



Economy Scrutiny Committee

Date: Thursday, 5 September 2019

Time: 10.00 am

Venue: Council Antechamber, Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

There will be a private meeting for Members only at 9.30am in Committee Room 6 (Room 2006), 2nd Floor of Town Hall Extension

Access to the Council Antechamber

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Membership of the Economy Scrutiny Committee

Councillors - H Priest (Chair), Abdullatif, Douglas, Green, Hacking, Hitchen, Johns, Noor, Raikes, Shilton Godwin, K Simcock and Stanton

Agenda

1. Urgent Business

To consider any items which the Chair has agreed to have submitted as urgent.

2. Appeals

To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.

3. Interests

To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.

4. Minutes

5 - 16

To approve as a correct record the minutes of the meeting held on 18 July 2019.

5. [10:05 – 10:45] Delivering Manchester's Affordable Homes to 2025

17 - 42

Report of the Strategic Director (Growth and Development) attached

This report provides an update on progress against the policy ideas contained in the Affordable Housing Report considered by the Executive in December 2018 considering the demand for and supply of Affordable Homes in the City. It also provides further details of how the Council and its partners will deliver a minimum of 6,400 affordable homes from April 2015 to March 2025.

6. [10:45 – 11:15] The Impact of Brexit on the Manchester Economy

43 - 68

Report of the Strategic Director (Growth and Development) attached

This report provides an update on current evidence about the impact felt by Manchester's economy since the European Union Referendum in 2016, as well as identifying a number of potential risks arising from the decision to leave the European Union. It covers different aspects of Manchester's economy, including job growth; residential, commercial and infrastructure development;

and the impact on the city's population, including international student numbers.

7. **[11:15 – 11:45] Northern Powerhouse Rail Update** 69 - 98
Report of the Strategic Director (Growth and Development)
attached

This report provides an update on High Speed 2 (HS2) and Northern Powerhouse Rail (NPR) and outlines the latest position on both initiatives. The report also provides information on a campaign by Northern leaders for rail investment in the north and a summary of the Manchester City Council's response to HS2 Ltd.'s Design Refinement Consultation.

8. **[11:45 – 12:00] Overview Report** 99 - 116
Report of the Governance and Scrutiny Support Unit

This report provides the Committee with details of key decisions that fall within the Committee's remit and an update on actions resulting from the Committee's recommendations. The report also includes the Committee's work programme, which the Committee is asked to amend as appropriate and agree.

Information about the Committee

Scrutiny Committees represent the interests of local people about important issues that affect them. They look at how the decisions, policies and services of the Council and other key public agencies impact on the city and its residents. Scrutiny Committees do not take decisions but can make recommendations to decision-makers about how they are delivering the Manchester Strategy, an agreed vision for a better Manchester that is shared by public agencies across the city.

The Economy Scrutiny Committee has responsibility for looking at how the city's economy is growing and how Manchester people are benefiting from the growth.

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Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This agenda was issued on **Wednesday, 28 August 2019** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Mount Street Elevation), Manchester M60 2LA

Economy Scrutiny Committee

Minutes of the meeting held on Thursday, 18 July 2019

Present:

Councillor H Priest (Chair) – in the Chair
Councillors Abdullatif, Green, Hacking, Hitchen, Noor, Raikes, Shilton Godwin,
K Simcock and Stanton

Also present:

Councillor Leese, Leader
Councillor N Murphy, Deputy Leader
Councillor Rahman, Executive Member for Skills, Culture and Leisure
Councillor Richards, Executive Member for Housing and Regeneration
Councillor M Dar, Ward Member Ancoats and Beswick (ESC/19/31 only)
Councillor Flanagan, Ward Member Miles Platting and Newton Heath (ESC/19/31 only)
Councillor Taylor, Ward Member Ancoats and Beswick (ESC/19/31 only)

Apologies: Councillor Douglas and Johns

ESC/19/29 Urgent Business

The Chair introduced an item of urgent business which was in relation to the omission of the report in relation to Officers response to the Executive Member for Housing and Regeneration's Affordable Housing proposals from the agenda, as this had been scheduled for consideration at this meeting

She invited the Director of Housing to provide a brief verbal update to the Committee.

The Director of Housing apologised that the report had not been completed in time for inclusion on the agenda for this meeting and advised that the report would be completed and submitted to the meeting of the Committee in September. He advised that the report will contain comprehensive responses to the proposals set out by the Executive Member.

Decision

The Committee notes that the report will be submitted to the Committee's meeting on 5 September 2019.

ESC/19/30 Minutes

Decision

The minutes of the meeting held on 20 June 2019 were agreed as a correct record.

ESC/19/31 Eastlands Regeneration Framework update

The Committee considered a report of the Strategic Director – Growth and Development, which sought the Committee’s endorsement to the Executive’s approval of the Eastlands Regeneration Framework, following consultation with residents, businesses, landowners and other stakeholders.

The Leader referred to the main points and themes within the report, addressed the recent consultation undertaken by interested parties and also addressed the national press coverage in relation to the proposals. This included:-

- Although this was an updated Eastlands Regeneration Framework, it was not fundamentally different to what had previously been considered and agreed;
- An overview of the public consultation approach, with two specific matters that had drawn a significant interest –
 - the proposals within the Etihad Campus Commercial Zone Sub Area for a second large indoor arena; and
 - the proposals to bring forward a commercial led scheme – MXM – on Pollard Street, in and around the New Islington tram stop.
- In relation to the MXM proposal, the Framework did not propose any changes to what had previously been identified for the use of this brownfield site, other than a specific proposal had now been received which was consistent with the existing Framework;
- It was proposed that 50% of the land at Pollard Street would be green public space of high quality, including a linear park proposal.
- The MXM proposal would also create 2,500 jobs for the East Manchester area;
- The proposal for an Arena within the Etihad Campus area was consistent with the Framework for East Manchester going back over 20 years, as a key aim of the Framework (historically referred to as Sport City) had always been to deliver a large scale leisure provision;
- Any proposal for a large scale leisure provision on this site would be subject to a whole range of particular tests, including a significant ground transformation plan, a market analysis of sustainability;
- Clarification on how an expression of interest in a possible Arena had arisen and that there had been no planning application submitted for an indoor Arena within the Etihad Campus area; and
- Addressing misleading information contained within a leaflet from SMG Europe (current operators of Manchester Arena), which had been circulated to residents in East Manchester which had had impacted on the consultation responses.

The Chair of the Committee outlined and clarified the purpose and role of the Scrutiny Committee in considering the report, reaffirming that the Committee was not scrutinising a proposal for a new arena as no proposal had been received, but rather it would concern itself with the decision making process, looking at the Council’s consultation on the Framework, how it worked, the feedback and responses and recommendations to the Executive.

The Chair of the Committee invited Mr John Sharkey, Executive Vice President of European Operations for SMG Europe, to address the Committee on the proposals within the Framework. He set out the concerns SMG Europe had in relation to the

proposals within the Framework. The main concern being the inability for the Manchester market to adequately support two large seater arenas, which he advised had been supported by independent experts (Black, Grant Thornton and Oxford Economics), and the potential impact such a development would have on the existing Arena and other city centre businesses. He offered to share the findings from the independent experts with the Council or alternatively suggested that the Council undertook its own independent assessment before including the opportunity for a new 20,000 capacity Arena within the framework.

The Chair of the Committee then invited Councillor Flanagan (Ward Councillor for Miles Platting and Newton Heath), Councillor Taylor and Councillor M Dar (Ward Councillors for Ancoats and Beswick) to address the Committee with their views and comments on the proposed Framework. The key points referred to by the Ward Councillors included:-

- The regeneration of East Manchester was long overdue;
- Whilst the Council was required to maintain a neutral stance during any consultation, its position had been compromised by the misleading information contained within the information published by SMG, which potentially had a long term negative impact on the Council;
- Ward Councillor were disappointed that they had not been engaged with by SMG Europe prior to their canvassing of East Manchester residents;
- Whilst Ward Councillors would be supportive of a 21st century world class sport, leisure and recreational offer and the associated employment opportunities this would bring for East Manchester and its residents, they would not be supportive of any development at the Etihad Campus which would have a detrimental impact on congestion within their wards area;
- It was suggested that the Regeneration Framework needed to take into account the commitment the Council had recently made in tackling climate change and reducing carbon emissions;
- It was felt that Phillips Park should be included within the Regeneration Framework as it could be a key asset for the area;
- There was concern about any potential loss of green space as a result of the Pollard Street development and assurance was sought that the Council would take all necessary steps to ensure as much green space was maintained; and
- It was suggested that any development within the East Manchester area needed to be inclusive of local residents views and that they were given priority when it came to job creation and affordable homes in the area.

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

- The decision taken by Council to bring forward the target date to 2030 for zero carbon had major implications for this Framework and there needed to be detailed consideration around all aspects of how the Framework would be delivered, including the building of homes, energy use, the use of grey water and transport opportunities;
- As there had been a 20 year ambition to regenerate the East Manchester area, had there been any viability assessment undertaken to see if there was an appetite for a second internationally significant venue and, if so, what the possible implications on local businesses and trade would be;

- A Member expressed concern in relation to the potential “value loss” within the city centre if a new Arena was developed at the Eastlands campus due to its possible negative impact on the existing city centre provision and queried if any modelling had been conducted on what this would look like for businesses owners in the city centre;
- Clarity was sought as to what was referred to in the report as market driven as it appeared to be contradictory at points;
- How would the Council look to mitigate the negative publicity that has taken place so far;
- How much of the ambition within the Framework is a reflection of East Manchester residents needs and wants;
- Concern was expressed as to why had the Council only consulted with 4000 households whilst SMG Europe’s own consultation had been distributed to 5,700 households;
- Was the MXM proposal in progress and if so what was the purpose in consulting on this;
- It was felt that the comments made by Bridge 5 Mill around local and regional investment into the area and an over-emphasis on national and international investors, had not been properly addressed in the report; and
- Had the meeting request by Hope Mill Theatre been organised yet and if so what was the outcome.

The Leader advised that prior to the Council’s decision to declare a climate emergency and bring forward the target date for zero carbon emissions, he had held discussions with the Strategic Director – Development and Growth and agreed that all future SRF’s should have our carbon ambitions as a key pillar and that when this Framework was to be considered by the Executive on 24 July, he would be proposing that it be amended to reflect this. In terms of the Council’s ambition over the last 20 years to regenerate East Manchester, this had been based on detailed discussion with local communities. Until 2010, there had been significant government support in terms of resource to have this level of interaction with communities in East Manchester. However, from 2010, funding had been cut and as such had taken a significant period of time to be able to get the regeneration of East Manchester back on track.

The Committee was advised that Marketing Manchester had undertaken pieces of work on the impact of events on the overall economy of the city, which included hotel stays, the use of food and beverage outlets and retail. They did not specify where the events took place, but had identified that the biggest single generator of footfall for these businesses was from football.

The Executive Member for Housing and Regeneration commented that there was a real opportunity within the Framework to deliver zero carbon in terms of housing supply and a new partnership between ManLife and Great Places would help deliver additional affordable and social housing as part of the New Islington area.

The Director of Planning, Building Control and Licensing reminded the Committee that the Framework set out a broad vision for the Eastlands area and was not a planning policy document or site allocation document. Fundamentally, if the Council was to go through a planning policy review, it would be at this stage where the

modelling of the impact of a proposal such as an Arena would be undertaken or if an application came forward there would need to be a long robust process, including a market assessment and analysis which would include the impact on any other venues in and around the city centre.

The Leader advised that both the Executive Member for Leisure, Culture and Skills and himself had met with the proprietors of Hope Mill Theatre and there had been an agreement to work together in order to sustain what they have achieved. In terms of the MXM proposal, there had been discussions taken place around this development over the last 18 months to 2 years and it was expected that a planning application would be submitted later in the year. He advised he was not able to provide an answer as to why the Council had consulted with 4000 households whilst SMG Europe had consulted with 5,700 but agreed that Officers would look into this and provide a response to the Committee.

Furthermore, the Leader advised that in terms of local and regional investment, there was a range of investment within the proposals. In terms of businesses, MXM was very much based at local regional business rather than national or international businesses. With any investment there was a need to consider who invested, but it wasn't often known where the money came from. He added that there was a clear objective to have local, regional and national businesses represented in the East Manchester area.

Decision

The Committee:-

- (1) Endorses the recommendations asked of the Executive as detailed below.

The Executive is recommended to:-

- Note the summary of issues and comments received from residents, businesses and other interested parties set out in Section 3 to 5 of this report and approve the suggested amendments set out in these sections to the final version of the Eastlands Regeneration Framework;
 - Approve the proposed approach set out in Section 3 of this report in respect of new commercial led opportunities associated with the Pollard Street Sub Area;
 - Approve the proposed approach set out in Section 5 of this report in respect of new commercial led opportunities associated with the Etihad Campus Commercial Zone Sub Area; and
 - Delegate to the Strategic Director – Growth and Development, in consultation with the Leader of the Council and the Executive Member for Housing and Regeneration, authority to approve the final version of the Eastlands Regeneration Framework, with the intention that, if approved, it will become a material consideration in the Council's decision making as a Local Planning Authority.
- (2) Recommends that the Executive incorporates the Council's carbon reduction targets into the final version of the Eastlands Regeneration Framework;

- (3) Recommends that in approving the proposed approach in respect of new commercial led opportunities associated with the Pollard Street Sub Area, the Executive agrees to incorporate the preservation and promotion of high quality public realm and green space within the proposals; and
- (4) Request that the Executive take into account the views of the Committee and Local Ward Councillors in respect of new commercial led opportunities associated with the Etihad Campus Commercial Zone Sub Area.

[Councillor Hitchen declared that she had a conflict of interest in considering this item as she was a member of the Council's Planning Committee which potentially could receive planning applications in relation to proposals within the Regeneration Framework. Consequently, she left the meeting during consideration of this item].

[Councillor Hacking declared a personal and no prejudicial interest in this item as he is a Governor of Manchester College and Board Member of the LTE Group].

ESC/19/32 Progress update on the Manchester Local Industrial Strategy

The Committee considered a report of the Chief Executive, which provided an update on draft "Developing a More Inclusive Economy – Our Manchester Industrial Strategy" and the associated draft delivery plan and the methodology and findings of the wide-ranging engagement exercise undertaken to inform the development of the Strategy.

The main points and themes within the report included:-

- The Strategy set out Manchester's vision for developing a more inclusive economy that all residents could participate in and benefit from;
- The Strategy aligned to the Greater Manchester Local Industrial Strategy and specifically set out Manchester's unique position as the conurbation core, and our responsibility to promote and drive inclusive growth within its economy;
- The Strategy considered Manchester's successes and challenges, and focused on three pillars – People, Place and Prosperity;
- Each of the pillars contained a number of themes to be prioritised to promote economic and social justice in Manchester;
- To implement the vision of the Strategy, a delivery plan containing a small number of evidence-based initiatives to make Manchester's economy more inclusive had been developed;
- These initiatives are in addition to existing work programme and will add value; and
- A wide ranging engagement exercise was undertaken in winter 2018/19 to inform the development of the Strategy. Alongside this, a literature review and analysis of quantitative data was also undertaken;

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

- Given the expected significant increase in population within the city, had any thought been given to ensure the required infrastructure was in place, for example school provision;

- What support was offered to local businesses to help in relation to reducing carbon emissions and payment of Business Rates;
- There was a need to consider how the Council's recently adopted position in declaring a climate emergency impacted on this strategy
- There was a key opportunity to develop a skills led industry within the area of carbon retrofitting and what work was being done to develop this;
- The Strategy needed to also reflect the opportunity to develop District Centres and the support available to businesses in these areas;
- It was noted that the Inclusive Economy section of the draft strategy was particularly strong and the Council should be promoting further the positive work it was doing in this area;
- Whilst it was pleasing to see the inclusion of Community Wealth building, it was felt that more could be done to strengthen this area, incorporating people and the impact on health;
- There was an opportunity to look at wellbeing (within its holistic sense), as part of the Strategy;
- There was concern around the higher digital skills that will be needed in future labour markets and the lack of reference to the linkage of these skills to an academic maths qualification;
- Whilst it was welcomed that Manchester was aspiring to be an international hub of creative industries, it was felt that there was a lack of reference to grass roots creative industries, such as Manchester International Festival and the Manchester Fringe, as these provided opportunities for horizontal relationships and community wealth building;
- Noting the detrimental impact of technology on those working in the distribution sector, where salaries were usually low paid;
- With the proposed increase in passenger numbers at Manchester Airport, how was this going to impact on reducing the city's carbon emissions;

The Head of Work and Skills advised that in terms of carbon retrofitting and being a skills led industry, there was a workshop planned within the coming weeks with stakeholders to start to look at what could be done in the short and medium term. The main challenge however was to determine what the Council's priorities would be for delivering carbon neutral by 2030 and which specific actions were going to be progressed.

The Leader commented that from a Greater Manchester perspective, zero carbon was one of the nine priority areas identified in the GM Local Industrial Strategy. Whilst there were some actions that could be taken locally in terms of zero carbon retrofitting, he advised that there would need to be a market at least the size of Greater Manchester in order to develop a skills led industry.

In terms of support for businesses, it was explained that this was provided by the GM Business Growth Hub and they had been invited to the Committee's meeting in October 2019 to report on how they were supporting businesses. In terms of Business Rates support, there was a national determined set of criteria to exempt businesses from paying these if they were below a certain size, but other than that there was limited local discretion as to what further support could be offered. It was noted that the work of the District Centres Sub Group would be reported back to the

Committee later in the year and as part of this, the role District Centres and support available to them could be discussed.

The Strategic Lead Policy and Partnerships advised that the Manchester LIS was only at a draft stage currently and there was still opportunities to develop the broader themes based on the views of Members. The next steps would be the need to identify in greater detail how these themes will be delivered.

Officers acknowledged the point made around population growth and its impact on both social and physical infrastructures. He confirmed that this was something being considered as part of wider discussion relating to the Greater Manchester Spatial Framework and agreed to pass on the Committees comments to relevant officers.

The Deputy Leader agreed that changes to the Strategy would be required following the Councils declaration of a climate emergency and this would be reported at the next meeting of the Executive.

The Strategic Lead Policy and Partnerships acknowledged the comments and points made around the inclusion of grass roots creative industries and agreed to address the community wealth building point and include people as well as places. The Head of Work and Skills noted the points made around digital skills and the linkages to academic qualifications. She advised that work was taking place with schools, colleges and post 16 providers which was focussing on the need to have more of our young people to undertake STEM related academic subjects. She advised that the real challenge was meeting the needs of the sector at the present moment.

The Leader advised that there was need to distinguish between the Airports carbon emissions and the aviation industries carbon emissions. He advised that the Airport itself was actually almost at zero carbon emissions in terms of its operations. He commented that the Council had limited levers it could use to try and address the aviation industries emissions and this was something that required international support. The Chair requested that Members be provided with information on what levers the Council and The Airport could use to put pressure on the aviation industry and that it would be good to see this point acknowledged in Manchester's Local Industrial Strategy

Decision

The Committee:-

- (1) Note the draft Developing a More Inclusive Economy – Our Manchester Industrial Strategy;
- (2) Request that Officers take into account the comments made by the Committee in producing the final version of the Strategy; and
- (3) Agree that the final version of the strategy be taken for consideration by the Executive in Autumn 2019.

ESC/19/33 Delivering the Our Manchester Strategy - Leader of the Council's portfolio

The Committee considered the report of the Leader of the Council, which 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 his portfolio.

By way of a further update the Leader informed the Committee that the Executive would be considering a report at its meeting on 24 July 2019, requesting that he Executive agreed the elements of the Council motion on climate emergency that were an executive function and advised that the Executive would be supporting the motion in its entirety and subsequently an Action plan would be presented back to the Executive in the Autumn

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

- It was concerning that given the current level of political uncertainty and no indication as to whether or not a government spending review will take place, what the implications would be for the Council's budget from April 2020 onwards;
- Was there any possibility for Council investment into the refurbishment of the Sharp Project or was this to be externally funded; and
- What had the Leader done differently as a result of scrutiny;
- What was the Leader doing to ensure Manchester and local authorities would be potential beneficiaries of the comprehensive spending review (CSR);
- How was the Council engaging with relevant bodies in regards to Brexit and a possible Shared Prosperity Fund; and
- How well was the relationship working between the Council and the GMCA.

The Leader advised that in terms of the Sharp Project and Space Studios and One Central Park, these had initially required significant Council investment, however, over the last five years it had been expected that any further expansion or further investment would be funded out of the businesses themselves. In terms of expansion, Fujitsu tower had been removed at Space Studios resulting in a very significant site being available and a range of opportunities were being considered, including the potential for additional sound stage provision and workshop space. Similarly with the Sharp Project, it did require a level of upgrading in order to maintain its unique offer.

In terms of what he had done differently as a result of Scrutiny, he commented that scrutiny had introduced more rigor into the Officer process of preparing reports and the Executive gave very careful considerations to any recommendations that had come from Scrutiny.

He advised that he Chaired the LGA's City Region Board which one of its main areas of focus was to ensure funding solutions for local authorities were advantageous as possible. The LGA had already made representations to Government around the CSR and where local authorities largest pressures rested (Adults and Children's

services). From a Greater Manchester perspective, there would be a focussed submission around skills, infrastructure and building a more inclusive economy, as, as a region, it was more advantageous by having a collective voice. The Chief Executive added that Manchester was good at using evidence based initiatives to demonstrate how investment in an Our Manchester approach reduces demand on services.

The Leader advised that there were Political and Chief Officer networks engaging with Government around Brexit. As Leader he received regular reports from the Strategic Director – Neighbourhoods who was the lead officer for planning for a no deal Brexit. The Statutory Deputy Leader (Councillor S Murphy) was a member of the LGA body that was having regular engagement with ministers on Brexit. In terms of a shared prosperity fund, the Leader advised that the LGA City Region Board, which he was Chair of, had lead responsibility for looking at governance arrangements post any exit from the EU and ensuring any powers from Brussels were devolved down from Whitehall.

Finally, he advised that in terms of governance, the GMCA was evolving and gaining some significant powers as a result of the devolution arrangements and introduction of the GM Mayor. He advised that he was now the only GM Leader who had signed the original devolution deal in 2014 and as a consequence, this had meant some key elements of public service reform had required work to ensure new Leaders were familiar with these.

