's before considering the franchising of bus services;
- There was a need to consider the types of buses in operation and whether they were suitable on all routes;
- There was also a need to consider appropriate ticketing and fare levels and provide better value for Manchester residents, especially those who lived on the periphery of the city centre, in the poorest communities, who often faced higher per mile bus fares;
- The issue of "over – bussing" of some services within the city centre needed addressing;
- There was a need to understand bus users' origins and destinations when building a suitable bus network;
- There was concern that current bus operators had not always operated in good faith and it was questioned, in light of this, whether AQP's or EP's would work or provide any advantages;
- How could Elected Members raise specific concerns and contribute to the proposed consultation;
- There was a degree of surprise amongst Members that TfGM did not already have some form of plan in mind for the future delivery of bus services;
- Had consideration been given to collecting real time data in relation to the timeliness and reliability of bus services;
- It was suggested that TFGM should be looking at a similar way of travel across Greater Manchester for bus services akin to the Metrolink network; and
- While routes on main radial routes in and out of the city centre were generally well provided for it was apparent that there was gap in the current bus network service if residents were trying to make east to west and vice versa across the city.

The Head of Policy for Transport for Greater Manchester (TfGM) explained the process that the Bus Service Act required Greater Manchester to go through and in

doing so advised that TfGM were preparing a Business Case for bus reform which required obtaining a large amount of data from current operators. As this was the first time the powers of the Act had been implemented, there was a need to proceed in a careful and steady manner through the process that the Act set out. The Business Case would need approval by the Combined Authority (CA) before it was subject to public consultation. It was commented that it would probably be appropriate following approval by the CA, that the overall case for reform be re – considered by the Scrutiny Committee.

It was reported that in terms of the decline of bus services and the loss of routes, Greater Manchester was not alone in this with a lot of other Local Authorities experiencing similar cuts, to the extent that the service in London provided the same number of bus trips than the rest of the country combined. This decline had been as a result of a number of factors, including congestion, the bus network and complexity of the fare offer in Greater Manchester. It was commented that the AQP and EP proposals would require negotiation and reaching mutual agreements with operators but these would not be binding and it would not possible to enforce these arrangements. Bus franchising provided more certainty in terms of outcome.

The Head of City Policy acknowledged the issues that had been raised by Members. He explained that the Council was being asked by TfGM to identify the areas that it felt needed improving in the current bus service provision and network, in order to provide some key principles that needed to be included within the business case for change.

The Head of Policy (TfGM) reported that in relation to farer ticketing prices a franchising model could deliver a simpler pricing system for residents across Greater Manchester.

The Executive Member of Highways Planning and Transport noted the valid comments that had been made by Committee Members. She proposed that as all Elected Members would likely have a view on the areas that needed improving in the current bus service provision and network she would arrange for meetings in the North, South and Central areas of the city for Members to raise their concerns/ issues. She also added that TFGM had a wealth of data on current bus services, but in order to form suitable proposals, Members were being asked to identify what was important to them and their residents

The Head of Policy (TfGM) advised that the proposed consultation needed more assessment work before a date could be identified for its launch and the Committee would be advised as soon as possible. In relation to origin and destination data he reminded the Committee that TfGM was not a network specifier and its purpose was to fill gaps in the network which was largely defined by the bus operators at present.

Officers also advised that TfGM did collect data on the punctuality of services but did not collect real time data at present. It was also reported that TFGM were not able to affect commercial services that were delivering poor performance, as this was outside the organisation's remit.