Decision

The Committee notes the report

ESC/19/34 Delivering the Our Manchester Strategy - Executive Member for Housing and Regeneration's portfolio

The Committee considered the report of the Executive Member for Housing and Regeneration, which 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 his portfolio.

Some of the key points that arose from the Committees discussions within the Executive Member's report were:-

- Would it be possible to roll out selective licensing to high streets in the future;
- Would the right to buy back policy for Council houses be included in the report expected at Septembers meeting;
- What had the Executive Member done differently as a result of Scrutiny;
- What was meant by management companies within selective licensing; and
- How would local ward Members have an input into the community led housing event and consultation on the final strategy;
- It was suggested that the community led housing strategy should be more ambitious and look at wider and larger schemes.

The Executive Member advised that in terms of the rollout of selective licensing, a further four areas had been identified to roll this out to which would be reported to Neighbourhoods and Environment Scrutiny in early 2020. In relation to selective licensing on high streets, targeted work on flats above shops had taken place to address issues of standards of accommodation and the vulnerability of occupants. Further work would be undertaken to extend the selective licensing process. She added that the reference to management companies within the selective licensing pilot was another terminology for letting agents, who were used where struggling landlords were not able to manage or were not aware of their responsibilities and this direct support had been welcomed.

In terms of the Council's Right to Buy policy, the Executive Member confirmed that this would be covered in the report expected at September's meeting on Officers responses to her affordable housing policy proposals. She added that although the Right to Buy Policy would not solve the City's housing crisis it was important in terms of the message it sent to government and the cost that it generates for the Council.

The Executive Member advised that Scrutiny had made her look more closely at the relationship between strategic development and local ward members and the importance of consulting appropriately with local ward members on strategic housing and residential growth proposals/developments. She also commented on the positive work that had been undertaken by the District Centres Sub Group.

Furthermore, the Executive Member reported that the community housing strategy was about ensuring groups of residents in the City who wanted to come forward with their own schemes had a very clear understanding of how the Council would engage and support them. This would come to scrutiny for the opportunity to feed into this.

Decision

The Committee notes the report

ESC/19/35 Review of Post-18 Education and Funding (Augar Review)

The Committee considered a report of the Head of Work and Skills, which provided an overview of the key recommendations of the Independent Panel Review of Post-18 Education and Funding, chaired by Dr Philip Augar.

The main points and themes within the report included:-

- Key findings of the review;
- Key messages for Greater Manchester;
- Guiding principles and the panel's proposals
- Cost of implementation; and
- Implications for the delivery of both the Manchester and Greater Manchester Local Industrial Strategies.

The Committee was advised that report was for information only at this stage, and set the context for bringing back a more detailed report to a future Committee meeting,

subject to the Government agreeing the implementation and funding of some or all of the recommendations.

A key point that arose from the Committees discussions was a proposal that the Council lobbied central government to influence that this review remained on their agenda and the recommendations were taken forward

The Executive Member of Skills, Culture and Leisure noted that the review had been long overdue and there had been a disproportionate balance between further education and higher education. He gave a commitment to lobby government to try and ensure that it took on board the findings of the review.

The Chief Executive advised that she led on skills on behalf of Greater Manchester and outlined the work being undertaken regionally and nationally to look at how the findings of the review could be taken forward, including the possibility of devolution of funding for further education. The Head of Work and Skills gave a brief outline of the opportunities that existed for the City to raise the profile and offer of Further Education.

Decision

The Committee:-

- (1) Notes the report;
- (2) Requests that the Executive Member for Skills, Culture and Leisure lobbies government to ensure it takes up the recommendations of the review; and
- (3) Agrees to receive a more detailed report at a future meeting, subject to the Government agreeing the implementation and funding of some or all of the recommendations

ESC/19/36 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 Chair proposed that the Committee received a report at its next meeting on the impact to date on Manchester resulting from the ongoing Brexit discussions, which was listed as an item to be scheduled on the work programme.

Decision

The Committee:-

- (1) notes the report;
- (2) agrees to include a report on the impact of ongoing Brexit discussions on Manchester, as outlined in the work programme, at its next meeting on 5 September 2019.

Manchester City Council Report for Resolution

Report to: Economy Scrutiny Committee - 5 September 2019
Executive - 11 September 2019

Subject: Delivering Manchester's Affordable Homes to 2025

Report of: Strategic Director - Growth and Development

Summary

This report provides an update on progress against the policy ideas contained in the Affordable Housing Report considered by the Executive in December 2018 considering the demand for and supply of Affordable Homes in the City. It also provides further details of how the Council and its partners will deliver a minimum of 6,400 affordable homes from April 2015 to March 2025.

Recommendations

The Economy Scrutiny Committee is invited to comment on the report and endorse the recommendations to Executive as detailed below.

The Executive is recommended to:

1. Note the increase in the forecast Residential Growth delivery target for new homes in Manchester from April 2015 to March 2025 of an additional 7,000 homes to 32,000 homes.
2. Note the proposed increase in the delivery target between April 2015 and March 2025 from 5,000 Affordable Homes to a minimum of 6,400 Affordable Homes.
3. Note the limited capacity of the Council's Housing Revenue Account and the Council's Housing Affordability Fund to support new additional Affordable Homes in the city and that significant new Affordable Home delivery in the city is dependent on robust partnership relationships with Registered Providers, which currently have the financial and delivery capacity to deliver those homes.
4. Delegate authority to the Strategic Director - Growth and Development, and the Deputy Chief Executive in consultation with the Executive Members for Finance and Resources and Housing and Regeneration to negotiate and formalise a Strategic Partnership with Homes England
5. Delegate authority to the Deputy Chief Executive, Strategic Director - Growth and Development and Head of Development in consultation with the Executive Member for Housing and Regeneration, to agree the disposal of sites in

Council ownership for the provision of affordable homes as set out in this report

6. Delegate authority to the Strategic Director - Growth and Development and the Deputy Chief Executive in consultation with the Executive Members for Finance and Resources and Housing and Regeneration, to establish partnership arrangements with Registered Providers together with their partners/consortium for defined areas in the North, Central, South and Wythenshawe areas of the City.
7. Note progress against the Policy Ideas presented to Executive in the December paper by the Executive Member for Housing and Regeneration
8. Delegate authority to the City Solicitor to enter into and complete all documents and agreements necessary to give effect to the recommendations in this report.

Wards Affected All wards

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

Manchester Strategy Outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	This refreshed approach to affordability will ensure Manchester has the right mix of housing that is affordable across a range of tenure and income levels to support a functioning Manchester and sub-regional economy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The new and existing homes will be well connected to employment opportunities and schools
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Increasing the supply of good quality affordable homes for sale and rent will provide the opportunity for Manchester residents to raise their individual and collective aspirations
A liveable and low carbon city: a destination of choice to live, visit, work	The right mix of quality energy efficient housing is needed to support growth and ensure that our growing population can live and work in the city and enjoy a good quality of life.

	Project 500 will deliver development of scale to support low carbon initiatives and solutions that may not be available through piecemeal development.
A connected city: world class infrastructure and connectivity to drive growth	This approach recognises the importance of a balanced housing offer plays within a well-connected city and the neighbourhoods within it. It seeks to create neighbourhoods where residents will choose to live and their housing needs and aspirations are met.

Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

There are no direct revenue consequences arising from this report, but as and when any new schemes are brought forward the detailed revenue consequences will need to be considered to ensure that the scheme is affordable and that the implications on the Housing Revenue Account and General Fund are considered as part of the decision making process.

Financial Consequences – Capital

The current approved Housing Revenue Account budget does already allow for the costs and implications of the following new build programmes:-

- Brunswick PFI New Units
- North Manchester New Build 1 Programme
- North Manchester New Build 2 Programme

Any additional capital proposals affecting either the General Fund or the Housing Revenue Account capital programme over and above the existing approved budget will need to be considered on a case by case basis as part of the business case process for any new schemes.

The majority of development is on brownfield, second/third generation development land and consequently investment may be required to remediate sites. Primarily this is to be sourced through external funding from Homes England or Registered Provider partners.

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Background documents (available for public inspection)

The following documents disclose important facts on which the report is based and have been relied upon in preparing this report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the officers above.

- Core Strategy, Executive, 27th June 2012
- Draft Residential Growth Strategy, Executive, 4th November 2015
- Housing Affordability in Manchester, Executive, 1st June 2016
- Housing Affordability in Manchester, Executive, 14th December 2016
- Housing Affordability Plan, Executive, 18th October 2017
- Housing Affordability Plan New Products, Executive, 7th March 2018
- Executive Member priorities, Executive, 30th May 2018
- Delivering Manchester's Affordable Housing Strategy - Proposed new affordable housing policies for the Council, Executive, 12th December 2018

1.0 Introduction

- 1.1 In December 2018 Executive endorsed a report on Delivering Manchester's Affordable Housing Strategy. This report proposed an increased Residential Growth target of 32,000 new homes from April 2015 to March 2025, together with a revised target of a minimum of 6,400 Affordable Homes (20% of the Residential Growth target). It also set out a number of policy ideas to contribute to deepening and broadening the delivery of Affordable Housing in the city.
- 1.2 Prior to formalising the targets, Members asked officers to explore in particular land availability and potential funding arrangements to support the delivery of a minimum of 6,400 affordable homes over a ten year period to March 2025. This report sets out the details of how this target will be met and the range of delivery options being considered and proposed.

2.0 The Residential Growth and the Affordable Housing Context

The Manchester Economic Context

- 2.1 Manchester is entering the second phase of its post-industrial economic restructuring with growth expanding beyond the City Centre and the emergence of a new and diversified employment market in a number of important sectors across the City. There are currently c.390,000 jobs in Manchester, forecast to grow by c.63,000 by 2038, mainly in financial & professional services (20,000 new jobs) and the health sector (11,300 new jobs). As the employment market widens and deepens, the confidence for business and others to invest in the city has continued to increase. The City Centre office market, in particular, has benefitted from an additional c.435,000m² of new Grade A space over the last two years (Deloitte Crane Survey) and a further c.460,000m² is under construction or planned.

Job Growth creating Housing Demand

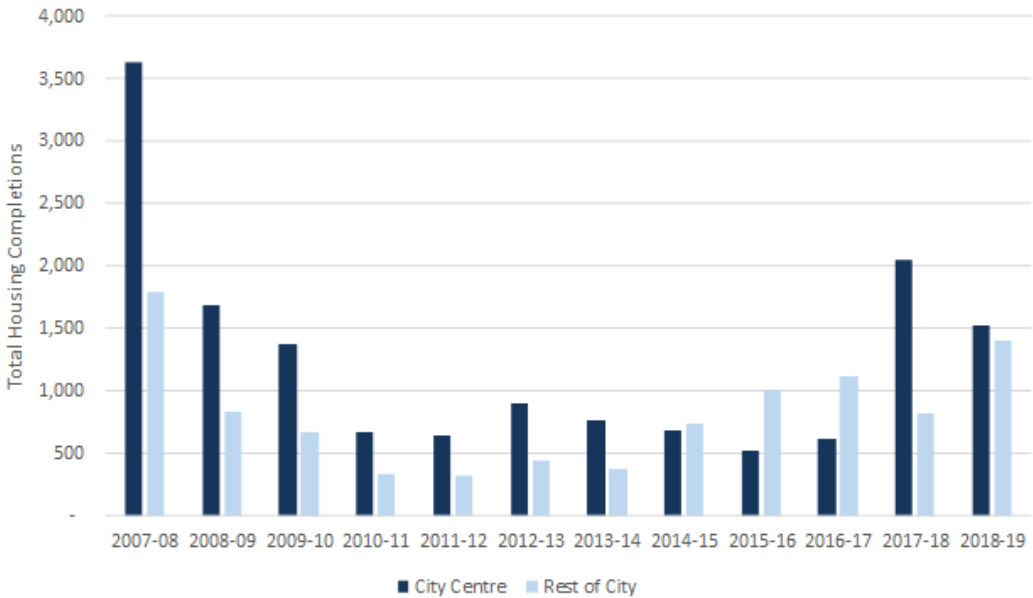
- 2.2 The growing economy and increasingly diverse opportunities for employment are attracting significant numbers of people who want to live in Manchester. According to the last Census (2011), Manchester was the fastest growing City and the third fastest growing Local Authority area between 2001 and 2011. The latest forecasts suggest that the population of Manchester will exceed c.650,000 by 2026 with over 100,000 of those living in the city centre - by far the fastest rate of growth of any part of Greater Manchester.
- 2.3 In addition to the growth of young graduates now being attracted to live in Manchester the increase in the city's population is also being driven by significant numbers of international migrants - attracted by proximity to jobs and established language, nationality and faith networks - which have acted to create exceptionally high demand for new homes in the core of the conurbation and surrounding neighbourhoods. In the past some reception neighbourhoods have had a high turnover of residents but trends now suggest that families are beginning to stay and lay down roots. Over the last decade

new reception areas for international migrants have become established in neighbourhoods such as Gorton and Moston.

- 2.4 Forecasts suggest that by 2025, almost half (49%) of the people employed in Manchester will be educated to degree level or above. This trend has developed as a result of improved educational outcomes in Manchester schools over the last decade and also in parallel with high levels of net migration into the city which, when combined with record rates of graduate retention along with an accessible housing market, has acted to fuel a level of population growth unprecedented in the city since the Industrial Revolution.

New Homes in the City

- 2.5 Over 5,400 homes were completed in Manchester at the height of the market in 2007/08 but this scale of delivery ended abruptly as the financial crash of 2008, and the subsequent economic recession, took hold having a dramatic impact on the financing of house building in the City. This led to an almost instant removal of investment finance from the market and, together with an absence of High Street bank lending, combined to constrain development of house building at scale with no appetite from banks and other financial institutions to invest in any form of apartment type development in the core of the conurbation. The result was a housing pipeline that between 2010/11 and 2016/17 failed to get above between 1,000 to 1,500 completions per annum, with most homes delivered outside the city centre.



- 2.6 In the period prior to 2016/17 Manchester’s population growth was accommodated by a more efficient use of the existing housing stock, in particular, with residents’ occupying empty properties. This coupled with a chronic undersupply of new homes resulted in record low vacancy levels and the scope for new household growth significantly constrained. Throughout this period, the task of encouraging new housing supply in the city, and in particular the city centre, has been a significant challenge with developers and

fundors reluctant to expose themselves to significant development risk. The establishment of the Greater Manchester Housing Investment Fund (GMHIF) in June 2015, and the essential development finance this funding agreement with Government has delivered, has helped to unlock mainstream institutional finance to fund new homes in Manchester. This Fund, along with other forms of Government support such as Help to Buy, have helped drive a recovery in the overall numbers of homes being completed in Manchester (c.3,000 per annum in both 2017/18 and 2018/19).

- 2.7 Looking forward, a further c.14,000 new homes are forecast to be completed by March 2022¹ (2019/20 to 2021/22) as current forecasts suggest that in 2019/20, Manchester may come close to the 2007/08 peak of 5,412 homes. The support that the GMHIF is playing to the delivery of these forecast number of completions cannot be understated. These homes that are currently under construction and will be delivered in this and the subsequent two financial years are probably going to be a high watermark for the City.
- 2.8 Notwithstanding the continued forecast growth in the numbers of jobs within the Manchester economy over the next decade a number of factors are now starting to influence the appetite of the market to bring forward new supply, particularly in the City Centre which is linked to the appetite of financial institutions to support further residential development. These challenges for funding are associated with the uncertainties for the national and the Manchester economy generated by both Brexit and the wider global economic uncertainties. The impact of this fiscal landscape is now leading to a slow down in the pace of schemes being brought forward for development.

The Social Context

- 2.9 In parallel with the unprecedented levels of population growth in the city there has been a very significant impact on the housing market arising from the impact of the 2010 Coalition Government's and the Conservative Government's austerity measures and associated welfare reforms. Manchester's residents have suffered significantly with Housing Benefit changes and the move to Universal Credit impacting particularly on families and those on lower incomes. The challenges faced by many who confront their "income crisis" in their day to day lives have risen significantly over the last decade. The impact of austerity coupled with steps taken by some landlords has led to an increasing number of people and families presenting as statutory homeless.
- 2.10 In the last ten years Manchester residents have also seen little or no improvement in their living standards. At a national level, average (median) earnings have remained 2-3% below levels in 2007/8 and they show little sign of rising significantly in the future. If the forecasts up to 2020 are correct, the IPPR believe that the 2010s will be the weakest decade for average real earnings in 200 years. Aligned with the lack of improvement in living standards has been the significant growth in zero hours contracts and self employment

¹ Assuming all schemes currently under construction and with full planning permission (expected to complete by March 2022) are delivered to schedule

driven by businesses seeking to take advantage of a more flexible workforce and minimise social security liabilities. Such casualised conditions of employment are further contributing to locking low paid workers and their families into poverty.

The Delivery of Affordable Homes

- 2.11 Since 2010, the previous Coalition Government and the current Government have promoted the delivery of new homes for purchase at the expense of homes to rent, particularly those at social and affordable rent levels. At the heart of this has been the Government cuts, both to Local Authority budgets and to Registered Provider rents and hence spending power. A recent report by the Chartered Institute of Housing 'Dreams and Reality - Government finance, taxation and the private housing market' highlighted that about £8bn of Government investment a year is going into the private housing sector over the five years to 2020-21 – with over half of that being spent specifically on supporting home ownership (including Help to Buy). Over the same five years, direct funding for new Affordable Housing amounts to less than £2bn annually with c£800m of this expected through the lifting of the borrowing cap for Local Authorities.
- 2.12 As set out above, during this same period the impact of the Government's welfare reforms are clearly impacting on the housing market, affecting those on low incomes and a range of vulnerable households, particularly but not exclusively those living in the private rented sector.
- 2.13 The growth of the Manchester economy and the resultant employment growth has been accompanied by a continued demand for homes in the City, which has brought some challenges. The strength of demand for housing - particularly in the private rented sector combined with welfare reforms has seen some private landlords switching to tenant profiles not in receipt of benefits. At the same time the expansion by the Government of Right to Buy policies has seen more social and affordable rented properties lost. The higher rents, limited security and poorer quality of much of the private rented sector has exacerbated the challenges, leading to increasing levels of homelessness and an increasing reliance on temporary accommodation, some of it outside the City boundaries.
- 2.14 All of these drivers has meant that fewer properties are available for Manchester residents on lower incomes. Manchester's Housing Register has been increasing for years and now has just over 15,000 live households on it of these, almost 5,000 are classed as in housing need. The turnover of social homes at its lowest in recent years with just 2,500 new tenancies let in 2018-19 which means prospective tenants will be waiting longer to be rehoused, some of whom will not be offered social housing for a number of years.

Delivering New Affordable Homes - the role of Homes England

- 2.15 The 5 year Shared Ownership and Affordable Homes Programme (SOAHP) was launched in April 2016 with a £4.1bn (SOAHP Prospectus 2016 -21) fund to deliver:

- 135,000 shared ownership homes
- 10,000 Rent to Buy homes; and
- 8,000 homes for supported and older people's rental accommodation

Apart from the older peoples' rental accommodation this signalled a clear shift in government policy to focus directly on affordable home ownership.

- 2.16 Due to increased lobbying from Registered Providers and Local Authorities the funding was increased by £1.4bn (SOAHP addendum to prospectus 2017) in January 2017 and £1.67bn (SOAHP addendum June 2018) in June 2018 to deliver :

- 40,000 new homes introducing Affordable Rent as part of mixed tenure schemes
- 25,000 new homes with the majority for Social Rented housing

This took the total funding available for affordable homes to just under £7.2bn but more importantly it opened up the opportunities for Local Authorities and Registered Providers to bid for grant to provide for Social and Affordable rented housing.

- 2.17 Since its creation in January 2018 by the Government, Homes England (formerly known as Homes and Communities Agency), along with this significant new investment, has provided both new impetus and new opportunities for Manchester to deliver on our ambitions for new homes in the city and in particular for new affordable homes to be delivered. In October 2018 Homes England set out how it would improve housing affordability through a new five-year Strategic Plan – helping more people access better homes in areas where they are needed most. The plan, which runs up to 2022/23, outlined Homes England's new mission and the steps the national housing agency will take, in partnership with all parts of the housing sector, to respond to the long-term housing challenges facing the country.

- 2.18 Over the next five years Homes England will provide more access to better homes in the right places by:

- Supporting the affordable housing market;
- Providing investment products;
- Unlocking and enabling land particularly brownfield land;
- Delivering home ownership products, such as Help to Buy;
- Supporting Modern Methods of Construction (MMC);
- Addressing the barriers facing smaller builders; and
- Providing expert support to priority locations.

- 2.19 The Strategic Plan sets out Homes England's agreed Budget and provisional budgets for investment into the delivery of their investment priorities. At present c.£27bn in total will be invested into those priorities with c.£5.5bn being allocated into the Housing Infrastructure Fund which has the capacity to help underpin the investment needed to unlock brownfield land. The Plan states that budgets beyond March 2021 will be agreed following the Comprehensive Spending Review that is expected to be completed later this year.
- 2.20 Key to the delivery of new affordable homes is the Homes England Strategic Partnerships Programme with Registered Providers (RPs). The Strategic Partnership Programme seeks to work with a limited number of RPs and to provide greater flexibility over how and when grant funding can be drawn down through the Homes England Shared Ownership and Affordable Homes programme, working towards the delivery of at least 130,000 affordable housing starts by March 2022. The resources available are now significant in both scale and focus.
- 2.21 These partnering arrangements will play a major role in Manchester going forward and combined with deploying our land investment intelligently will deliver the necessary affordable housing outcomes required by the City.

3.0 Delivering New Affordable Homes in Manchester

- 3.1 To support the City's continued economic recovery and growth, the Council developed an ambitious Residential Growth Strategy in 2015, which sought to deliver a minimum of 25,000 new homes in Manchester between April 2015 and March 2025. Given the current performance of the housing market it is estimated that by March 2021 circa 20,000 homes will have been completed in that six year period including forecast c.5,000 new homes this year (2019/20) and next (2020/21)². This is expected to represent a high watermark for the city as a number of factors linked to Brexit start to influence the appetite of the market to bring forward new supply, particularly in the city centre. It is therefore anticipated that c.12,000 new homes will be completed in the remaining four year period of the ten year Residential Growth Strategy with completions averaging c.3,000 per annum to March 2025. If these forecasts are accurate then the ten year Residential Growth Strategy will deliver circa 32,000 new homes in the city between April 2015 and March 2025, with a revised target of a minimum of 6,400 Affordable Homes (20% of the Residential Growth target).

The Delivery of New Affordable Homes to March 2021

April 2015 to March 2019

- 3.2 Between April 2015 and March 2019 1,044 Affordable Homes were completed within Manchester:

² Assuming all schemes currently under construction (with full planning permission) are delivered to schedule

Tenure	Number of homes completed
Affordable Rent	559
Social and Sheltered Rent	124
Shared Ownership	361
Total	1,044

- 3.3 In terms of funding sources, 181 (North Manchester New Build {60} and Brunswick {121}) and of these homes were funded through the Council's Housing Revenue Account (HRA) with the majority (863) funded and delivered by Registered Providers (RPs). Just under 25% of these new affordable homes were built on land owned by the Council.

March 2019 to April 2021

- 3.4 A further 1061 Affordable Homes are currently being constructed, all to be delivered by RPs or developers in conjunction with RPs:

Tenure	Number of homes to be completed
Affordable Rent	80
Social and Sheltered Rent	453
Shared Ownership and Rent to Buy	528
Total	1061

- 3.5 The number of homes on site now is more than what was delivered over the last 4 years. This is due in part to a more strategic approach and partnership working between the Council, its RP partners and Homes England. This increased delivery is also down to the Council making available more of its land assets. Just under 50% of all these new affordable homes are being built on Council owned land.
- 3.6 In addition to the 1061 homes that are being constructed, a further 969 Affordable Homes are currently in the pipeline (with land and funding secured) to be delivered by March 2021:

Tenure	Number of homes to be completed
Affordable Rent	215
Social and Sheltered Rent	216
Shared Ownership and Rent to Buy	538
Total	969

- 3.7 As with the homes currently under construction land in the Council's ownership is playing a fundamental part in the increased delivery of affordable homes supporting just over 50% of the planned numbers.

Council Funded schemes

- 3.8 Alongside its significant land investment, and previously completed affordable homes the Council's HRA is funding 19 more social rented homes and an Extra Care scheme (60 new homes at sheltered rent) in the Brunswick PFI area . Both schemes are currently on-site and will be complete by September 2020.
- 3.9 Officers are also developing proposals for a further 3 council funded affordable housing schemes schemes:
- 75 Social and Affordable rented homes in North Manchester. It is anticipated that the HRA will fund this scheme.
 - A groundbreaking LGBT Affirmative Extra Care scheme (circa 89 homes - 77 for rent and 12 for sale) in South Manchester. Funding options are currently being considered for this scheme.
 - **Collyhurst** (Up to 130 social rented homes) - will be developed in Collyhurst as part of a mixed tenure development of up to 500 new properties within the Northern Gateway regeneration programme. The properties will be delivered through our joint venture partnership with the Far East Consortium and consultation with the community and other stakeholders is underway with a start on site currently envisaged early in 2021. The full programme of development for the scheme is anticipated to be in the region of two years, with all properties completed and occupied in 2023.
- 3.10 Once these schemes have been developed in more detail approval will be sought from Executive later this year to proceed.

The Delivery of New Affordable Homes: April 2021 to March 2025

- 3.11 The Affordable Housing Report presented to Executive in December 2018 emphasised the need for the Council to lead and enable the repairing of the housing market for those households on low and very low incomes. The following sections look forward to highlight the challenges and opportunities the council will face by increasing the level of affordable homes in Manchester.
- 3.12 Over the ten year period between April 2015 and March 2025 the Council is forecasting that circa 32,000 homes will be completed in Manchester. Our Local Plan 2012 - 2027 has a 20% affordable housing target. As such our ambition will be to deliver a minimum of 6,400 affordable homes in that same period (April 2015 to March 2025), accelerating the numbers to be delivered prior to March 2021 where possible. This will mean that, as a minimum a further 3,400 new Affordable Homes will be delivered between April 2021 and March 2025.
- 3.13 To deliver this scale of Affordable Housing needed within the city, the vast majority of the investment requirement needed will be dependent on finances from Homes England and Registered Providers with a comparatively limited amount of investment support from the Council's Housing Revenue Account

and General Fund. Subject to the above funding being in place and the potential for additional subsidy from the Council the ambition will be to deliver an equal split of the 3,400 new affordable homes between:

- Social Rent
- Affordable Rent
- Shared Ownership

- 3.14 Critically, as we can see, as the programme has developed since 2015 it will be the investment of Council land that will be a key enabler to unlocking the increased numbers of homes to be delivered.

4.0 Funding New Affordable Homes in Manchester

- 4.1 To deliver the scale of Affordable Homes needed in the city between now and March 2025 will require significant investment. To put this into context circa £325m will be required to deliver the current April 2019 to March 2021 programme of 2030 new affordable homes. This will be Homes England grant subsidy required of c.£95m (assumes grant at £47,000 per property. with a further £230m construction funding from the Council and RP partners. Therefore it will be necessary to maximise funding from all these sources if Manchester is to deliver a minimum of 3400 new affordable homes by March 2025.

The City Council's Housing Revenue Account

- 4.2 The 30 year HRA is currently predicted to go into deficit in 2039/40 which is the consequence of the four year reductions in rent introduced by the Coalition Government (2019/20 being the last year). Prior to this the HRA was projected to be in surplus over 30 years. The Council is not legally permitted to let the HRA go into deficit so has to act prudently to prevent such a position.
- 4.3 This presents the Council with significant challenges in terms of the HRA being able to support additional new Affordable Homes to March 2025 (that is, over and above the 465 that are completed, being funded or proposed to be funded through the HRA to March 2021). If the 3 proposed schemes in 3.9 of this report are approved then this will equate to Council investment of around £55m from the HRA delivering 465 new homes.
- 4.4 In order to deliver additional HRA funded new build affordable housing further improvement would be needed to the HRA than is feasible at the present time. This would require the Government to support changes to the framework which governs the operation of the HRA and make changes to policy (e.g. in relation to Right to Buy, which places a significant drain on the HRA).

Securing grant support from Homes England (HE)

- 4.5 Homes England investment will continue to be critical to delivering the majority of both HRA-funded and Registered Provider led Affordable Housing. If all of the c.3,400 new affordable homes were developed this would be a

construction programme of over £540m with grant accounting for c.£160m of this figure (assuming an average grant rate of £47k per home). This grant can be accessed through two primary routes:

- **Shared Ownership and Affordable Homes Programme (2016 -21)** - Significant national headroom is understood to exist in the current programme for all tenures, including social rent.
- **Strategic Partnerships** - HE has allocated £1.7bn nationally to the Strategic Partnerships to deliver 40,000 new homes. There are 23 RPs nationally with new Strategic Partnerships and the grant funding they have been allocated can be spent up to March 2024. Strategic Partners currently developing in Manchester include Great Places, Places for People and Your Housing Group, who collectively have access to £191m of investment to deliver 5,668 new affordable homes. Although these all operate across the North West of England and beyond wider than Manchester we are aware from discussions with them that Manchester is a priority location for their investment.

- 4.6 Due to the scale of Manchester's proposed affordable homes programme and the level of grant funding required from Homes England it will be necessary to develop a new and improved strategic partnership with them. Early discussions have taken place and officers are now setting up a series of meetings with senior representatives from Homes England to consider how this can be achieved. The partnership would be based around a number of shared priorities and schemes that would deliver significant numbers of new homes such as the Northern and Eastern Gateways. It would also maximise all types of grant funding support from HE to unlock sites and accelerate the delivery of new homes.

Unlocking the Investment Capacity of Registered Provider (RP) partners

- 4.7 The Council alongside 23 Registered Providers has formally established the Manchester Housing Providers Partnership (MHPP). The MHPP is now an established structure with a range of workstreams set up to contribute to the delivery of Our Manchester priorities. This not only involves new build development but focuses on the allocation and letting of Manchester's 68,000 social homes and managing large neighbourhoods across the city.
- 4.8 As the Council's current investment capacity through the HRA and GF is limited it will be essential to work with the MHPP and new Registered Providers to deliver a very significant proportion of the minimum 3400 Affordable Homes required in Manchester by March 2025.
- 4.9 In financial terms this will equate to around £380m further investment from Registered Providers over the four year period from April 2021 to March 2025.
- 4.10 A number of discussions have taken place individually and collectively with these Registered Providers and the Council is now exploring the potential for Homes England Strategic partners to invest in various locations in the city aided by the additional funding made available through the Homes England

Strategic Partnerships programme, along with the cross subsidy from other assets in their portfolios.

Section 106

- 4.11 Within the current Manchester Core Planning Strategy Policy H8 requires that any new development will contribute to the City-wide target for 20% of new housing provision to be affordable and that developers are expected to use the 20% target as a starting point for calculating affordable housing provision. Developers should provide new homes that are available for social rent, affordable rent or affordable home ownership, or provide an equivalent financial contribution. An applicant may be able to seek an exemption from providing affordable housing, or a lower proportion of affordable housing, a variation in the mix of affordable housing, or a lower commuted sum, where a financial viability assessment is conducted which demonstrates that it is viable to deliver only a proportion of the affordable housing target of 20%; or where material considerations indicate that intermediate or social rented housing would be inappropriate.

- 4.12 All planning applications that do not propose a 20% on site Affordable Housing provision must be accompanied by a Viability Assessment. The assessments costs and values are robustly tested and analysed. Evidence from recent assessments indicate that in the current economic environment there is insufficient value created in new residential schemes to support the provision of 20% on site affordable homes and remain viable when these are examined at application stage. Notwithstanding this, developers have agreed to support this key objective on the basis of confidence in the Manchester market, with some taking a longer term view on investment and development in the city. This has manifested itself in some on site provision or an off site financial contribution where profit margins are below that contained in the relevant guidance.

- 4.13 The introduction of the new NPPF and NPPG provides the framework for the Council to mitigate the effects of conducting upfront viability assessments, based on scheme estimates, with a reconciliation appraisal based on actual performance of the scheme. The purpose of this is to capture additional financial contributions that may accrue through added value, cost/contingency savings or both. These arrangements are now attached to all permissions where developers seek exemption to 20% affordable homes requirement through financial viability.

- 4.14 It is not clear how the Government's approach, as set out in the National Planning Policy Framework (NPPF), to viability testing at plan making stage will impact and influence policy in a revised Core Strategy. The thrust of the NPPF is that policy requirements must be realistic and deliverable, based on evidence and an engagement with developers, landowners together with infrastructure and affordable housing providers.

The City Council's Housing Affordability Fund

- 4.15 At its meeting in October 2017 Executive approved the establishment of the Manchester Housing Affordability Fund (HAF). This would bring together a range of funding sources such as Right to Buy (RtB) receipts and as mentioned in the previous section developer contributions through Section 106 to support the delivery of affordable homes in Manchester. Any resources within the HAF will be deployed to:
- Deliver new or existing homes that will be affordable to residents on or below the average household income for the city;
 - Support the development of a range of products that will provide Manchester residents an affordable option to buy or rent a home in the city;
 - Free up existing social rented homes, including working with Registered Providers to ensure that no social rented homes are lost through voluntary sales to the private sector;
 - Provide a form of specialist or supported home;
 - Maximise the use of any external funding; and
 - Provide housing that is located in areas reasonably accessible to jobs markets using public transport.
- 4.16 A number of projects have already been supported using £2.4m of the Housing Affordability Fund and the current balance is £342k.

5.0 Availability of Land for Affordable Housing

- 5.1 RP partners such as One Manchester, Great Places, Wythenshawe Community Housing Group and Southway have been actively acquiring significant land interests in private ownership to support the delivery of Manchester's Affordable Homes Programme. We would expect this to continue but probably not at the level it has been in previous years due to land value expectations of some private landowners driven by competition and demand from the private sector for housing land. This is being managed to an extent through the planning process as the Council requires reconciliation s106 agreements, and through the adoption of benchmark land value in financial viability, which has the effect of adjusting any inflated land purchase costs back to a planning policy compliant level. Developers can not rely on future house price inflation to support inflated land premiums.
- 5.2 However, there is still very clear evidence of Registered Providers competing in the market for privately owned land. For example, Your Housing Group has recently acquired a large site in East Manchester that will deliver circa 200 homes. From early discussions with YHG it is anticipated that up to 60% of these will be affordable. YHG are also in discussions with a number of landowners on key strategic sites in the City and if successful will bring forward a significant number of affordable homes on them.
- 5.3 Although acquisition of private land by partners is really encouraging it will be the availability of land in the Council's ownership that will be a key driver in the

delivery of the new affordable homes required in Manchester. Section 3 of this report set out that between 2015 - 2019 25% of the new affordable homes were built on land owned by the Council. Over the next 2 years this will nearly double to just under 50% of the Affordable Homes Programme

- 5.4 This increase in the use of Council owned land cannot be underestimated in terms of accelerating the delivery of new affordable homes in Manchester. Therefore it is extremely important that the Council continues to make available land to partners to develop. Using current levels of Council owned land in the programme will mean disposing of sites that will deliver a minimum of 1700 affordable homes (50% of the minimum target of 3400) by 2025.
- 5.5 An initial review of site availability has been undertaken using the latest draft Strategic Housing Land Availability Assessment (SHLAA) evidence base, which records sites with potential for residential development for 10 homes or more as at 31 March 2018. This review has highlighted that there are currently suitable housing sites in City Council ownership that can deliver a minimum of 1700 new Affordable Homes. On sites of up to 50 homes the potential for 100% Affordable Housing has been assumed. On larger sites the potential for 20% Affordable Housing has been assumed, to deliver mixed tenure development.
- 5.6 It is proposed that the Head of Development in consultation with the City Solicitor will develop a land release mechanism to ensure Value for Money is achieved in the disposal of the City Council owned land. It is important that the Council secures land value in line with other landowners selling land for development where this is feasible, though to secure better affordable housing outcomes may require some flexibility. Such an approach will enable a mix of tenures to be delivered on the site and enhance the opportunity to leverage in Homes England subsidy into the delivery of new homes. This land could also be invested through:
 - Recycled and Deferred Land receipts
 - Equity Stakes
 - Disposal at less than best consideration

This release of land will be a fundamental part of the Manchester Affordable Homes Programme but there will also be a requirement for new delivery partnerships and approaches. Any release of land will be on a leasehold basis unless there is an over-riding reason not to.

Not all Council land should be identified for the delivery of affordable housing. Some sites will be more suited to delivery of open market housing, which through the planning process, will also contribute to affordable housing targets, as well as generating capital receipts to the Council.

Social Value

- 5.7 As the Council will be investing such a substantial amount of land into the delivery of affordable homes in Manchester this presents a real opportunity to

maximise the social value for its residents. The Council will be increasing the level of training, skills and long term employment through the delivery of the programme by its RP partners. A separate workstream of the Manchester Housing Providers Partnership (MHPP) Growth group will focus on this work alongside officers from the Council.

6.0 Developing New Delivery and Partnership Arrangements

- 6.1 To deliver the scale of new affordable homes outlined within this paper there will need to be a cultural shift away from individual discussions and disposals with RP partners to a more collaborative approach. The acquisition of larger homes for homeless families project was a good example of how a collaboration of seven RP partners could work with the Council to boost the funding and buying power of affordable homes. This approach has now been considered to deliver more affordable homes on council owned land.
- 6.2 The Council also expects its Registered Provider partners to retain as much social housing in the city as possible. RPs seeking to dispose of properties will be expected to find a suitable alternative RP to ensure that properties remain in the social rented sector.
- 6.3 We propose to take forward this approach working in collaboration with the MHPP Growth Group which is made up of 14 developing RP partners on a three-pronged basis: -

i) Small Sites - Project 500

- 6.4 The proposal is for the MHPP Growth Group led by One Manchester to deliver an initial programme of 500 affordable homes on small sites. A small site is defined as being able to deliver circa 25 homes. This collaborative approach would harness the capacity and resources of the partnership which includes a range of local, regional and national organisations with a long term interest in the management of these homes and significant neighbourhood investment. This would build on existing collaborations such as the Manchester Extra Care Programme and the purchase of larger homes for homeless families. The key elements of the proposal are:
 - Securing innovation by accessing the combined strength resources and experience of more than 1 partner but through a single lead, building upon best practice from current collaborations;
 - Providing access to Homes England grant funding, through CME and Strategic Partnerships gives the best chance to achieve delivery by the end of the programme period;
 - Delivering the Council's Affordable Housing aims, tenures and innovations whilst maximising the land receipt to the Council;
 - Providing expertise in delivering on complex brownfield sites in Manchester and across the wider Greater Manchester area;
 - Providing an opportunity for a single supply chain and MMC provider where suitable;
 - Delivering excellence in design to Homes England and local standards;

- A tenure mix that will be achieved through partnership with Homes England grant funding support to deliver against the Council's Affordable Housing Policy; and
- Added Social Value from working with neighbourhood investors with a long term vested interest in delivering affordable housing on both MCC and private sites and undertaking a Neighbourhood Management role too.

6.5 This proposal needs to be finalised to ensure compliance with City Council Procurement regulations and State Aid. Executive are therefore asked to delegate authority to the Strategic Director - Development, Deputy Chief Executive & City Treasurer and the City Solicitor, in consultation with the Executive Member for Housing and Regeneration, to dispose of sites in MCC ownership to deliver a minimum of 500 affordable homes on small sites.

ii) Medium Sized Sites

6.6 It is also proposed the City Council will invest a number of medium sized sites within its ownership to support the delivery of the affordable homes programme. A medium sized site is defined as being able to deliver circa 50 homes. Given the potential value of this land release and the conditions the City Council will apply to the disposal it will be necessary to undertake a competitive process to comply with public procurement rules.

6.7 Through this process the City Council will seek to appoint a number of Registered Provider partners to deliver new build affordable homes across defined areas in the North, East, Central, South and Wythenshawe areas of the city. It is proposed that this will be achieved through a single process with a number of 'lots' for each of the areas.

6.8 The selected partners will need to demonstrate they have:

- A strong track record in the delivery of high quality affordable homes
- Access to sufficient grant funding from Homes England to deliver the level of homes required
- Additional resources to cover the cost of the construction programme
- Ownership and management of affordable homes in Manchester
- A demonstrable Social Value programme in Manchester

iii) Larger Sites

6.9 In a small number of areas the opportunity may present itself to work on a larger scale with specific MHPP partners where they hold significant levels of housing stock adjacent to or containing land parcels in the ownership of the City Council and land owned by third parties that could be re-purposed for residential development.

Grey Mare Lane Estate

6.10 An example of this type of larger site opportunity is the Grey Mare Lane Estate in Beswick, which was originally built by the City Council some 50 years ago

as part of a programme undertaken to replace poor quality pre 1919 terraced housing with new council houses and flats. The Estate was included in housing stock that was transferred from the City Council to Eastland Homes in 2003 (now One Manchester). One Manchester own and manage over 12,000 affordable homes in east, south and central Manchester including 978 homes in the wider Beswick area of varying age, construction type and condition. While the southern end of Grey Mare Lane has been transformed through a programme of community education, sports and leisure facilities; the northern part of Grey Mare Lane is characterised by largely residential development, infill sites and community uses, where the potential exists for further investment both in the improvement of existing homes and the delivery of new affordable homes or additional local facilities through better utilisation of vacant or underused sites.

- 6.11 Working in conjunction with the City Council, One Manchester has taken the lead in exploring the potential for delivering a transformational programme for the northern part of the Grey Mare Lane neighbourhood. A consultancy team was appointed to review options for a predominantly residential led scheme focussing on affordable homes. This followed early consultation with local residents during 2018 to gather the views of local communities about the regeneration of the area and to inform future master planning options. One Manchester has also carried out asset condition surveys that identifies the properties within the Grey Mare Lane estate that are of non- traditional, Wimpey no- fines construction. The flats and maisonettes, in particular, have a number of issues such as persistent water ingress and the homes suffer from significant heat loss issues due to their design.

The Regeneration Opportunity

- 6.12 One Manchester is now undertaking more detailed consultation with local residents on the Estate and with other stakeholders for proposals that will include some selective demolition of existing dwellings and the construction of new housing on development sites created, together with bringing back into use sites that are currently vacant. Proposals will be based around a mix of dwelling types including well planned apartments and family homes, with the design of the residential community planned around clear and safe pedestrian and cycle routes with parking carefully managed to maximise the quality and extent of green spaces. Proposals will also be developed with the ambition of delivering new and refurbished homes on a Zero Carbon basis.
- 6.13 The December 2017 meeting of Executive agreed that the City Council should work with One Manchester to identify how respective land holdings in Beswick, Clayton and Lower Medlock Valley could be utilised to deliver improvements to existing stock, plus new housing development of significant scale.
- 6.14 The City Council owns land around the Grey Mare Lane estate and this land will need to be invested in the scheme to enable the regeneration proposals to be brought forward. The Council also owns a parcel of land nearby at Blackrock Street and this site can be brought forward by One Manchester as an early Affordable Housing scheme to create some early momentum and a

separate report on this agenda will set out a recommendation for the disposal of land in this location to facilitate this.

- 6.15 A further more detailed report will be brought back to the Council's Executive following the community consultation exercise, which will include recommendations for the future utilisation of land in the Council's control to ensure that the shared objectives of the Council and One Manchester to deliver improvements that are of benefit to existing residents and create significant new development opportunities are fully realised.

iv) City Centre Feasibility Study

- 6.16 Officers have commissioned a financial consultant and are working with 2 Registered Providers to undertake a feasibility study into the provision of affordable homes in the City Centre. One Council owned site in each of the City Centre wards is being considered for the study. One of the sites will be a larger mixed use scheme and the other will be a smaller infill site.
- 6.17 The feasibility study will focus on apartments in line with City Council Planning requirements and will consider various forms of affordable housing and the required level of subsidy to make the development feasible. The results of the study will be completed before the end of this calendar year and an update report provided to the Economy Overview and Scrutiny Committee.