Decision

The Committee:-

- (1) Notes the options that the Bus Services Act present to Combined Authorities with an elected mayor;
- (2) Welcomes the offer from the Executive Member of Environment and Transport to arrange meetings in the North, South and Central areas of the city for Members to raise their concerns/ issues and that these be arranged in areas that are and are not served by the Metrolink.
- (3) Suggests the following issues be considered by TfGM in developing its business case for the reform of bus services:-
  - Concerns that assessments are being undertaken based on existing service levels and that this should also include an assessment of where enhanced levels of service are required;
  - An more detailed assessment should be undertaken of the demographics of bus users and a fuller analysis of the journey purposes of users and potential users;
  - The future procurement options of services and a concern that bus operators needed to show good faith in negotiations;
  - The need to develop imaginative solutions to serve neighbourhoods away from main radial routes and address current concerns about the excessive numbers of buses on some city centre streets; and
  - Consideration be given to an integrated ticketing offer and greater equality of fares provision across the city.
- (4) Requests were made for information including a summary of data that has been used to date to underpin current findings, including information on frequencies of services and services that have been removed or reduced in the last three years.

### **ESC/18/46 Economy Dashboard - Quarter 1 2018/19**

The Committee considered the Quarterly Economy Dashboard for quarter 1 of 2018/10, which provided statistical data on economic development, housing and the visitor economy.

The Performance Analyst and Governance Lead presented the report to the Committee.

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

- Members welcomed the wealth and breadth of data that the dashboard provided;
- Was it possible to undertake further comparisons of performance with other core cities;
- What data source had been used in relation to house price and rental price information and was it possible to have data on median house price and price per square foot;
- Clarification was sought as to what Officers defined as the area of the city centre and what neighbourhoods were included within the definition;
- What was the scope and definition of empty properties;

- It was felt that further information could be included in future reports on the difference in wages of residents of the city and those who worked in the city, the increase in house prices and rental costs across wards and the number of new build properties bought by foreign investors and this impact on the housing market;
- The slight increase in the percentage of Manchester residents with no qualifications could possibly be attributed to the impact of austerity measures;
- Why had the number of apprenticeship starts decreased; and
- Was there any data available on how people previously travelled to financial centres prior to the expansion of flights from Manchester Airport

The Performance Analyst and Governance Lead explained that there was an online version of the dashboard that provided a wider range of data sets compared to the printed version before Members as this version only contained the most recent data. He agreed that if further data sets were felt necessary these could be included in future dashboards or as a bespoke data provision. He confirmed that it would be possible to compare any data set provided by a local authority or at a core city level.

The Committee was advised that the housing data was obtained from Land Registry data and was point based data which was not constrained by boundaries such as Low Super Output Areas or ward boundaries. The area referred to as the City Centre was considered to be broader than Deansgate and Piccadilly wards and the Performance Analyst and Governance Lead agreed to circulate a map as to what was considered the boundary of the City Centre. It was reported that in terms of empty properties, the volume was at a record low and short term empty data fluctuated due to supply. The Performance Analyst and Governance Lead agreed to provide median house and rental prices across the city to Committee Members.

The Performance Analyst and Governance Lead advised that in terms of the NVQ data this was subject to confidence intervals of plus/minus 2.5%, and changes year on year were usually within this tolerance which made it difficult to identify any specific issues. He advised that the Apprenticeship starts had registered a decline prior to the introduction the Apprenticeship Levy and the figures had not yet been released following its introduction to undertake a comparison. Further analysis on this would be undertaken when the 2017/18 figures became available. He advised that it was unlikely to obtain the necessary data on how people previously travelled to financial centres.

## **Decision**

The Committee

- (1) Notes the report; and
- (2) Request the Performance Analyst and Governance Lead to provide further information to Committee Members on the mean housing and rental prices in with a specific focus on the Wythenshawe area and the similar data on price per square foot if possible.



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 Chair informed the Committee that a request had been made to change the scheduling of some of the items listed on the Work Programme. In the main this resulted in the current scheduled items being moved on by one month

A result of this request now meant that the following items would be added onto the work programme for consideration at the Committee's November meeting:-

- LTE Group (formerly Manchester College) Performance update;
- An update on Manchester College's Estates Strategy; and
- Consideration of the HS2 Working Draft Environmental Statement

### **Decision**

The Committee:-

- (1) notes the report; and
- (2) agrees the proposed changes to the Work Programme as detailed above.