Right to Buy (RtB) Buy Backs

- 6.18 The Housing Act 2004 introduced a requirement for owners wishing to sell their property within ten years of purchasing under Right to Buy to offer the property back to the Council before placing it on the open market. The Housing (Right of First Refusal) (England) Regulations 2005 set out the procedures that owners wishing to sell their property are required to follow.
- 6.19 A report to a future meeting of the Executive will be produced which sets out an approach to purchasing and returning properties sold through RtB back into the social housing sector.

Community Led Housing

- 6.20 Community Led Housing is where residents come together to take on a leadership role in the design and delivery of their new homes. The Government has introduced the Community Led Housing Fund which recognises that genuine Community Led Housing projects all share 3 common principles:
- Meaningful community engagement and consent occurs throughout the development.
 - There is a presumption that the community group or organisation will take a long-term formal role in the ownership, stewardship or management of the homes.

- The benefits of the scheme to the local area and/or specified community group will be clearly defined and legally protected in perpetuity.
- 6.21 This is further backed up by the Government announcing have released a fund that will support resident led housing. Volunteer groups are able to apply for between £10,000 and £50,000 to help identify suitable sites for discounted homes, get planning permission for them and to provide other technical support. Further free specialist advice and guidance will also be made available for those who participate in the pilot.
- 6.22 The government will be making £8.5 million available for the 3 year pilot project which will help provide cut-price homes for younger people and families in need of housing, through locally-led neighbourhood plans.
- 6.23 This is also echoed in research reports released by the National Community Land Trust Network (NCLTN) in which they state that councils have sold over 200 sites to community-led housing groups, with new research revealing a third of local authorities in England now support such development. The research focuses on Local Authorities that are based in the South of England (Bristol, Brighton and Cornwall), which is also an opportunity for Manchester to pave the way for other northern cities.
- 6.24 There is no single model and Community Led Housing could be applied in Manchester in a number of ways. These models are currently being worked through by a small project team and the Executive Member. To further strengthen the commitment to Community Led Housing and to enable groups to initiate their plans we are currently in the process of identifying, alongside planning colleagues, 3 plots of land to offer to groups. Currently a site has been secured in the North of the city in the Northern Gateway boundary and is in Phase 1 of the project. We hope to agree further sites by late September 2019. This will coincide with an event in late October that brings established community groups, Registered Providers and skilled facilitators together to confirm the pilots.
- 6.26 These pilots will run alongside the development of a Community Led Housing strategy for Manchester in 2020 and will include all learning.

Affordable Housing for Specific Groups

- 6.27 Officers are currently working on the development of a Supported Housing Strategy for Manchester. Workshops have been held with key partners and stakeholders to scope out Manchester's approach to the delivery of supported housing for a range of groups that will be evidence led to identify the right homes in the right locations. It is anticipated that a report will be brought to the Executive early in 2020.
- 6.28 Evidence from Manchester's Housing Register is currently being used to inform the future development of affordable homes across the city. One of the key aspects of this work will be a number of schemes that will be targeted at

tenants under occupying family homes. This is primarily focussed on older person's accommodation at the moment through the provision of Extra Care schemes utilising Housing Options for Older People (HOOP) officers.

Design quality, offsite housing and zero carbon

- 6.29 The Council is raising the quality of affordable homes through its Residential Design Guide and more design led schemes such as the proposed LGBT Extra Care and North Manchester Schemes mentioned within section 3 of this report. These will be exemplar schemes and the council will be seeking to bring forward measures that will move towards a zero carbon development
- 6.30 The use of off-site construction techniques and modern methods of construction are key considerations in both schemes and will be promoted with RP partners delivering affordable homes in Manchester especially on council owned land. All new schemes being delivered directly by the Council, will be working towards Zero Carbon employing new and existing options to achieve this.
- 6.31 As the UK's first age-friendly city (2010) Manchester has a clear vision and priorities for housing for an ageing population as reflected in the Manchester: A Great Place to Grow Older Strategy (2010-2020). The strategy is due to be refreshed shortly - a key focus of which will be the design of housing and places in which people in mid and later life are economically, physically and socially active, and where they are healthier, safe, informed, influential, independent and respected. New housing will be designed and located in places where people can age well in neighbourhoods of their choice, with access to the right services, housing, information and opportunities.
- 6.32 Flexible, well-planned, high-quality housing will offer choice about how and where older people live, widening the choice and opportunity to access housing that supports continued independence, maintains social interaction and tackles fuel poverty. This could include extra care retirement living that can reduce residential care placements, facilitate earlier hospital discharges or prevent emergency admissions.

7.0 Proposed Affordable Housing Tenure

- 7.1 So far this paper has considered funding sources, land availability and delivery partners and arrangements but the most important factor for the Council, Members and residents will be the type of affordable homes that will be built. This will be largely influenced by the cost of the whole programme and individual cost of building homes for social and affordable rent and shared ownership.
- 7.2 The cost of delivering the various affordable tenures is very different. Therefore the choice and proportion of affordable tenure across these sites will largely be determined by the amount of additional subsidy that the City Council can provide once RP resources and Homes England Grant has been maximised.

- 7.3 This financial consideration will also need to be run alongside the existing housing within the neighbourhoods the sites sit within, the demand for affordable housing tenure and the type of housing required. This will be developed into a clear and transparent selection process that will provide a robust indication of what affordable homes it is possible to deliver. It is proposed that the agreement and approval of this process is delegated to the Deputy Chief Executive & City Treasurer and the Strategic Director, Growth and Development in consultation with the Executive Member for Housing and Regeneration.

Reducing the adverse impact of the Right to Buy

- 7.4 In its latest research paper 'Local Authority Direct Delivery of Housing' the Royal Town Planning Institute (RTPI) undertook a comprehensive review of work across the country. One of the key concerns by Councils was the use of the Housing Revenue Account when it continues to have Right to Buy provisions whereby stock which is being built now will eventually be lost to the system.
- 7.5 In order to protect their investment Local Authorities have taken up various delivery routes to deliver new homes such as:
- Wholly Owned Companies
 - Registered Provider status
 - Joint Ventures
 - Partnerships
- 7.6 The financial modelling which has been undertaken for the Affordable Housing schemes that will be owned by the Council has highlighted the effect Right to Buy can have. In order to protect the Council's investment and retain these newly built homes it will be necessary to understand in detail how other Local Authorities are approaching this and the delivery structures they are implementing to protect investment into social and affordable rented homes.
- 7.7 Officers are currently undertaking a comprehensive review of these approaches with a view to developing a range of options for consideration. This evaluation work includes reviewing the work other Local Authorities have undertaken through their new delivery structures to deliver new affordable homes.

Ensuring homes are genuinely affordable to all Manchester residents

- 7.8 It is nearly 3 years since Executive approved Manchester's new approach to housing affordability and the link between household income to the cost of buying and renting a home in the city. The public investment that is currently available to support a range of affordable housing options is being invested to support households on incomes ranging from those on low income requiring Local Housing Allowance (LHA) to cover all housing costs through to those on an average household wage. Within that spectrum the Council's own

resources are being prioritised to deliver homes for rent at no more than LHA rents.

- 7.9 Work has commenced to examine the geographical variation in income within the city, viability challenges and the need for new products to enable lower income households to access a greater choice of affordable homes. This work will report be brought to Executive in the new year.

8.0 Concluding Remarks

- 8.1 Over the last decade the Government's policy of prioritising home ownership over the need to support those households on very low and low incomes, along with the very challenging impacts on these income groups of welfare group, has had a significant impact on the housing circumstances facing low income groups in Manchester. For example, the loss of social rent homes through Right to Buy, a failure in invest to deliver the numbers of homes needed to replace those homes lost through Right to Buy, the impacts of Local Housing Allowances that are capped and the introduction of Universal Credit have all contributed to a situation where there are insufficient affordable and well managed homes being developed for those needed by households on low incomes.
- 8.2 This paper has set out an approach to harness the resources that Homes England, the City Council and Registered Providers have in order to deliver a programme that seeks to bring forward a scale of new Affordable Homes in the city that is in line with the City's policy that 20% of new homes in the city will be affordable. Over the ten year period April 2015 to March 2025 the Council will deliver that policy outcome through the arrangements set out in this paper. Our ambition will be to exceed the 20% target - we will deliver a minimum of 6,400 homes in that 10 year period.
- 8.3 However, whilst the Right to Buy policy remains as it is and there is a constrained (but welcome) programme of investment into new social and affordable rented by Homes England there remains a challenge to sustain the levels of affordable rented stock in the city. This challenge is exacerbated by Right to Buy sales, the low turn over of the affordable rented stock in the city and the numbers presenting themselves in housing need. Delivering the partnership arrangements set out in this report will make a difference in terms of the numbers of new affordable homes being built but unless national Government changes its policy direction then there is a danger the city simply stands still or even sees a reduction in the total stock of affordable homes in the city.
- 8.4 A further report will be brought back to Executive describing progress on affordable housing delivery.

9.0 Contributing to the Manchester Strategy

(a) A thriving and sustainable city

- 9.1 This refreshed approach to affordability will ensure Manchester has the right mix of housing that is affordable across a range of tenure and income levels to support a functioning Manchester and sub regional economy.

(b) A highly skilled city

- 9.2 The new and existing homes will be well connected to employment opportunities and schools

(c) A progressive and equitable city

- 9.3 Increasing the supply of good quality affordable homes for sale and rent will provide the opportunity for Manchester residents to raise their individual and collective aspirations

(d) A liveable and low carbon city

- 9.4 The right mix of quality energy efficient housing is needed to support growth and ensure that our growing population can live and work in the city and enjoy a good quality of life. The Council's commitment to design quality, offsite housing and zero carbon is described in section 6.29 and 6.30.

(e) A connected city

- 9.5 This approach recognises the importance of a balanced housing offer plays within a well-connected city and the neighbourhoods within it. It seeks to create neighbourhoods where residents will choose to live and their housing needs and aspirations are met

10.0 Key Policies and Considerations

(a) Equal Opportunities

- 10.1 This approach to affordability will enable the provision of a diverse range of housing to meet the needs of the growing and changing population. Local communities will be engaged through appropriate consultation, giving all stakeholders opportunities to engage in the development of Manchester's policy.

(b) Risk Management

- 10.2 Assessment, mitigation and management of risk will be overseen through the city council's governance arrangements associated with residential growth

(c) Legal Considerations

- 10.3 The legal team will continue to support the teams to ensure any arrangements are suitably documented and comply with any and all relevant legislation and applicable procedures to facilitate the delivery of the objectives and recommendations as set out in the body of this report.

**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 5 September 2019

Subject: The Impact of Brexit on the Manchester Economy

Report of: Strategic Director (Growth and Development)

Summary

This report provides an update on current evidence about the impact felt by Manchester's economy since the European Union Referendum in 2016, as well as identifying a number of potential risks arising from the decision to leave the European Union. It covers different aspects of Manchester's economy, including job growth; residential, commercial and infrastructure development; and the impact on the city's population, including international student numbers.

Recommendations

The Committee are asked to:

1. Note and comment on the content of the report and in particular note the underlying strengths of the local economy in recent years as well as the risks that Brexit may potentially pose to Manchester in the form of:
 - a. Manchester's ability to attract and retain skilled workers;
 - b. The movement of people and goods across borders;
 - c. A reduction in the funding which the European Union currently makes available for areas such as economic development, science and research; and
 - d. Broader negative shocks to the UK's economy.
-

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

Alignment to the Our Manchester Strategy Outcomes (if applicable)

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Manchester currently has a thriving economy which could be impacted by Brexit in a number of ways, as outlined in this report.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Manchester's skills supply is likely to be impacted by Brexit, with less migration of EU nationals and potentially fewer EU international students.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Manchester's communities' make up may change due to the demographic impacts of Brexit.
A liveable and low carbon city: a destination of choice to live, visit, work	Manchester currently has a flourishing residential and commercial development sector, making Manchester a great place to live. Manchester also has a strong visitor economy, being the 3 rd most visited UK destination.
A connected city: world class infrastructure and connectivity to drive growth	Major infrastructure projects could be affected by Brexit in relation to labour and materials costs. Manchester's visitor economy

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

EU Funding Implications Following the EU Referendum Decision, Resources and Governance Scrutiny Committee (December 2016)

The Implications of Brexit, Executive (October 2016)

Implications of Brexit, Executive (July 2016)

Implications of Brexit, Resources and Governance Scrutiny Committee (July 2016)

European Union Referendum – Potential Implications for Manchester of the UK Leaving the EU, Executive (March 2016)

1.0 Introduction

- 1.1 In April 2019, European Union (EU) leaders granted the United Kingdom (UK) a six month extension to the Brexit process, setting a new deadline of 31 October 2019 in order to ratify the Withdrawal Agreement or prepare to leave the EU with 'no deal'.
- 1.2 The new Prime Minister Boris Johnson has made clear that the existing Withdrawal Agreement (agreed by the UK and EU on 25 November 2018) will not come back before parliament. As such, if the UK and EU fail to sign a new Withdrawal Agreement, under law the UK will leave the EU on 31 October 2019, with all EU legislation and agreements ceasing to apply to the UK.
- 1.3 Prior to the EU Referendum, the Executive received a report at their 2 March 2016 meeting on the potential implications for Manchester of the UK leaving the European Union. Following the result of the EU Referendum, the Executive considered a report at their 27 July 2016 meeting on the implications for Manchester and Greater Manchester of Brexit, with a follow up report received at the 19 October 2016 meeting. Reports were also received by the Resources and Governance Scrutiny Committee specifically on EU funding implications at their 21 July and 8 December 2016 meetings.
- 1.4 It is important to note that there is still a huge level of uncertainty surrounding the Brexit process, both in relation to the manner in which the UK will leave the EU and what the subsequent effects on the UK will be. As such, the likely impact of Brexit on Manchester's economy are still unknown. This report aims to highlight evidence of any impact on the local economy since the EU Referendum in 2016 and what the potential impacts for Manchester could be, given the city's current economic state and the broader UK economy. How Manchester is impacted by Brexit will depend on the terms of the UK's Withdrawal Agreement (if there is one), the UK's future policy on immigration (both EU and non-EU migration) and the terms of any future trade deals between the UK and countries / international trade bodies.
- 1.5 Subrahmaniam Krishnan Harihara, Head of Research at Greater Manchester Chamber of Commerce, is attending the Committee to discuss the impact of Brexit on existing Manchester businesses.

2.0 Manchester's Economy

- 2.1 Manchester's current economic position is broadly positive. The city's economic performance continues to exceed both regional and national averages. A new and diversified employment market is emerging in a number of important sectors. There are currently c.425,000 jobs in Manchester, forecast to grow by an additional c.67,600 by 2038¹, mainly in Financial and Professional (20,000 new jobs) and Health (11,300 new jobs) sectors. However, recent commercial announcements suggest that this target may be met and surpassed before 2038.

¹ Source: GMFM 2018

Examples of recent new investments include:

- Aviva Investors - 1 million sqft of mixed use commercial space at Enterprise City
- The Hut Group - 10,000 jobs at Airport City
- Amazon - 600 jobs at Hanover House
- booking.com - 1,700 jobs at Manchester Goods Yard, including 200 new jobs

2.2 A growing and successful commercial pipeline

2.3 The city centre office market has benefitted from an additional c.435,000m² of new Grade A space over the last two years²; a further c.480,000m² is under construction or planned. City centre offices tend to attract higher numbers of skilled jobs and employers who pay the highest business rates.

2.4 In total in 2018, there was c.215,000m² of new commercial space delivered across Manchester, including c.140,000m² of new office space; c.30,000m² of retail space; c.45,000m² of new educational space; and 840 additional hotel rooms (see Appendix 1). High profile completions in 2018 include 17,356m² of Grade A office space at Plot 8 - First Street; 8,363m² of Grade A office space at Hanover House (NOMA); and the 172 room AC Marriott Hotel at New Cross.

2.5 Looking forward, over 1,000,000m² of commercial space is expected to complete over the next three years (see Appendix 2). Over 75% of all floorspace currently in the planning system is in the city centre (mostly offices and hotels), with four of the five largest commercial developments in Manchester planned for the city centre:

- Manchester Engineering Campus Development (on-site) – total of 71,422m², including 70,590m² education / training and 852m² retail
- 2 and 3 Angel Square (approved) – total of 51,213m², including 49,622m² office and 1,591m² retail
- St Michael's (approved) – total of 41,668m², including 16,251m² office, 3,333m² retail and 246 hotel rooms
- Circle Square Phase 1b - Blocks 2 to 4 (on-site) – total of 33,345m², including 28,394m² office and 4,951m² retail

2.6 Outside of the city centre, development is concentrated around Manchester Airport. Industrial uses are more prevalent, including over 70,000m² across the first three phases of the proposed development by The Hut Group and a further c.60,000m² at ICON (including c.42,000m² of industrial space)³.

² Source: Deloitte Crane Survey

³ Source: <https://www.placenorthwest.co.uk/news/airport-city-momentum-continues-with-460000-sq-ft-shed/>

2.7 City centre office market

- 2.8 Following exceptionally strong completion rates in 2017, last year was a “record breaking year” for Manchester office take-up, with deals totalling over 160,000m² agreed⁴. Despite Brexit uncertainty, demand is strong, with recent estimates suggesting that further new Grade A supply is urgently required, with only approximately 6 months take-up available⁵.
- 2.9 Take up has increased in tandem with a significant diversification in occupier profile, with over a quarter of space taken by Consumer Services & Leisure operators, and almost a fifth by Creative Industries. This is a significant change from 2014, when 35% of all take-up was by Professional Services - see Appendix 3. Notable deals include booking.com and Jaguar Land Rover. These growing alternative occupiers allied to emerging sectors - such as Science, Technology, Culture, Digital and Media - have taken advantage of the unique mix of accommodation choice and increasingly significant talent pool available in the city.
- 2.10 Developments such as NOMA and the redevelopment of St Peter's Square have increased the premium offer with large floor plates for corporate occupiers in headline locations across the city. The growing radius of influence of the Spinningfields Campus is evident at 125 Deansgate, as is the ongoing office-led re-imagination of the area around Brazennose Street and Lincoln Square.
- 2.11 Future confidence is reflected in the c.480,000m² of office space currently under construction or planned in the city centre. However, there are challenges relating to the secondary office market - not least managing demand for space against residential conversions, whilst also maintaining a portfolio of stock suitable for the growing number of alternative occupiers seeking flexible space outside of the higher priced market.
- 2.12 Some underutilised space is starting to be brought back into use, with office refurbishments accounting for all seven office schemes completed in the last year, including Hanover House (8,363m² taken by Amazon) and Windmill Green (formerly London Scottish House). There remains significant demand including from alternative occupiers for flexible workspace. According to Colliers, by 2022 total city centre flexible working space is expected to have grown by over 50% to c.60,000m², catering for over 10,000 workers.
- ## 2.13 Retail trends
- 2.14 The continued success of the office market in the city has been somewhat tempered by a decline in retail linked to the growth of online retailing. In terms of comparison goods, the threats to a number of national high street multiples have been well publicised. On the convenience side, gaps have emerged in the city centre with limited new openings and top up shopping increasingly the norm. Nevertheless, the Arndale continues to buck the trend with a series of

⁴ Source: CRBE

⁵ Source: Cushman & Wakefield - Property Market Outlook 2019

new lets recently announced. The city's food and beverage market continues to flourish, with a growing evening and lunchtime economy and a new business base in the increasingly flexible digital, tech and media sectors.

2.15 Research and the knowledge economy

2.16 Another burgeoning sector within Manchester is the knowledge economy, mainly located in the Oxford Road Corridor - which currently accounts for 20% of the city's economic output⁶. The Oxford Road Corridor has some of the best research and incubation facilities in the country, largely predicated upon research led by the two Higher Education Institutions or the University Hospital NHS Foundation Trust, and the commercial opportunities and agglomeration effects which this generates for knowledge intensive businesses. For example, the discovery of graphene at the University of Manchester directly led to the development of the National Graphene Institute and the Graphene Engineering Innovation Centre in Manchester.

2.17 As such, it is a great concern to the city that vital research links with the EU could be compromised by Brexit. At the start of the year, Prof Dame Nancy Rothwell, President and Vice-Chancellor of the University of Manchester, signed an open letter from Universities UK, Guild HE, the Russell Group, Million Plus and University Alliance – which collectively represent more than 150 higher education providers across the UK, employing c.50,000 EU nationals – to politicians. It warned of the risks to research, staff and students if the UK leaves the EU without a deal describing it as “*an academic, cultural and scientific setback from which it would take decades to recover.*”

2.18 European Research Council (ERC) and Marie Skłodowska-Curie Actions schemes fund vital scientific research and will be worth an estimated €1.3 billion to the UK between 2019 and 2021. The UK is currently the most successful country in hosting ERC grantees (ahead of Germany) but would immediately become ineligible in the event of a no deal Brexit. At the University of Manchester, key research programmes are at risk of being disrupted include work life sciences and advanced materials. Therefore, clearly any restrictions on funding for Manchester's universities would also have an impact upon the development of high value-added, high-growth companies and the various major regeneration projects planned that are likely to utilise the research and skills base of the Oxford Road Corridor institutions.

2.19 Skills and employment

2.20 Data compiled by the Office of National Statistics shows that Brexit is already having a significant impact on the wider UK jobs market. The number of EU nationals working in the UK fell by 132,000 to 2.25 million people between the third quarter of 2017 and the third quarter of 2018. This is thought to be driven both by the devaluation of the British Pound (see Section 3), uncertainty about future movement of labour and the broader political climate. Employers are also warning that it is getting harder for firms to hire qualified staff: for

⁶ Source: Oxford Road Corridor - Strategic Vision to 2025

February - April 2019, the ONS estimate that there were 846,000 vacancies in the UK, 28,000 more vacancies than one year earlier.

- 2.21 The Greater Manchester Chamber of Commerce undertakes a Quarterly Economic Survey (QES) with its members, which feeds into the national QES, the UK's largest business confidence survey. The Chamber's June 2019 QES reported that, whilst long-term confidence in Greater Manchester remains strong, employers that were recruiting reported difficulty in finding qualified staff. Further reductions in skilled labour coming from the EU to work in region is likely to exacerbate this further.
- 2.22 Several of Manchester's sectors currently rely heavily on the employment of skilled EU nationals. If there is a decrease in EU nationals working in the city, the following sectors could face challenges, impacting on Manchester's growth ambitions:
- Distribution, Hotels and Restaurants – according to the Migration Observatory, there are 24,000 EU nationals working in the Distribution, Hotels and Restaurant sector across Greater Manchester, many of whom will be in the city centre and the Airport⁷. With over 5,000 additional rooms approved for development in the city centre alone, the Hotel sector could face a challenge in recruiting staff in the event of a significant reduction in the number of EU nationals coming to work in the city.
 - Manufacturing and Construction - using ONS data, the Migration Observatory estimated that the Manufacturing and Construction sector represented the second biggest employer of EU nationals in Greater Manchester, employing c.15,000 people - most of whom are expected to be working in the city centre given the level of development⁸. In June 2019, the Greater Manchester Chamber of Commerce reported that more than 90% of employers that are recruiting in the Construction sector reported difficulties in finding qualified staff⁹. Manchester's residential, commercial and infrastructure pipeline could be affected by a decrease in the employment of EU nationals.
 - Public Sector, including Health and Social Care - the city's key public services rely heavily on international workers, with c.13,000 EU nationals working within the Public Admin, Education, and Health sector in Greater Manchester¹⁰. Data assembled by "Best for Britain" - a pro-second

⁷ Source: https://www.gmcameetings.co.uk/download/meetings/id/4000/8_brexit

⁸ Source: Greater Manchester Brexit Economic Impact Analysis - GMCA (14 December 2018) - https://www.gmcameetings.co.uk/download/meetings/id/4000/8_brexit

⁹ Source: https://www.gmchamber.co.uk/news-opinions/survey-shows-confidence-in-greater-manchester-despite-brexit-uncertainty/?utm_medium=email&utm_campaign=The%20Brief%20-%20July%203rd&utm_content=The%20Brief%20-%20July%203rd+CID_69d7fd6a96188d14bbb56026b6be7467&utm_source=Email%20marketing%20software&utm_term=READ%20MORE

¹⁰ Source: https://www.gmcameetings.co.uk/download/meetings/id/4000/8_brexit

referendum group¹¹ - identified that the hospital trusts that responded to Freedom of Information requests recorded a 22% increase in the number of EU nationals leaving their jobs between 2016 and 2017. This is a critical issue for Manchester, with the region's large Health and Social Care sector heavily reliant on EU nationals. Without retaining or replacing these skilled workers, it will be difficult to fully deliver the objectives of the £6bn Health and Social Care budget devolution. Work is currently being undertaken at the city region level to support health and social care workers to complete the EU settlement scheme process; nevertheless, the uncertainty alone is will almost certainly cause some staff to reconsider their position.

- Higher Education - universities reported a more modest increase of 10% in the number of EU nationals leaving jobs at their institutions; however, the number of leavers rose to 26% at the University of Manchester. Reduction in EU nationals could impact our universities' research and teaching capacity going forwards.

2.23 If Manchester is going to maintain and capitalise on its growth opportunities, it is imperative that employers are able to attract and retain the required workers and provide the right training to Manchester residents in order to avoid the risk of a shortage of skills.

2.24 EU Funding Streams

2.25 The city of Manchester has a long and successful history of accessing European funding. These funds have supported investments into skills and employment; regeneration; business support; science and innovation; the shift toward a low carbon economy; and managing climate change.

2.26 In recent years, allocations of European Commission (EC) Structural Funds have been made at a Greater Manchester level, with the current 2014-20 programme valued at €400m of grants from the EC which, when added to local match funding, gives a total programme value of well over €800m of investment.

2.27 The UK government have issued a series of guarantees that funding for current projects will be protected in the event of a no deal Brexit. For future funding, the UK government proposal is for a new funding programme called the UK Shared Prosperity Fund (UKSPF) to replace current EC funding.

2.28 A key area of current EC funding is through transnational research and innovation programmes. These are vital to support our universities and local authorities, and currently fund a range of projects in the Manchester. It is unclear how the UK will continue to be able to participate in these programmes in the event of a no deal Brexit.

¹¹ Data from 82 hospital trusts and 116 universities, among other public bodies - <https://www.theguardian.com/politics/2018/nov/26/figures-show-rise-in-eu-nationals-exiting-public-sector-after-brexit-vote>

- 2.29 Through the Greater Manchester Combined Authority, the Local Government Association and Core Cities, the Council is engaged in consultations and case-making to influence the development of the UKSPF. To date, the position from central government is unclear but the basic principles we are seeking is for there to be no loss of funding overall and for devolved local decision-making on the use of funds in the future.

3.0 Devaluation of the British Pound and the Impact on Manchester's Economy

- 3.1 The most significant economic impact of EU Referendum result has been the striking devaluation of the British Pound (see Appendix 4). The consequences of the devaluation differ for different sectors and aspects of the economy. However, generally speaking those that rely on imported goods have faced increases in costs, whereas exporters and overseas investors may have found the UK a more financially attractive place to invest.
- 3.2 Visitor economy
- 3.3 Manchester's visitor economy has performed well over recent years, with the total number of international visits to Manchester increasing by 42% over the period 2013 - 2018, compared to the UK growth rate of 16%¹². Manchester is the third most visited UK destination by international visitors (after London and Edinburgh), with 1.41 million visitors in 2018. Visitors from the EU - particularly Ireland, Germany, Netherlands and Spain - generated the highest volume of international leisure visits, whilst the USA and China represented the highest volume of non-EU visitors.
- 3.4 Manchester's booming visitor economy generates significant amounts of Gross Value Added (GVA) and employs many residents. The overall value of foreign tourism to the region rose from £475m in 2016 to £668m in 2017 - an increase of £193m - driven mainly by a growth in leisure trips. City centre hotels have become a major component of growth in commercial developments for the city and account for the single fastest growth contributor to Manchester's business rates base, with a 9.4% increase in rates value over last year.
- 3.5 A significant number of new hotel developments opened in 2018, including the dual-branded Crowne Plaza and Staybridge Suites Manchester (a combined 328 rooms), Hotel Indigo Manchester (187 rooms), AC Hotel (172 rooms), Whitworth Locke (159 rooms) and the Roomzzz Manchester Corn Exchange (114 rooms). This increased room capacity by 10% over the 12 month period.
- 3.6 Manchester city centre now has a stock count of 10,500 hotel rooms, increasing to 14,000 rooms in the wider Manchester local authority area. Following on from the opening of the 5-star Dakota Manchester hotel (137 rooms) earlier in 2019, the sector's considerable growth is set to continue with

¹² Source: International Passenger Survey 2018

a number of additional properties due to open this year, including the London Warehouse Aparthotel (166 rooms), The Stock Exchange Hotel (41 rooms), and Staying Cool (41 rooms), with record levels of new rooms then expected to come to market during 2020 and 2021. Despite this unprecedented level of new supply, average occupancy remained at 81% in 2018, reaching 100% at certain points in the year linked to a number of high profile events and instances of high demand¹³. Linked to the success of the hotel sector is business tourism, where Manchester has been proactive in the European market, with approximately 60% of conference business coming through the convention bureau from Europe¹⁴.

- 3.7 The evolution of the Northern Quarter as a cultural hub for the North links the growth of the visitor economy with the strength of the hospitality sector, hotels and also the short-term lettings market (particularly Airbnb), which has emerged over recent years and has been consolidating in this neighbourhood.
- 3.8 Manchester Airport served 28.6m passengers in 2018/19. The Airport is due to complete the next phase of its £1bn Transformation Programme in 2020 with an extension to Terminal 2, allowing Manchester to further fulfil its potential as the North's global hub. However, despite welcoming the UK government's and the EU's commitment to maintaining vital air connectivity between the UK and Europe in the event of a no deal Brexit, Manchester Airport Group's CEO Charlie Cornish has raised concerns that "*continued uncertainty about Brexit will ultimately act as a drag on the economy and damage consumer confidence*"¹⁵.
- 3.9 As well as consumer confidence, perhaps the most significant risk Brexit places on the growth of Manchester's visitor economy is that it is heavily reliant on a significant EU national workforce - not only in hotels (as outlined in Section 2.22) but in the food and beverage sector - which is heavily reliant on visitor trade to the city.
- 3.10 Overseas investment into developments in Manchester
- 3.11 The devaluation of the pound following the EU Referendum has led to an increase in development finance from overseas - both from institutional investors and via off-plan sales - which has helped to trigger one of the most significant periods of housebuilding the city has experienced post-war (2,897 new homes built in 2018-19 and a further c.13,000 new homes expected to be completed by 2021-22).
- 3.12 The city has progressed a number of innovative new partnerships to increase the supply of housing across Manchester. Investment in the Northern Gateway in particular has the potential to unlock large scale, high volume, multi-tenure housing sites, with the potential to grow and diversify the housing offer in a sustainable location close to employment opportunities.

¹³ Source: STR Hotel Performance

¹⁴ Source: <http://www.marketingmanchester.com/wp-content/uploads/2019/06/GM-Business-Tourism-Strategy-2019-2025.pdf>

¹⁵ Source: <https://mediacentre.magairports.com/mag-continues-to-grow-despite-brexit-uncertainty/>

- 3.13 However, with 99 schemes currently under construction across the city (including 45 in the city centre), Manchester's market is increasingly pressured in relation to build costs and competition for construction employees. More developers are having to import materials (in the context of an increasingly weak British Pound) and the ultra-competitive situation is allowing construction workers the freedom to move between sites on the promise of higher wages, with the direct implication of significantly increases labour costs. Overall, it is estimated that build costs have risen by 15% over the last two years alone (from c.£150/sqft to £180/sqft)¹⁶.
- 3.14 Against this backdrop, Brexit poses a significant risk to Manchester's objectives in relation to residential growth. Greater devaluation of the British Pound would increase material costs further and a reduction of skilled labour from the EU will increase the construction skills shortage.
- 3.15 Infrastructure Projects
- 3.16 To improve the city's connectivity and increase productivity, Manchester and the city region are undertaking a number of key infrastructure projects. Amongst others, these include:
- The extension of the Metrolink link to Trafford Park;
 - Great Ancoats Street Improvement Scheme;
 - Continuing to lobby for High Speed 2 and Northern Powerhouse Rail.
- 3.17 Infrastructure projects are typically labour-intensive. Like with residential and commercial development, a reduction in the number of EU nationals working in Manchester could give rise to challenges in sourcing the labour required, and could increase costs of labour and materials. As such, it is important to ensure a continued talent pipeline, both upskilling and retraining Manchester residents, and to keep these matters under close review.
- 3.18 Devaluation – overseas vs domestic sales
- 3.19 The devaluation of the British Pound has also acted to provide buoyancy to the residential sales market by generating demand from individual overseas buyers attracted to the UK by the opportunity to buy property at a significantly reduced price. Evidence suggests that buyers from China and Japan saved 16% and 27% respectively on the purchase price of a city centre apartment compared to domestic investors buying in Sterling. As a result, overseas investors have been able to carry the additional costs associated with the 3% Stamp Duty Land Tax levied on purchases for second homes.
- 3.20 In recent years, domestic buyers have been able to benefit from an accessible mortgage market linked to the Bank of England maintaining a very low base

¹⁶ Source: <https://www.placenorthwest.co.uk/news/what-went-wrong-at-pochins/>

interest rate¹⁷. Yet, in the past few months this appealing financial climate for owner occupiers has been tempered by the general uncertainty created by Brexit, with agents reporting a drop off in sales activity prior to the UK's initial exit date of 29 March 2019. Official reports suggest the Bank of England's intention is still to gradually increase interest rates closer to the pre-recessionary norm but only if the UK's departure from the EU goes smoothly. However, in the event of a no deal Brexit, the most likely response will be to keep rates at the current low, in order to attempt to provide stimulus to the housing market in the UK by sustaining an affordable borrowing rate.

3.21 Foreign Direct Investment

3.22 Manchester has a strong track record of attracting foreign direct investment (FDI) and has a number of longstanding international relationships. A buoyant economy, strategic development sites and an international airport have made Manchester an attractive investment proposition for investment. The Council continues to work closely with colleagues at MIDAS, the Manchester China Forum and Manchester India Partnership to promote the city and wider region to achieve our international ambitions.

3.23 Figures from the Department for International Trade for 2018/19 show that the North West attracted the fourth most FDI of any UK region (behind London, the South East and the West Midlands), with 142 FDI projects creating 4,663 new jobs¹⁸. However, the current environment for attracting FDI is incredibly challenging: FDI into the UK went down by 15% in terms of investment projects and 25% in terms of new jobs created from FDI. The uncertainty of Brexit is likely to be having a large impact on the UK's attractiveness; this is likely to remain as future trade relationships continue to be subject to negotiation. It is essential that work continues with Greater Manchester partners to promote the city and region to secure possible investment, and help to alleviate these risks.

4.0 **EU and Non-EU Migration**

4.1 International immigration has acted as a major accelerator to population growth both nationally and in Manchester for many years. In particular, non-EU immigrant households have tended to have higher birth rates than the indigenous population; it is this natural increase which has driven, and is anticipated to drive, much of Manchester's future population growth in the period to 2021 and beyond. Estimates for 2018¹⁹ indicate that European nationalities make up nearly half of Manchester's non-British residents (46%) but around one quarter are South Asian and the proportion is rising (see Appendix 5).

¹⁷ At the start of August, the Monetary Policy Committee (MPC) voted unanimously to keep interest rates at 0.75%

¹⁸ Source: <https://www.gov.uk/government/statistics/departments-for-international-trade-inward-investment-results-2018-to-2019>

¹⁹ Source: Annual population survey, Office for National Statistics 2018

- 4.2 Evidence from colleagues working across the NHS and in local schools suggest that this natural increase is placing greater demands on public services, particularly health and education. In terms of pupil numbers, there are currently more children living in Manchester than at any other point over the past 15 years, with children of Pakistani (16%) and African descent (12%) accounting for the 2nd and 3rd largest cohorts behind White British²⁰.
- 4.3 Whilst one indicator of EU migration, migrant workers' registrations for National Insurance numbers, is now lower in Manchester than two years ago, 2016 was the highest level on record and numbers remain consistent with those seen before that date. Within the overall figures, the current EU reduction is being driven by Spain and Poland, with Italy starting to show a decrease in the latest year. However, against these reductions are rising numbers of registrations from Pakistan, China and India, with Iran starting to feature in the twenty leading countries of origin²¹.
- 4.4 Nationally, in the twelve months to June 2018, EU citizens added 74,000 to the UK population, the lowest number since Brexit was announced (provisional figures)²². However, non-EU net migration remains stable, with a higher net volume than seen from the EU at any point in the last ten years (+248,000). Gains of 13,000 more than seen in the previous year from non-EU migration balanced out the 13,000 reduction from the EU in the year to June 2018. This level of detail is not available at a local level.

5.0 Manchester's Student Population

- 5.1 Manchester's universities do not anticipate Brexit reducing the growth in international students coming to the city. In fact, the weakening of the British Pound following the Brexit vote has acted to strengthen demand from non-EU international students due to the significant savings now available on both tuition fees and the cost of living.
- 5.2 A significant proportion of the international migrants coming into the city are students. Data from the Higher Education Statistics Authority (HESA) reveals that there were 3,435 EU students enrolled at the University of Manchester and Manchester Metropolitan University in 2015/16 immediately prior to the EU referendum. The latest data from HESA for the 2017/18 academic year reveals that this number has actually increased to 3,800 EU students (in part, as a result of commitments given to underwrite EU students' home fee status for the duration of their course).²³
- 5.3 The greatest growth has been seen in non-EU international students. Manchester's universities have extensive international recruitment strategies and are looking to respond to the changing demands of a student body which

²⁰ Source: Pupil Level Annual School Census, January 2018

²¹ Source: National Insurance number allocations to adult overseas nationals entering the UK, DWP

²² Source: Long-term international migration estimates, ONS

²³ There are currently 16,229 international students enrolled at the three Manchester Higher Education Institutions, 77% (12,509) of whom are from non-EU countries, including 5,028 from China and 1,142 from Malaysia.

is increasingly coming from countries such as China, Malaysia, India and Saudi Arabia. In the period from 2010/11 to 2017/18, the total number of non-EU international students enrolled at the University of Manchester and Manchester Metropolitan University has increased by almost a third from 9,824 to 12,781 students (HESA).

- 5.4 However, Brexit still represents a potential major challenge. In addition to research funding and supply chain issues (see section 2.15), depending on how the UK leaves the EU, a range of problems may arise, linked to enrolments and the movement of staff and students to and from the UK. In the event of a no deal Brexit, there will be an almost certain impact on the fees charged fees to students from the EU studying in the UK²⁴.

6.0 Impact of No Deal on the UK's Economic Growth

- 6.1 The major economic headwinds resulting from Brexit and the very real prospect of no deal is already causing an economic shift nationally. In August 2019, the Bank of England has cut its forecasts for UK economic growth over the next two years, revising it down to 1.3% in 2020 from a previous projection of 1.6%. It also warned that a no deal Brexit would hit the economy and trigger a further drop in the value of the British Pound. The Office of National Statistics released figures in August 2019 showing that the UK economy contracted in Q2, the first fall in quarterly GDP since 2012.
- 6.2 This echoes analysis by the National Institute of Economic and Social Research, who have warned that the UK may already be tipping into recession due to the effects of Brexit. It believes there is around a 25% chance that the economy will have shrunk from April to June this year, and will continue to do so in the following quarter. This independent Office for Budget Responsibility has also warned that a no deal Brexit risks plunging the UK into recession. If the UK leaves the EU without a deal, trade between the UK and EU would automatically revert to World Trade Organisation (WTO) rules. WTO rules mean that, until a Free Trade Agreement is reached, the UK and the EU would have to impose the same tariffs on trade with each other that they impose on other WTO members. There are significant implications of this for Manchester companies who import from or export to the EU, although the UK government has announced a temporary schedule of tariffs in the event of a no deal Brexit, which would mean that 87% of imports by value will be tariff-free²⁵.
- 6.3 If the UK does enter recession, there will be wide ranging impacts on the UK economy and consequently Manchester's. Effects are likely to be felt in a number of ways, including employment, development and public sector funding. It is essential to ensure that Manchester's economy remains resilient and diverse to weather any large economic shocks.

²⁴ EU undergraduate students studying in the UK are currently subject to home university fees (up to £9,250 per year), rather than international student fees (anywhere between £10,000 and £38,000 per year).

²⁵ Source: <https://www.gov.uk/government/news/temporary-tariff-regime-for-no-deal-brexit-published>

7.0 Summary

- 7.1 Manchester's economy has been resilient over the past decade and there is reason to be optimistic that this will continue in a number of sectors. The emergence of a new and diversified employment market in a number of important sectors - including Technology, Culture and Digital - has given businesses the confidence to continue to invest in Manchester. This is reflected in a growing and successful commercial property pipeline, particularly evident in the city centre's office and hotel market and in the emergence of Manchester Airport as an internationally significant business location in its own right. Similarly, if the British Pound's value remains low, property investment and the cheaper costs of visiting the city will remain attractive internationally.
- 7.2 However, Manchester's post-industrial growth has in part been facilitated through an increasingly broad and deep labour market, including the movement of workers from the EU and beyond. With this in mind, Manchester is still open to significant risks linked to Brexit if leaving the UK means that the city region struggles to retain and / or attract enough sufficiently skilled workers to continue its growth. Sectors in Manchester that currently employ a large number of EU nationals include Manufacturing and Construction; Distribution, Hotels and Restaurants; and Public Administration, Education and Health.
- 7.3 It is important to note that, even at this advanced stage, there is no consensus on what the effects of Brexit will be on any aspect of the economy at any level. How Manchester weathers the post-Brexit economic climate will be closely linked to the terms of the UK's departure from the EU, future immigration policy and terms of future trade deals.
- 7.4 To ensure Manchester can react to any impact from Brexit, it is crucial that the city is resilient, continuing to adapt and respond to wider economic and political change, whilst also continuing to capitalise on the uniquely distinctive attributes that have given Manchester its competitive edge compared to other cities in recent years.

8.0 Recommendations

- 8.1 Recommendations to the Committee appear at the front of the report.

Appendix 1 - City centre commercial completions

	2015	2016	2017	2018
Offices (m ²)	-	81,717	296,791	139,827
Retail (m ²)	41,819	3,078	14,282	31,486
Education (m ²)	24,994	6,797	8,230	44,988
Leisure (m ²)	23,957	1,219	-	-
Hotels (rooms)	602	298	599	840
Total (m ²)	90,770	92,811	319,303	216,301

Source: Deloitte Crane Survey

Total excludes number of hotel rooms completed

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Appendix 2 - Commercial Property Pipeline (Including new builds, conversions, changes of use and refurbbs)

	City Centre			Rest of City			Manchester		
	Approved	Pending	Total	Approved	Pending	Total	Approved	Pending	Total
Offices (m ²)	480,965	17,503	498,468	151,080	1,046	152,126	632,045	18,549	650,594
Retail (m ²)	113,885	13,683	127,568	15,692	1,399	17,091	129,577	15,082	144,659
Leisure (m ²)	23,161	3,041	26,202	9,075	53	9,128	32,236	3,094	35,330
Industrial (m ²)	4,139	507	4,646	60,206	1,433	61,639	64,345	1,940	66,285
Public Services (m ²)	117,724	649	118,373	38,731	1,125	39,856	156,455	1,774	158,229
Other (m ²)	25,241	591	25,832	12,001	-	12,001	37,242	591	37,833
Hotels (rooms)	5,188	359	5,547	838	-	838	6,026	359	6,385
Total (m²)	770,303	36,333	801,089	287,623	5,056	291,841	1,057,926	41,389	1,092,930

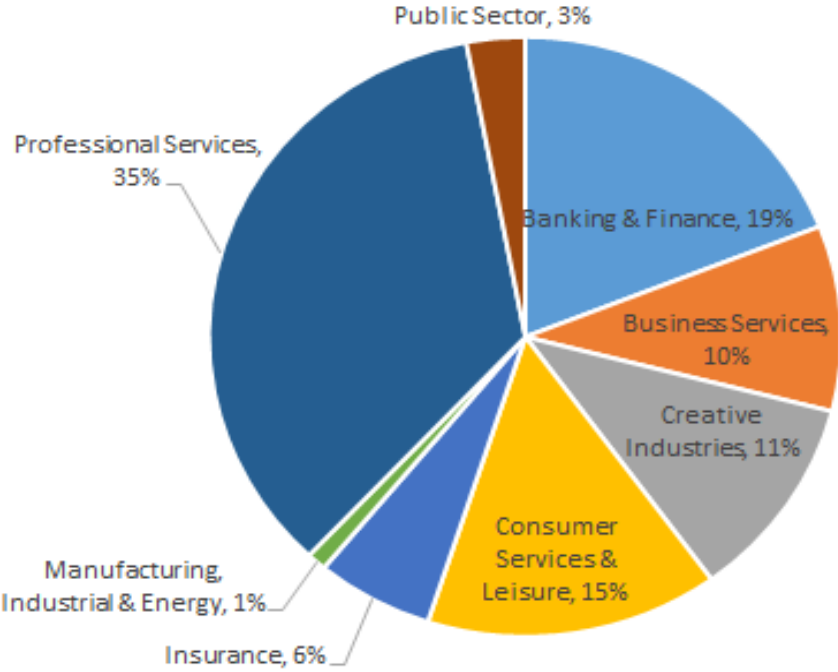
Source: MCC Expected Completions List

Total excludes number of hotel rooms completed

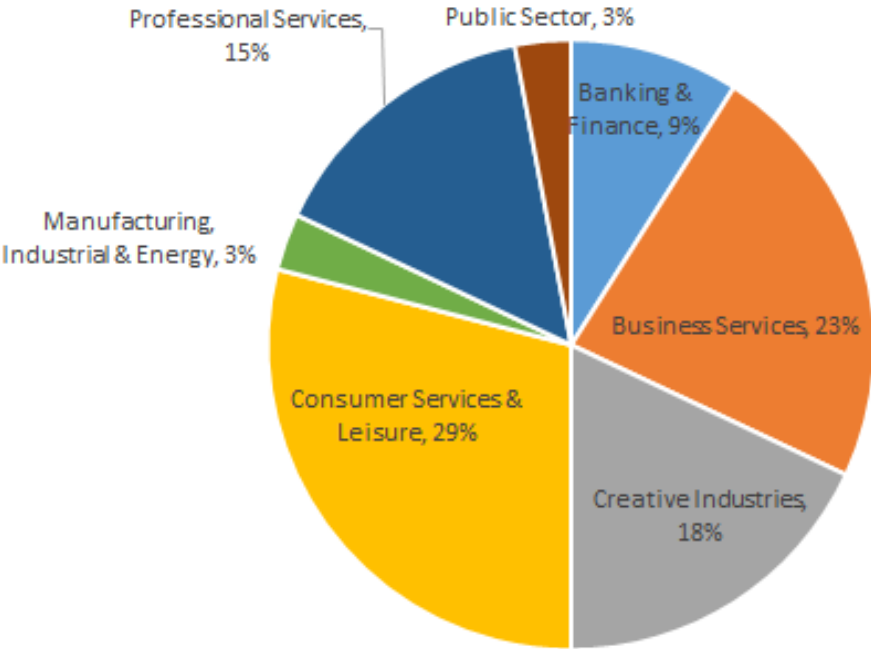
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Appendix 3 - Office Take-Up 2014 & 2018 (CBRE)

Office take up H1 2014

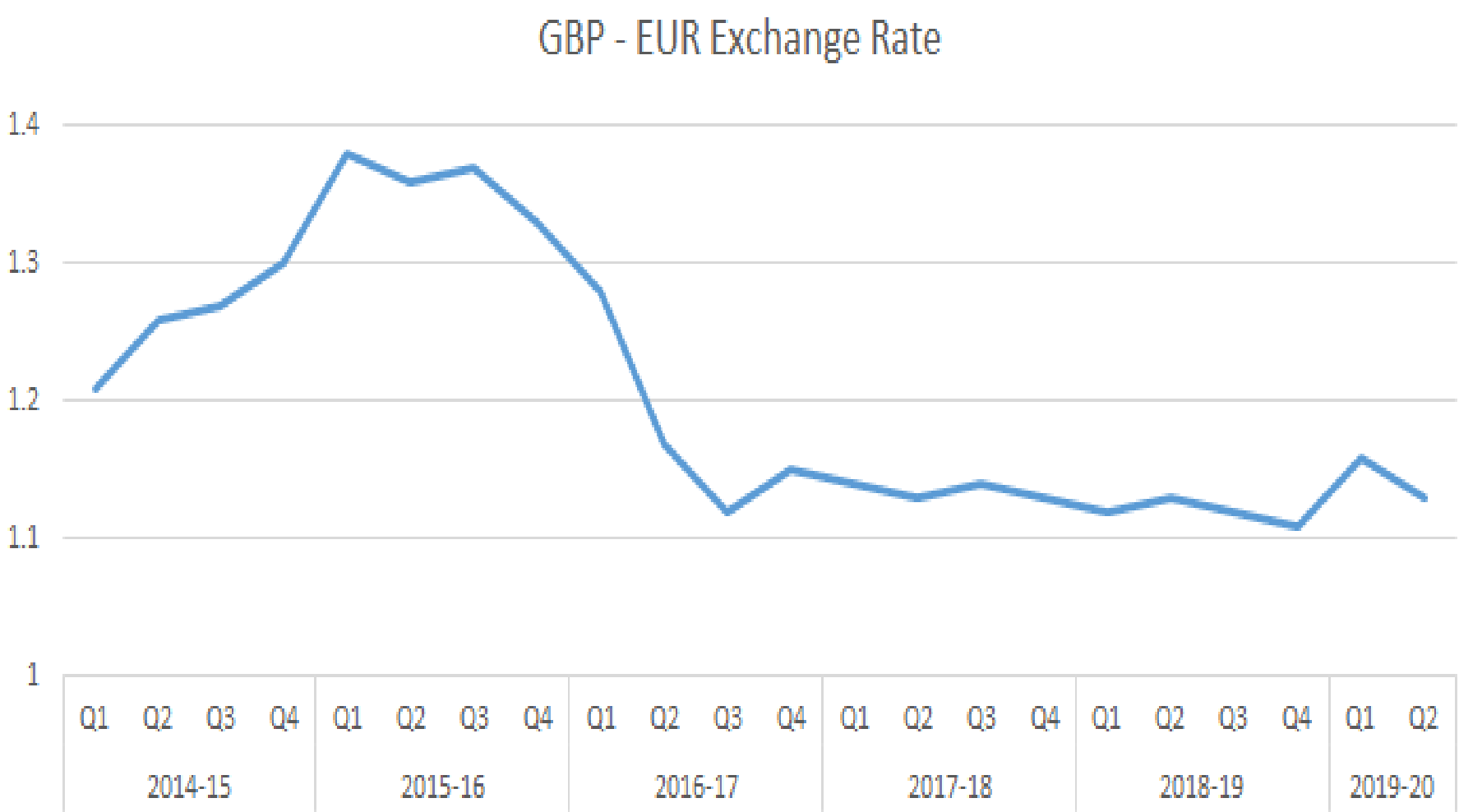


Office take up H2 2018



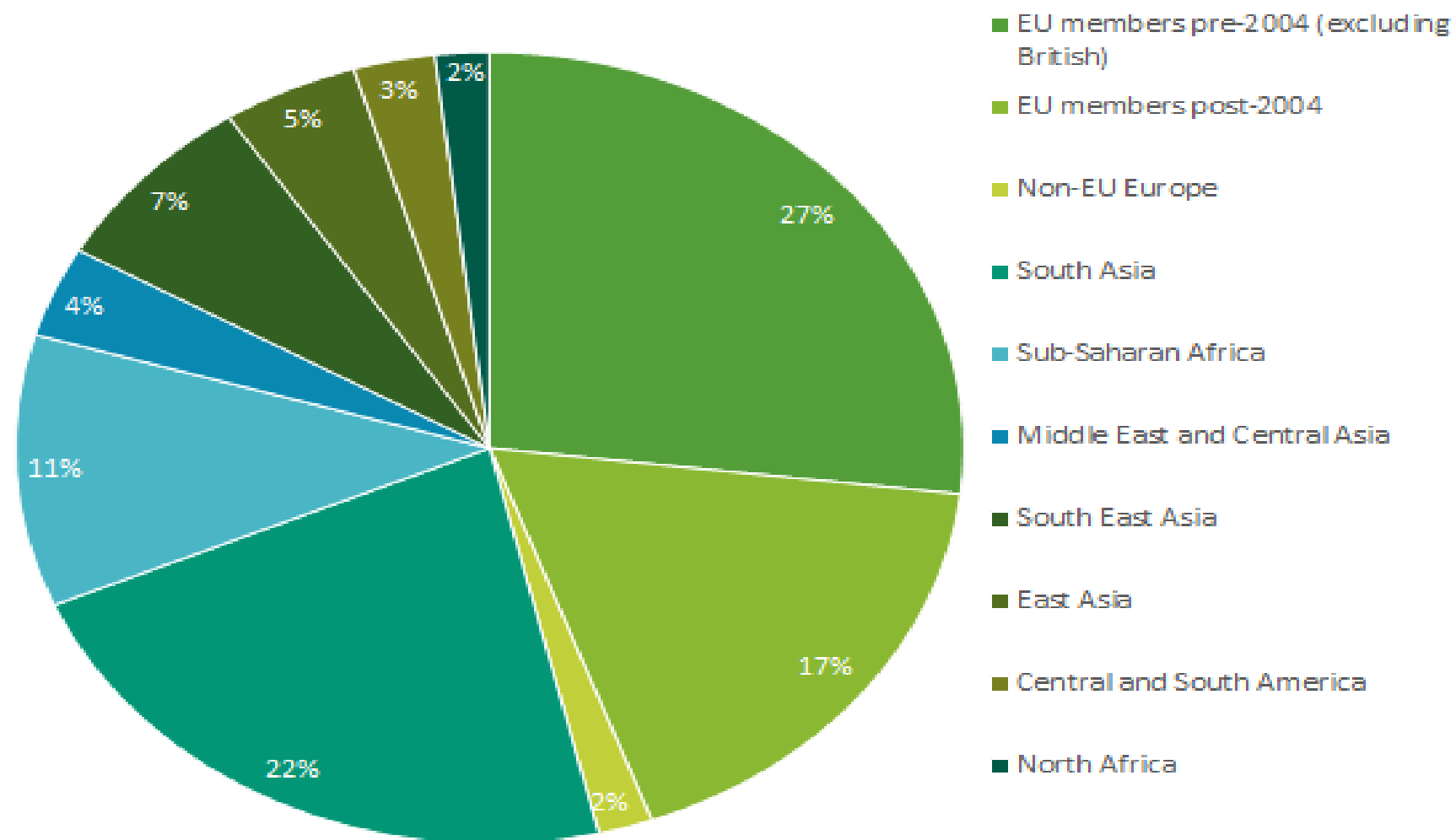
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Appendix 4 - GBP - EUR Exchange Rate



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Appendix 5 - Manchester's foreign national residents - estimate of nationality, mid-2018



Source: Annual Population Survey, 2018, ONS Crown Copyright

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Manchester City Council Report for Information

Report to: Economy Scrutiny Committee – 5 September 2019

Subject: High Speed Rail – High Speed 2 (HS2) and Northern Powerhouse Rail (NPR)

Report of: Strategic Director (Growth and Development)

Summary

This report provides Economy Scrutiny Committee Members with an update on High Speed 2 (HS2) and Northern Powerhouse Rail (NPR) and outlines the latest position on both initiatives. The report also provides information on a campaign by Northern leaders for rail investment in the north and a summary of the Manchester City Council's response to HS2 Ltd.'s Design Refinement Consultation.

Recommendations

The Committee is requested to note the contents of the report and the key issues raised.

Wards Affected:

Ardwick, Burnage, Didsbury East, Didsbury West, Fallowfield, Levenshulme, Northenden, Piccadilly, Rusholme and Woodhouse Park.

Environmental Impact Assessment – the impact of the issues addressed in this report on achieving the zero-carbon target for the city

Alignment to the Our Manchester Strategy Outcomes (if applicable)

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	A high-speed line between Manchester, the West Midlands and London, and the North of England (as proposed by Northern Powerhouse Rail (NPR)) will support business development in the region.

	<p>The scheme has the potential to provide a catalyst which can attract further investment into Greater Manchester by creating a new gateway into the regional centre and boost investor confidence in the area.</p> <p>Specifically, the proposals for HS2/NPR stations at Manchester Piccadilly and Manchester Airport provide major opportunities for stimulating economic growth and regeneration in the surrounding areas.</p>
A highly skilled city: world class and home grown talent sustaining the city's economic success	<p>Development of a high-speed rail network serving the city centre and the Airport, and the regeneration of the Piccadilly area, together with continued development around the Airport, will provide much needed additional capacity and thus contribute towards the continuing economic growth of the city, providing additional job opportunities, at a range of skill levels, for local residents. As part of the high speed rail Growth Strategy, a Greater Manchester High Speed Rail Skills Strategy has been developed, to best enable local residents to access the opportunities created by both the construction of the High Speed rail infrastructure and from the additional investment and regeneration arising from it.</p>
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	<p>The economic growth brought about by high speed rail, and the regeneration of the Piccadilly area, could help provide additional job opportunities for residents, as well as improved connections from communities to jobs in the city centre and beyond.</p> <p>The area will also provide new leisure opportunities, including new areas of public realm, accessible to all members of the public.</p>
A liveable and low carbon city: a destination of choice to live, visit, work	<p>The Manchester Piccadilly Strategic Regeneration Framework (SRF) provides a vision and framework for the regeneration of the Piccadilly area as a key gateway to the city, with a unique sense of place.</p>

	<p>This could include the creation of new residential neighbourhoods and significant new public spaces. As well as providing new high quality commercial accommodation, the new residential accommodation and the public amenities including public realm, retail and leisure opportunities, will create a desirable location in which to live, work and visit.</p> <p>HS2 will enable the provision of improved public transport, through the capacity released on the classic rail network and, if aligned with Greater Manchester's plans, integration with other transport modes at Manchester Piccadilly and Manchester Airport. This can encourage more public transport journeys and less reliance on cars. Improvements to rail capacity will also enable more freight to be transported using rail, reducing the number of journeys by road.</p> <p>As we move to a decarbonised electricity supply, HS2 adds to clean choices for long distance journeys.</p>
A connected city: world class infrastructure and connectivity to drive growth	<p>HS2, together with NPR and the Northern Hub rail schemes, will bring a step change in rail connectivity both across GM and to the rest of the UK. HS2 and NPR will radically enhance north-south and east-west connectivity between the country's major cities, which will increase labour market accessibility, open up new markets for trade and stimulate economic growth, as well as better connecting people to job opportunities.</p> <p>The city's plans for Manchester Piccadilly and Manchester Airport Station are to provide world-class transport interchanges that can act as gateways to the city and city region.</p>

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Report to Executive 11 September 2013 - High Speed 2 (HS2) Consultation and HS2 Manchester Piccadilly Strategic Regeneration Framework (SRF)
- Report to Executive 18 December 2013 - High Speed 2 (HS2) Manchester Piccadilly and Mayfield Strategic Regeneration Framework (SRF) Consultations
- High Speed Rail: Investing in Britain's Future (Consultation on the route from the West Midlands to Manchester, Leeds and beyond), DfT, July 2013
- Report to Executive 15 January 2014 - HS2 Consultation – A City Council Response
- High Speed Two: From Crewe to Manchester, the West Midlands to Leeds and Beyond, Command Paper, DfT, November 2016
- Report to Executive 14 December 2016 - Manchester Piccadilly High Speed 2 (HS2) Phase 2 Route Announcement
- Report to Economy Scrutiny 1 February 2017 - High Speed Rail – High Speed 2 (HS2) and Northern Powerhouse Rail (NPR)
- Report to Executive 18 October 2017 - Greater Manchester HS2 and Northern Powerhouse Rail Growth Strategy
- Greater Manchester HS2 and NPR Growth Strategy: The Stops are Just the Start 2018
- Report to Executive 7 March 2018 – Manchester Piccadilly Strategic Regeneration Framework Update 2018
- Report to Executive 27 June 2018 – Manchester Piccadilly Strategic Regeneration Framework Update 2018
- Manchester Piccadilly Strategic Regeneration Framework 2018
- HS2 Working Draft Environmental Statement 2018, available at:

<https://www.gov.uk/government/consultations/hs2-phase-2b-working-draft-environmental-statement>

- Report to Economy Scrutiny 7 November 2018 - HS2 Working Draft Environmental Statement (WDES)
- Report to Executive 12 December 2018 HS2 Working Draft Environmental Statement (WDES)
- HS2 Phase 2b Working Draft Environmental Statement Consultation Response of the Greater Manchester Combined Authority 2018
- HS2 Phase 2b Working Draft Environmental Statement Consultation Response of Manchester City Council 2018
- HS2 Phase 2b Design Refinement Consultation 2019, available at:
<https://www.gov.uk/government/consultations/hs2-phase-2b-design-refinement-consultation>

1.0 Introduction

- 1.1 In July 2013, Government launched a public consultation process on the proposed route for Phase 2 of the High Speed 2 (HS2) rail line. In November 2016, DfT published information setting out the Government's preferred route for Phase 2b of HS2, from the West Midlands to Leeds and Crewe to Manchester.
- 1.2 Transport for the North (TfN) was established by Government in 2014 to develop a long-term transport strategy and strategic transport plan for the North of England, to support the ambitions of The Northern Powerhouse. This was followed by the joint publication, by the Government and TfN, of the Northern Transport Strategy in March 2015. Northern Powerhouse Rail (NPR) is one of the key proposals to provide better connections between the Northern cities, through upgraded rail infrastructure, in order to provide a step change in the North's economic growth.
- 1.3 In 2018, HS2 Ltd. published the HS2 Phase 2b Working Draft Environmental Statement (WDES) to inform the public of the likely environmental impacts from the proposed plans for the Phase 2b route, as planned in 2018. The WDES, and the Council's response to the consultation on it, were reported to Economy Scrutiny Members in November 2018, and to Executive in December. As the plans were at an earlier design development stage, further design work has now been undertaken, and refinements to the route, new scope and infrastructure are included in the current HS2 Ltd. Design Refinement Consultation.
- 1.4 The proposed HS2 Phase 2b route includes stations at Manchester Airport and Piccadilly. The January 2014 Executive report set out the transport and economic case for HS2 and the benefits anticipated to arise from it.
- 1.5 Key local strategies, including the Local Industrial Strategy and Greater Manchester Strategy, highlight HS2 and NPR as being vital components of future growth in the city and Greater Manchester as a whole. Members will be receiving a report at the next meeting on a refreshed City Centre Transport Strategy, which will set out how the demands and opportunities from the high speed rail schemes will be integrated into the wider city centre transport system, to support the future growth ambitions of the city centre. High Speed Rail also clearly supports our zero carbon agenda, adding clean choices for long distance journeys, as we move to a decarbonised electricity supply.
- 1.6 This report summarises the background, current position and key issues for both HS2 and NPR initiatives.

2.0 Background

Overview of HS2 and NPR

- 2.1 As reported in the January 2014 report to Executive, our response to the Government's consultation in January 2014 set out the benefits of HS2 to the UK, Manchester and the city region. It outlined the economic and growth opportunities at Manchester Piccadilly and Manchester Airport, and emphasised what needed to be done in order to achieve that opportunity.
- 2.2 Manchester City Council, the Greater Manchester Combined Authority (GMCA) and partners have prepared an HS2 Growth Strategy for Manchester Piccadilly and Manchester Airport, to ensure that Greater Manchester is best placed to maximise the benefits offered by HS2 and NPR.
- 2.3 The ambition for Piccadilly Station, as set out within the SRF, is for a fully integrated, multi-modal transport hub with improved connections to the city centre. The new investment proposed is estimated to bring 40,000 new jobs, 13,000 new homes and 820,000 square metres of new commercial development in the area surrounding Piccadilly.
- 2.4 Provision of an integrated Airport station is critical to supporting the growing connectivity provided by the Airport, and the surrounding enterprise zone. The Airport Transformation Programme is well underway with £1bn investment to increase capacity to allow for £45m passengers per year, and a high speed rail station can further help drive development surrounding the airport over the next 10-15 years. The vision for the airport station, set out in the Greater Manchester Growth Strategy, is a fully integrated station that allows interchange between all transport modes. At Manchester Airport, there is a strong economic case for both HS2 and NPR, and the benefits they bring.

North Leaders Campaign

- 2.5 This is a crucial time for the North, given the uncertainties around Brexit, future spending settlements, and private sector and Government commitments to future investment. It is, therefore, critical that we have the infrastructure necessary to support future growth across the North.
- 2.6 As a result, Leaders in the North have come together to campaign to raise the positive profile of high speed rail, Northern Powerhouse rail and local rail schemes, and ensure they are delivered across the North as in integrated package. The group of Leaders has written to both the Prime Minister and new transport secretary, Grant Shapps, to express the importance of delivering HS2 and NPR together in the north; delivering the right stations and infrastructure; and not stepping back from other committed schemes, including Northern Hub works (including the proposed two new platforms - 15 and 16 - at Manchester Piccadilly) and the Transpennine Upgrade.
- 2.7 Leaders are now moving forward to deliver a joint campaign, supported by other areas and existing groups, including Transport for Greater Manchester

(TfGM) and the GMCA. The other areas signed up to the campaign include Liverpool Combined Authority, West Yorkshire Combined Authority, Leeds, Bradford, Warrington and Cheshire East Councils, with support from other places.

- 2.8 The campaign will target business, media, MPs and senior Government Officials, and aims to gain the support of prominent figures to influence the wider general public of the opportunities and benefits to the north of HS2, NPR and wider rail investment. The campaign is aimed at raising awareness of the economic growth, jobs, skills and new homes, and will promote the benefits of HS2 and NPR to northern cities and smaller towns along the route. Messages will also focus on the improved capacity and reliability these schemes will deliver, connecting cities across the north, by providing better links in all directions, increased capacity for freight, increased frequency of services, and freed up capacity on local services. All of these benefits are much wider than the benefit of faster trains to London and are more relevant to many residents across the North of England.
- 2.9 The current issues related to HS2 and NPR are outlined below. A number of these will be central to the campaign.

3.0 High Speed Rail (HS2) Update

- 3.1 HS2 Ltd. are currently at the Control Point 3 (CP3) design stage, which is due to complete in October. CP3 is the stage of design which will be included in the plans which make up the hybrid Bill, which is currently due to be submitted to Parliament in June 2020. HS2 Ltd. are drafting the final Environmental Statement (ES), submitted with the Bill, based on these designs. From this date, any changes to the current plans that affect the boundary or land take or that has significant impact on the HS2 scheme, will therefore be presented as “Additional Provisions” to the Bill. Additional Provisions need to be agreed with the Department for Transport (DfT), and follow the same Parliamentary process as the Bill itself, including a supplementary ES.

HS2 Ltd.’s Design Refinement Consultation (DRC)

- 3.2 HS2 Ltd. are consulting on design refinements to the Phase 2b route consulted on in 2016. The consultation closes on 6 September 2019. The changes that impact Manchester are the proposed relocation of vent shafts and their associated infrastructure, at Lytham Road and Palatine Road. The proposed new locations are at Fallowfield Retail Park on Birchfield’s Road, and on Withington Golf Club land at Palatine Road (The location plans are shown at Appendix 1).
- 3.3 Located above the tunnel ventilation shafts at surface level, buildings associated with vent shafts in these locations include headhouses and autotransformer stations.
- 3.4 The City Council’s draft response (attached at Appendix 2) to the DRC sets out our concerns with the proposed new locations, and impacts during

construction and operation. It also provides a summary of GM issues that the Council support. The Council's response is aligned with the response of the GMCA.

- 3.5 HS2 Ltd. are also consulting on revised safeguarding maps. It is understood the safeguarding boundary will change at final Bill deposit and the City Council will therefore provide further comment on the revised safeguarding boundary, once it is available.
- 3.6 The Council's response to the DRC includes previous concerns set out in our response to HS2 Ltd.'s Working Draft Environmental Statement (WDES) in December 2018. These issues include the following:
- Appropriate Highways solutions are needed at Pin Mill Brow and M56 Junctions 5 and 6 that do not have an adverse impact on the road network, and allow for future forecast economic growth.
 - The need for appropriate car parking at Piccadilly and consideration of the City Centre Transport Strategy (which is currently being refreshed) and the GM Transport Strategy 2040, which seeks to encourage modal shift and minimize car trips into the city centre (also important in helping to respond to the current climate state of emergency).
 - There is currently a lack of consistency around the station funding strategy for the Airport Station, where there is a requirement for a local funding contribution. HS2 Ltd. need to be fair and consistent in their funding strategy for the Airport Station, so that it is in line with other HS2 airport stations. A local funding contribution can only be considered in the context of a fair and consistent approach.
 - Piccadilly station design should be akin to the fully integrated station included in the Piccadilly SRF and Growth Strategy, to maximise the benefits of HS2 and NPR.
 - The WDES does not provide sufficient information to fully understand or comment on the impacts of the overall HS2 scheme and the proposed mitigation. The Council ask construction, traffic and transport, and environmental health impacts are fully detailed in the ES and any blight is minimised.
- 3.7 The Council's response also expresses our disappointment that HS2 are not planning to share or consult on the detailed information that will be included in the full ES in advance of the hybrid Bill being submitted.
- 3.8 The hybrid Bill will give HS2 planning permission to build vent shafts (at the locations specified in the Bill). The final designs of the head house will need to be agreed with the Local Planning Authority to ensure they are designed to the highest architectural standards, and in a way that minimises their visual impact, and fits with the local context and surroundings.

- 3.9 The Council are opposed to locating the vent shaft at Fallowfield Retail Park on Birchfield's Road due to concerns over the impact on the local community, nearby schools, businesses and jobs, and are requesting that HS2 consider alternative sites.
- 3.10 The Council's response requests that appropriate mitigation measures for the final vent shaft sites are taken, to minimise their impact, and that local residents and the Council are kept informed of changes and any impacts.
- 3.11 The GMCA response, which is supported by the Council, notes that HS2 are proposing new infrastructure for a temporary railhead and permanent maintenance facility near Ashley, Cheshire. At Manchester Airport, GMCA considers that insufficient emphasis has been placed on the use of rail to remove the spoil from the construction site, reducing the need to remove materials by road. There is also the potential benefit of the longer term connection opportunities associated with building a rail head. The GMCA and Council responses to the DRC both request further engagement from HS2 to consider wider opportunities for a railhead in this area.
- 3.12 The GMCA response also notes the provision of the two junctions at High Legh, Cheshire (to provide 'passive provision' for future Northern Powerhouse Rail (NPR) services between Manchester and Liverpool). GMCA is concerned that the current proposals may preclude the ability to include the 'Northern Chord' connection, included in the original HS2 Business Case, which could provide improved connectivity and capacity between the North West and Scotland with Manchester and the Airport. The GMCA and Council response both request further engagement with HS2 Ltd. and DfT regarding the potential for the Northern Chord.
- 3.13 It should be noted that within the 2014 and 2017 GMCA consultation responses to HS2 Ltd., it was highlighted that Trafford Council raised concerns about the impact of the Northern Chord, and also identified the need for HS2 Ltd. to work closely with GM partners to consider options to mitigate local impacts.

4.0 Northern Powerhouse Rail (NPR) Update

- 4.1 Transport for the North (TfN) was established in October 2014, with the objective of improving transport connections between the economic centres of the North. TfN approved a Strategic Transport Plan in 2018, following a consultation exercise, which the Council responded to, as reported to Executive in March 2018. The Strategic Transport Plan identifies the strategic transport investment needed across the North, of which NPR is a crucial part.
- 4.2 DfT approved TfN's Strategic Outline Business Case for NPR at the end of 2018. NPR route options continue to be developed with the aim of reaching a single concept for the use of new or existing rail lines for the routes from Manchester to Leeds, Liverpool and Sheffield by April 2020.
- 4.3 The NPR station at Manchester Piccadilly is designed as a surface turnback station in the current CP3 design for HS2, and will be submitted in the hybrid

Bill. Manchester's preferred option is for an underground station, because of the benefits to the passenger experience and journey times it presents, as well as the adverse impact the surface turnback station will have on the Strategic Regeneration Framework for the Piccadilly area. It should be noted that an earlier TfN Board agreed that the preferred option was for an underground station. However, the SOBC states that both station options could deliver the required services. Greater Manchester partners continue to have concerns about the evidence for this.

TfN Board 31 July

- 4.4 A TfN Partnership Board Meeting took place on 31 July where the evidence on the surface and underground station options for Piccadilly was discussed. Greater Manchester is represented at the meeting by the GM Mayor. A paper was circulated beforehand on this topic, which highlighted some of the concerns of Manchester City Council and its partners. However, GM stakeholders were not in agreement of the recommendations that were included in the paper. These concerns were raised at the meeting, and on this basis, the paper is understood to have been withdrawn.
- 4.5 We are still awaiting formal minutes of the meeting, but it is understood that it was agreed that further work would be done to allow a like for like comparison of the 2 options, so that a more informed decision could be made. The process and timescale for this work is still to be agreed, but the Council and GMCA have requested that it is done in partnership with us.

5.0 Timescales and Next Steps

- 5.1 A six week review of the HS2 project has been requested by the Prime Minister, expected to be completed late October. The review panel was announced in August 2019 and includes Douglas Oakervee (Chair), Lord Berkley (Deputy Chair). The advisory panel is made up of Stephen Glaister, Michèle Dix (Transport for London), John Cridland (TfN Chair), Sir Peter Hendy (Network Rail Chair), Andrew Sentence, Tony Travers, Andy Street (West Midlands's Mayor) and Patrick Harley (Leader, Dudley Council).
- 5.2 Douglas Oakervee is a former Chair of HS2 Ltd. Under the published terms of reference, the review is expected to examine cost estimates and opportunities for savings and changes to the scheme, the environmental impact, and the economic and business cases for both Phases 1 and 2.
- 5.3 It should be noted that the only Northern representative on the review panel is the Chair of TfN. The lack of representation from Combined Authorities and Councils in the North is clearly of concern and the Council will consider with GMCA the best way of responding to this.
- 5.4 On 27 July 2019, the Prime Minister visited Manchester and gave a speech at the Museum of Science and Industry. The speech detailed the ingredients of successful cities, including connections and the importance of transport, rail,

tram and bus. He also referenced the concentration of power in London, and the need to boost growth and bring regions together across the UK.

- 5.5 The PM confirmed his support for Northern Powerhouse Rail and pledged to deliver on the commitment to fund the Leeds to Manchester route. Government officials are tasked with accelerating plans in order to reach an agreement on the Leeds to Manchester route in the Autumn. Whilst this is clearly welcomed, we do have concerns that the reference to one part of the overall NPR proposal could lead to piecemeal development, rather than an integrated network. The PM supported speeding up the investment in NPR to unlock jobs, and boost local businesses and growth whilst improving reliability and frequency of rail services.
- 5.6 The speech suggested that Government will give more communities a greater say over changes to transport, housing, public services and infrastructure that will benefit their areas and drive local growth, and that he wants to see the whole NPR network delivered, although his specific commitment only referred to the Manchester to Leeds section. It is expected that the Government's Autumn Spending Review will confirm commitments under the new Prime Minister for the NPR network.
- 5.7 The current timetable set out by Government in the last HS2 Phase 2b route announcement is as follows:
- Deposit of hybrid Bill – June 2020
 - Second Reading – November 2020
 - House of Commons petitioning period – November – December 2020
 - House of Commons Select Committee – February 2021 to November 2022
 - Public Bill Stages – November 2022
 - House of Lords Select Committee – February to September 2023
 - Royal Assent – December 2023
 - Opening of HS2 services – 2033

6.0 Conclusion

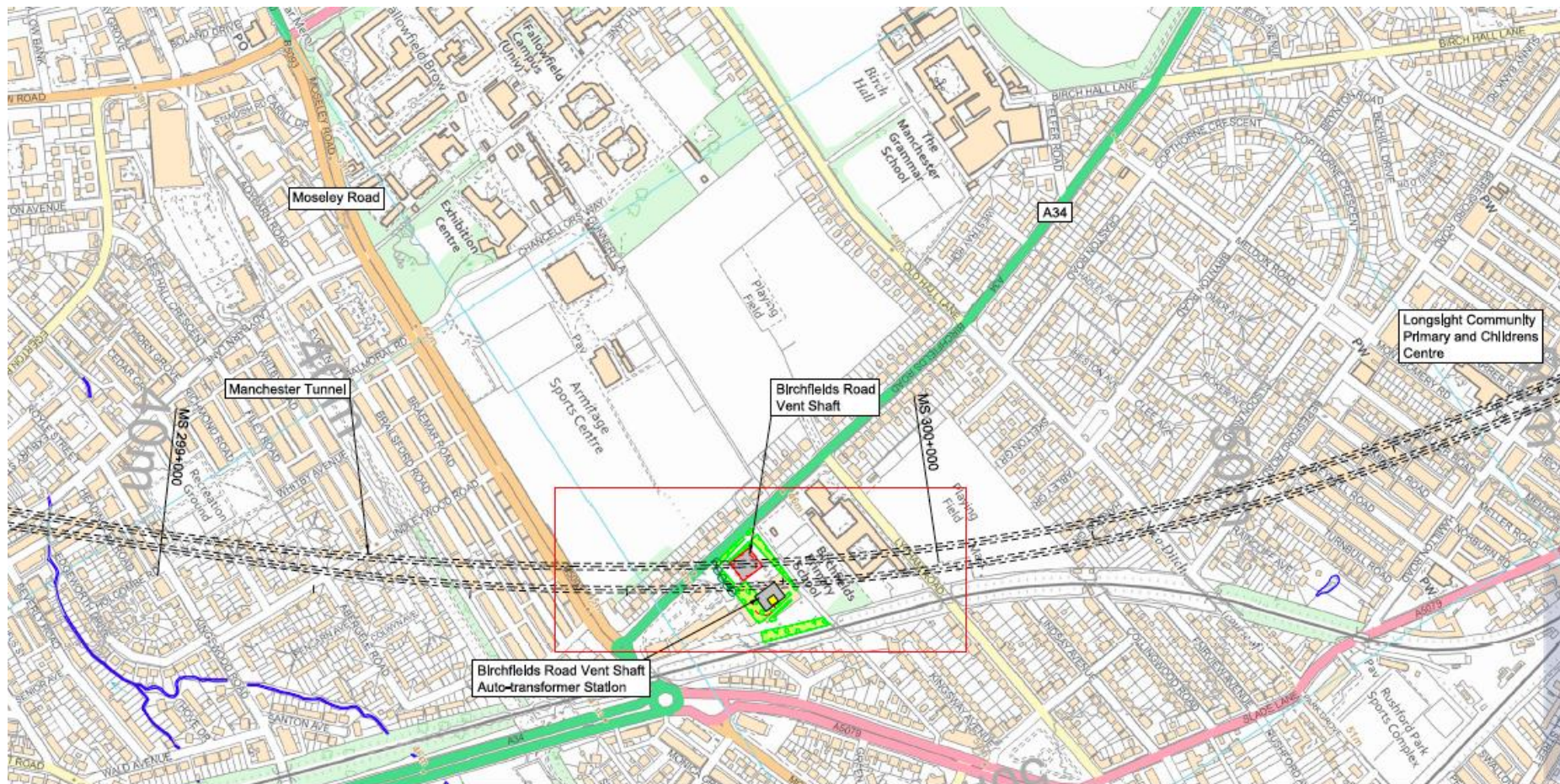
- 6.1 The Council continues to work with stakeholders to progress plans for HS2 and NPR and to address existing concerns.
- 6.2 The Government's Autumn Spending Review and the completion of the six week review of HS2 will be important in establishing the degree of certainty on the funding and political commitment for HS2 and NPR, as well as other local rail schemes.
- 6.3 All of these schemes together are vital to ensuring that there is a step change in the performance of rail services in the North of England, allowing future growth, increased capacity and reliability of services, to support jobs and growth. The regeneration plans for HS2 stations at Manchester Piccadilly and Manchester Airport will transform the areas surrounding the station and create world class destinations.

- 6.4 Together with other Northern cities and regions, Manchester City Council will continue to request that Government prioritises high speed rail, as part of improving connectivity and productivity across the North, and commit to the right station solutions, an integrated network, and appropriate funding to maximise the opportunity HS2 and NPR brings.

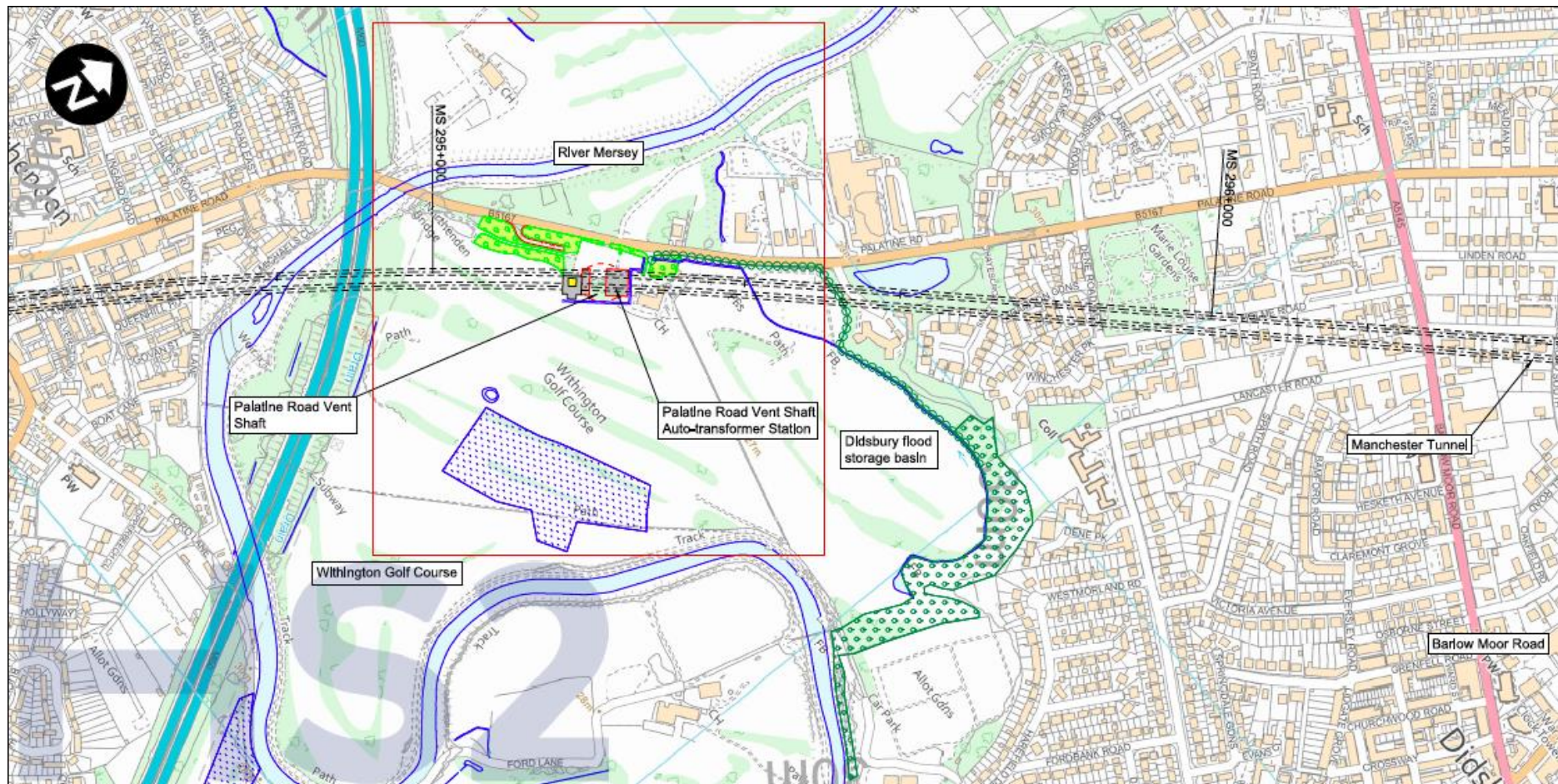
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Appendix 1 – Location plans

Proposed site for the relocation of Lytham Road vent shaft



Proposed site for the relocation of Palatine Road vent shaft





**MANCHESTER
CITY COUNCIL**

HS2

High Speed Rail – Phase 2b

(Crewe to Manchester and West Midlands to Leeds)

Design Refinement Consultation

Response of Manchester City Council

September 2019

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NB DUE TO SIZE THE APPENDICES WILL BE AVAILABLE TO MEMBERS ON REQUEST

1.0 Introduction

- 1.1 This paper sets out the response of Manchester City Council (MCC) to HS2 Ltd.'s High Speed Two: Phase 2b: Design Refinement Consultation (DRC). This response fully supports, and is aligned with, the response made by the Greater Manchester Combined Authority (GMCA).
- 1.2 The response also re-provides HS2 Ltd. with a summary of the main issues to which the City continues to seek resolution, as set out in previous consultation responses, and which MCC expect further engagement on.
- 1.3 Issues relating to the relocation of the two Manchester vent shafts are outlined in this document, along with the need for appropriate mitigation by HS2 Ltd. The response also provides support to GMCA's response on issues regarding High Legh also included in the DRC, and covers comments relating to the safeguarding area, which HS2 Ltd. are consulting on alongside the DRC.
- 1.4 In response to HS2 Ltd.'s Design Refinement Consultation, Manchester City Council (MCC) welcome the opportunity to comment on the relocation of the two ventilation shafts and associated infrastructure situated at Palatine Road and Lytham Road, following MCC's response to HS2 Ltd.'s Working Draft Environmental Statement (WDES). The proposals to relocate these two vent shafts are welcomed. However, there are issues associated with the proposed locations, which HS2 need to address. MCC also expect appropriate mitigation measures related to this infrastructure to be developed by HS2 Ltd., in collaboration with stakeholders.
- 1.5 Although the opportunity to comment on the Design Refinement Consultation (DRC) is welcomed, MCC is disappointed in the limited scope of this consultation, and expect future consultations that include more detailed information for the line of route and the design of stations. It would be useful for HS2 Ltd. to share the timescale and content for future consultations in relation to the hybrid Bill process.
- 1.6 We are also disappointed that the information to be included in the full Environmental Statement (ES), which will be part of the hybrid Bill, and will provide detail on the likely significant environmental effects of HS2 in different areas along the Phase 2b route, will not be made available to the Council prior to its publication.

2.0 The Opportunity from HS2 & Northern Powerhouse Rail (NPR)

- 2.1 HS2 and NPR offer considerable opportunities for economic growth in Greater Manchester (GM) and the North. The schemes have significant potential to benefit the wider agenda for rebalancing the economy in the UK. It is essential that the growth opportunities and benefits afforded by HS2 and NPR are maximised.

- 2.2 MCC welcomes and fully supports the Government's intention to progress with the proposed HS2 Phase 2b extension from Crewe to Manchester and the West Midlands to Leeds. MCC also welcome the Government's consideration of the case for Northern Powerhouse Rail (NPR) to improve capacity, reliability and frequency of services.
- 2.3 MCC endorses the identified station locations at Manchester Piccadilly and Manchester Airport, and welcomes the opportunity to work with HS2 Ltd. and partners to develop these plans to ensure they are integrated with our aspirations for the City and to capitalise on the economic stimulus of the airport and its growth.

3.0 Response Context

- 3.1 This response should be considered in the context of other MCC and GM strategies, in particular the GM HS2 Growth Strategy; 'The stops are just the start' (2018). MCC, along with the GMCA and Trafford Council with input from Manchester Airport Group (MAG), published this comprehensive Growth Strategy for the stations at Manchester Airport and Manchester Piccadilly. The Growth Strategy sets out how HS2 can have maximum impact through station planning; wider connectivity; full support for committed and new economic and residential growth and regeneration; and local skills and supply chain benefits.
- 3.2 MCC has previously responded to the two HS2 Phase 2b line of route consultations, submitted in 2014 and 2017; and Working Draft Environmental Statement in 2018 (Appendix 1 - NB Due to size, appendices are available to Members on request); and to ongoing design work, which has raised a number of issues that HS2 has yet to address. These points are set out in Section 4.
- 3.3 This response to the Design Refinement Consultation builds on and should take account of, MCC's and GMCA's responses to HS2 Ltd.'s Working Draft Environmental Statement (WDES) (Appendices 1 and 2).
- 3.4 The MCC response to the Design Refinement Consultation also fully supports, and should be read alongside, the GMCA consultation response. The issues outlined in this response align with Manchester City Council's views, including comments on the relocation and realignment of the vent shafts and on the revised safeguarding boundaries, new scope and new infrastructure.

4.0 Overarching Comments on Key Issues

- 4.1 Manchester City Council, alongside the Greater Manchester Partners, continue to facilitate ongoing dialogue with HS2 Ltd. on the issues raised through previous consultations and ongoing design discussions. We welcome opportunities to work collaboratively with HS2 Ltd. on key issues and progress is being made in some areas. However, a range of aspects of the HS2 Phase 2b scheme remain a cause of significant concern for the City and GM partners, as outlined below.

- 4.2 It is essential that HS2 Ltd. take into account the growth context and principles contained within the range of local and regional strategies and policies in the final design and delivery proposals for Manchester Piccadilly and Manchester Airport Stations, and the line of route within Manchester. Previous responses have requested HS2 Ltd. develop schemes in line with Manchester and GM strategies and policies, to realise regeneration opportunities, and providing the right scheme for users and the future. These strategies include, but are not limited to:
- Greater Manchester Strategy (GMS)
 - Greater Manchester Transport Strategy 2040
 - Manchester Piccadilly Strategic Regeneration Framework (SRF)
 - GM HS2 and Northern Powerhouse Rail Growth Strategy: the stops are just the start
 - Manchester Airport and the Airport City Masterplans
- 4.3 MCC has raised a number of specific issues in our previous responses, which need to be fully addressed in the final scheme designs and within the formal Environmental Statement (ES). The WDES does not provide sufficient information to fully understand or comment on the impacts of the scheme and the proposed mitigation. There are a number of areas where it is crucial HS2 Ltd. fully engages with MCC to inform the design, minimise impacts and inform the formal Environmental Statement, ahead of hybrid Bill submission. We are disappointed that HS2 Ltd. have not provided a formal response to our WDES submission and are not proposing to formally consult on the content of the final Environmental Statement until the submission of the hybrid Bill.

Station Design & Urban Integration

- 4.4 It is imperative to create a station at Manchester Piccadilly that is a world class, fully integrated transport hub, which is connected to the city centre, which can actively maximise the economic growth and regeneration benefits to the city, in line with the Piccadilly Strategic Regeneration Framework 2018 (SRF) and GM HS2 Growth Strategy.
- 4.5 A strategic approach to transport investment at Piccadilly is needed, which supports the transformation of Piccadilly Station at the earliest opportunity to maximise regeneration benefits; avoid significant and long term disruption and blight; and promote investor confidence. In other words, a 'Build it Once, Build it Right' approach.
- 4.6 The fully integrated station included in the Piccadilly SRF and Growth Strategy requires the removal of Gateway House, in order to provide an appropriate station entrance, which allows the station to properly connect into the city centre, and accommodate the significant anticipated increase in passengers and users. HS2 Ltd. should consider this solution as part of an optimum station design. MCC wish to seek agreement with HS2 Ltd. that Gateway House will be removed as part of the station delivery.

- 4.7 The proposed inclusion of two multi-storey car parks at Piccadilly, next to a major transport interchange is refuted. The size, location and access of the proposed multi-storey car parks are not in accordance with the approved Piccadilly SRF and are not commensurate with the approach taken with other key city centre transport hubs, for example at London Euston, or within local transport policy in the City Centre Transport Strategy (which is currently being refreshed) and the GM Transport Strategy 2040 which seeks to encourage modal shift and minimise car trips into the city centre.
- 4.8 It is also imperative the Manchester Airport station is a fully integrated station solution and that the impact on surrounding communities and environment is minimised and fully mitigated. HS2 Ltd. need to be fair and consistent in their funding strategy for the Airport Station, so that it is in line with other HS2 airport stations. A local funding contribution can only be considered in the context of a fair and consistent approach.
- 4.9 The design of both station schemes, including public realm, should ensure that they are of the highest exemplary architectural design quality, to create a world class facility; respond positively to their context; and be in line with existing regeneration frameworks. The designs should be fully integrated into the existing environment and create destinations of distinction.

Highways

- 4.10 A credible highways design at Pin Mill Brow is needed, with full technical evidence of demand modelling, and this must take account of the impact on the wider highway network. This should be aligned with the City's transport policies and approach to journeys in and around the city centre. The scheme needs to ensure connectivity to sites of major development including Mayfield; allow for future growth; and meet MCC's and GMCA's aspirations for reducing traffic in the city centre, which is also essential in order to respond to the current climate state of emergency.
- 4.11 Highways proposals must also avoid adverse impacts on the M56, its junctions and the local highway network surrounding Manchester Airport. Inadequate solutions have been provided on: how the proposed Manchester Airport station can be accessed from the M56; what the implications are for Junction 5 and 6 of the M56 (during construction and operation) and other strategic routes; and the impact on airport operations and accessibility. The M56 junction capacity should take account of HS2 and NPR demand, as well as further economic growth, to avoid a significant impact on the strategic road network due to a lack of proper planning for forecast future demand.
- 4.12 Dialogue is ongoing between Manchester City Council, TfGM, Highways England and HS2 Ltd. to agree a credible and appropriate highways solution for Pin Mill Brow; a commensurate parking solutions at Piccadilly; and solutions for the M56 and the surrounding road network.

- 4.13 HS2 Ltd. states that the assessment of significant effects in relation to traffic and transport during construction of the proposed scheme will be reported in the formal ES. Appropriate mitigation measures should be agreed with the City Council in advance of the final ES and hybrid Bill submission.

Construction, Traffic and Transport

- 4.14 More information on the construction programme and phasing is needed, to understand the relevant construction dates for each section of works and the likely duration of construction impacts. This needs to be developed in conjunction with MCC and GM partners and in consideration of other development, highways works and infrastructure projects within Manchester and Trafford, to allow timescales of work to be properly sequenced; to avoid extended blight; and to make efficient use of resources.
- 4.15 Proposals must protect the operation and future growth of Manchester Airport in relation to traffic and access during both the construction and operational phases. It is also essential the City centre continues to function through construction works and that any blight is minimised.

5.0 Overarching Technical Comments on the Relocation of Ventilation Shafts (Community area: MA07 | Davenport Green to Ardwick)

- 5.1 There are likely to be considerable vehicular movements arising from the transporting of materials to and from the ventilation shaft sites, associated with the construction process. HS2 Ltd. needs to provide detailed information on the logistics and removal process; the anticipated effects of construction on the local highway network and residential areas; the proposed temporary and permanent access to the vent shafts/head house; and construction compounds. Full details, impact assessments, and appropriate mitigation measures should be agreed with MCC, and other appropriate statutory bodies, in advance of the hybrid Bill submission.
- 5.2 The final design of the head house and auto transformer station at the proposed sites is a key issue. It is important that MCC is engaged in early and detailed discussions over the designs of these new structures to minimise their impact on local communities, ensuring they are in keeping with the local context and surroundings. The vent shafts need to be of the highest quality, and sufficient planting and landscaping should be used in the area surrounding the vent shaft and associated infrastructure for mitigation of any visual impact. The final design of the head house will need to be agreed by MCC, as the local planning authority. The City Council will need to be involved the detailed design of the vent shafts.
- 5.3 MCC have previously raised concerns in our response to the WDES about the lack of clarity on the impact of the vent shafts, including on air pollution. The documents and plans provided in this consultation do not contain enough information to ascertain environmental health impacts. These issues are of major concern to the Council, and it is extremely disappointing that it is not possible for us to properly consider the issues around contaminated land, air quality,

pollution, noise and vibration issues at this stage, due to the level of detail available. MCC demand that information on the impact of the vent shafts is provided in advance of the ES, so that we can make a proper assessment and respond appropriately.

6.0 Relocation of the Lytham Road vent shaft to Birchfield's Road, Fallowfield, Manchester

- 6.1 MCC were opposed to the original location of the vent shaft in the WDES at Lytham Road, situated on the site of the Manchester Enterprise Academy; (MEA) Central. HS2 Ltd. are subsequently proposing an alternative location at Fallowfield Retail Park.
- 6.2 We welcome the fact that the vent shaft is now situated away from the site of the newly built MEA Central, reducing its impact on the school. The point of access to the site is no longer using Lytham Road and has changed to Birchfield's Road, resulting in traffic accessing the site further away from the school. The change of access to the site also reduces the impact on Lytham Road residents. However, the Council are opposed to HS2 Ltd. locating the vent shaft on Fallowfield Retail Park for the following reasons.

Key issues

- 6.3 Fallowfield Retail Park is 48,300 sq ft and currently has a 5,979 sq ft unit to let. The retail park provides a supermarket, shops and a medical practice to the local community. The area surrounding the retail park is characterised by residential development, two schools and University of Manchester sports fields.
- 6.4 There would be a loss of car parking spaces used by Birchfield's Primary School (situated on Fallowfield Retail Park) to access the back entrance of the site for drop off/pick up and spaces that may be used by MEA Central as part of a 'Park and Stride' agreement.
- 6.5 Birchfield's Primary School currently has 245 pupils with capacity for 262 pupils. Manchester Enterprise Academy opened in 2017 and currently has 245 pupils, with capacity for 1,050 when all year groups are enrolled. Both schools will attract vehicle trips for pupil drop off and pick-ups. Without use of the retail park spaces, an increased number of vehicles could use local residential streets to park, including Lytham Road. The pressure on the flow of traffic and parking spaces may increase at peak times as MEA Central becomes fully occupied in future. Another concern is the potential for increased air pollution outside the school. Therefore the permanent loss of these parking spaces on Fallowfield Retail Park would have a negative impact on the area.
- 6.6 MCC are concerned about the loss of local retail facilities for residents and school parking, and the resulting impact on the local community. The proposed location would see demolition of three retail units at the northern end of the retail park, subject to detailed design development, and a loss of approximately 100 car parking spaces. The impact on the retail park, and the businesses located, there

will be significant, both temporarily during construction, and permanently from the loss of retail space and parking, leading to a loss in jobs. A reduction in businesses trading on the retail park would impact the local community using them, especially people who rely on these facilities, including those needing to access shops within walking distance.

- 6.7 We are also concerned about the potential impact on the local health facility, which is proposed for relocation to one of the units on the retail park, requiring investment by Manchester Health and Care Commissioning (MHCC). HS2 Ltd. needs to engage with MHCC to clarify if there will be an impact on this medical practice, and if so, how this will be managed, in terms of timescale, decision making, and financial reimbursements of costs incurred in relocation.
- 6.8 The Council have requested, and continue to request, further information on the other locations considered and rejected, and the reasons why the retail park was selected as the preferred location.
- 6.9 As well as nearby schools, some residential properties on Birchfield's Road may be impacted and experience potential noise and vibration issues given their proximity to the site. The proposed alternative location has moved closer to residential properties on Birchfield's Road. There is not enough detail provided by HS2 Ltd. in the WDES or Design Refinement Consultation to comment further on this impact.
- 6.10 There will be a temporary impact on residents in close proximity to the site during the construction works associated with traffic, vehicle movement and machinery. The loss of car parking spaces, along with increased traffic during construction, could result in increased pressure on local residential streets, including Lytham Road.
- 6.11 Residential properties on the western side of Birchfield's Road will also experience a permanent visual impact when the head house is placed.
- 6.12 We are requesting that HS2 Ltd. work with the Council to identify alternative sites for locating the vent shaft. HS2 Ltd. need to undertake further investigations on alternative sites, including the garage opposite the retail park, and car repair site by the Birchfield's Road roundabout, and explore whether there are other options in the vicinity.
- 6.13 A residents association and the three local Ward Councillors have also raised significant concerns on the proposed relocation of the Lytham Road vent shaft. This is the first opportunity that local residents and Councillors have had to comment on these proposals. Their concerns reflect the issues raised above, including the impact on the local retail facilities; loss of local jobs; the loss of the school parking spaces and the resulting impact on pupil safety and traffic congestion; short-term and long term environmental impacts; and the timing of the consultation event. HS2 Ltd. have indicated to us that they are meeting with



the residents association, local Councillors and the local MP to discuss their issues.

- 6.14 HS2 Ltd. are requested to consult appropriately with the local schools, businesses, residents and Councillors; take on board their views; and respond to them appropriately.
- 6.15 The ES will need to detail the potential air quality, noise and vibration issues associated with construction works and the operational phase. HS2 Ltd. must minimise potential noise impacts and any other environmental impacts of the intervention points at vent shafts, particularly in residential areas, and consult fully with local residents on these.
- 6.16 Birchfield's Road is a main arterial route to the City centre so the traffic issues during construction need to be fully understood and mitigated for in the ES, especially at peak times.

7.0 Relocation of the Palatine Road vent shaft, West Didsbury, Manchester

- 7.1 MCC were opposed to the location in the WDES proposal for Palatine Road vent shaft, situated in the Didsbury Flood Storage Basin. MCC recognise the consultation proposes an alternative location for this vent shaft within Withington Golf Club land, closer to Palatine Road as suggested by the City council in its response to the WDES. Compared to the WDES option the alternative location reduces the impact of land take from the Didsbury Flood Storage Basin, which consequently reduces the land take required for replacement flood storage. The new location has also moved infrastructure further away from residents at Ashfield Lodge which MCC support.

Key issues

- 7.2 There are key issues with the proposed alternative location at Palatine Road. The new location results in the loss of the existing Clubhouse which will be demolished in the current plans, as well as the loss of most of the Clubhouse car park which services the Club, significantly impacting on Withington Golf Club as a business.
- 7.3 The proposed location remains within the flood storage area. In the proposed scheme, excavation will occur for replacement flood storage. Excavation incurs a loss of holes on the surrounding golf courses (permanent loss of part of one hole on Withington Golf Course and temporary loss of four holes at Didsbury Golf Course), impacting on both businesses.
- 7.4 There will be temporary construction and traffic impacts on Palatine Road which could impact surrounding residential areas. These impacts need to be fully understood, detailed in the ES, and mitigated for by HS2 Ltd.

Mitigation

- 7.5 As the proposed location is within the flood storage area, the Environment Agency will be responding to the consultation to advise on any appropriate flood mitigation, and MCC expect HS2 Ltd. to take account of any recommendation made by The Environment Agency.
- 7.6 HS2 Ltd. have informed us that they are meeting with Withington Golf Club to discuss relocation of the Club. HS2 Ltd. are also engaging with Didsbury Golf Club to agree mitigation for the impact on the Golf Course. For both clubs remodelling of the courses may be required to accommodate the construction and operational phase impacts. This should continue to be collaboratively agreed with the businesses impacted.

8.0 Safeguarding

- 8.1 HS2 Ltd. are also consulting on revised safeguarding maps from HS2 Ltd. MCC understand the safeguarding boundary will change at final hybrid Bill deposit. MCC therefore wish to provide further comment on the revised safeguarding boundary once it is available.

9.0 Summary of GMCA response

- 9.1 The response of Greater Manchester Combined Authority (GMCA) lists the key issues on the Design Refinement Consultation for Greater Manchester. MCC has provided input and is fully supportive of the response. MCC is in agreement with comments made on the realignment, new infrastructure and scope in this response.
- 9.2 The GMCA response notes that HS2 are proposing new infrastructure for a temporary railhead and permanent maintenance facility near Ashley, Cheshire.
- 9.3 At Manchester Airport, MCC and GMCA consider that insufficient emphasis has been placed on the use of rail to remove the spoil from both the cutting approaching the HS2 station, and construction of the tunnel to Manchester Piccadilly.
- 9.4 Further engagement with HS2 is requested to further consider the opportunity for a railhead in this area, in order to help reduce disruption during construction and provide potential long term legacy opportunities.
- 9.5 The GMCA response also notes the provision of the two junctions at High Legh, Cheshire (to provide 'passive provision' for future Northern Powerhouse Rail services between Manchester and Liverpool). MCC and GMCA fully support NPR and the intention to provide improved connectivity across the northern cities. However, from the consultation information provided, GMCA is concerned that the current proposals may preclude the ability to include the 'Northern Chord' as included in the original HS2 Business Case.
- 9.6 GMCA and MCC consider the Northern Chord connection to be vital to provide improved connectivity between the North West and Scotland with Manchester

and the Airport. There is the opportunity to provide faster and greater capacity links from Scotland, Cumbria and Lancashire to Manchester. The current alignment of the proposed HS2 tracks make the future provision of the Northern Chord more complex, increasing cost and necessitating disruptive work to the HS2 network.

- 9.7 It should be noted that the 2014 and 2017 GMCA consultation responses highlighted that Trafford Council raised concerns about the impact of the Northern Chord, and also identified the need for HS2 Ltd. to work closely with GM partners to consider options to mitigate local impacts.
- 9.8 Further engagement with HS2 Ltd. and DfT is requested regarding the potential for the Northern Chord in order to ensure that this can be appropriately considered within the development of the touchpoints for NPR, costs mitigated and the benefits of the potential connectivity provided can be realised.

10.0 Further engagement

- 10.1 MCC and GM partners have requested specific technical discussions with HS2 Ltd. to engage with, and respond to, issues under the WDES topics for specific community areas. Future information on wider topic areas, including route-wide construction, have also been requested. MCC will continue to request specific dialogue with HS2 Ltd. where more detailed information is required, and in advance of the hybrid Bill deposit.
- 10.2 HS2 Ltd. have published a high level report on the consultation responses on the WDES. It is noted the feedback paper summarises respondents' concerns. However, it does not provide any new information, despite comments on the overall lack of information in the WDES. As set out below, this detail needs to be provided to stakeholders in advance of the hybrid Bill submission, and detailed in the full ES. HS2 Ltd. have engaged with MCC and GM partners to provide general feedback on the GMCA WDES response. However, disappointingly, HS2 Ltd. do not provide formal feedback on individual responses, and it remains unclear how our comments will be reflected in the final ES.
- 10.3 MCC would like to be informed as early as possible on the details of further consultations planned by HS2 Ltd., including consultation on the final design for the stations and any further refinements required to enable future NPR infrastructure. We welcome further engagement on HS2 Ltd.'s plans for future consultations and expect consultation to take place where the design may have an impact on the local environment and communities.
- 10.4 We are disappointed that HS2 Ltd. only plan to share the detailed information at the time when the hybrid Bill is submitted and the full Environmental Statement is published. MCC wishes to continue to work with HS2 Ltd. through the current design phase leading to the Bill deposit, with the aim of achieving the full vision set out in the GM Growth Strategy, and to ensure that all of the issues that we have raised are properly addressed before the hybrid Bill is submitted.

11.0 Conclusion

- 11.1 In all responses over the past six years, MCC and partners have reiterated their support for HS2, and the significant benefits that will arise from having HS2 stations at Manchester Airport and Manchester Piccadilly.
- 11.2 MCC's response to this consultation aligns with the GMCA response and the key issues summarised from previous consultation responses. We are very disappointed that HS2 are not proposing to consult with us on the detail included in the ES prior to the hybrid Bill deposit. The Council need to be able to have proper consultation with our local communities on the expected impact in advance of the publication of the material. MCC reserves the right to comment on the issues included in the ES, and other consultations in future, due to the lack of detail included at the WDES and Design Refinement stage of the project.
- 11.3 MCC supports the relocation of ventilation shafts on Palatine Road and Lytham Road in Manchester. However, there are a number of significant concerns with the proposed alternative location of the Lytham Road vent shaft at Fallowfield Retail Park on Birchfield's Road. In consideration of these concerns, MCC opposes the proposal to relocate the vent shaft at the retail park, and requests alternative sites are identified and assessed. MCC expects mitigation measures to be taken by HS2 Ltd. in relation to the construction and placement of these ventilation shafts in proposed alternative locations.
- 11.4 It is important that MCC are engaged in detailed discussions over the designs of the new stations and associated infrastructure (including vents shafts) to minimise their impact on local communities and ensure seamless integration with their surroundings.
- 11.5 Highway and transport solutions need to be appropriate at both the Airport and Piccadilly; consider the impact on the wider strategic road network; avoid compromising existing, planned or future development; and involve both local stakeholders and Highways England.
- 11.6 MCC ask for early and meaningful engagement with HS2 Ltd. on the final construction, operational and safeguarding boundaries before hybrid Bill submission, and for engagement on the programme for construction, including the impacts associated with traffic, and the mitigation measures to be taken.
- 11.7 In summary, MCC welcome the opportunity to comment on the consultation, but are disappointed that we have not received a response to our previous consultation submissions, and that HS2 are not proposing to consult fully with us prior to the publication of the full ES. We also welcome the opportunity to continue working with HS2 Ltd., DfT, TfN, Network Rail and other partners on the design development of the proposed scheme in advance of hybrid Bill submission. Through this, we hope to be able to achieve the ambition for world class, fully integrated stations with a build it once, build it right approach.

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**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 5 September 2019

Subject: Overview Report

Report of: Governance and Scrutiny Support Unit

Summary

This report provides the following information:

- Recommendations Monitor
- Key Decisions
- Work Programme
- Items for Information

Recommendation

The Committee is invited to discuss the information provided and agree any changes to the work programme that are necessary.

Wards Affected: All

Contact Officers:

Name: Mike Williamson
Position: Team Leader- Scrutiny Support
Telephone: 0161 234 3071
Email: m.williamson@manchester.gov.uk

Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

None

1. Monitoring Previous Recommendations

This section of the report contains recommendations made by the Committee and responses to them indicating whether the recommendation will be implemented, and if it will be, how this will be done.

Items highlighted in grey have been actioned and will be removed from future reports.

Date	Item	Recommendation	Response	Contact Officer
10 Oct 2018	ESC/18/45 Gap analysis of the City's Bus network service	To request 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.	This information will be circulated to Members when available	Richard Elliott
6 Feb 2019	ESC/19/13 City Centre Transport Strategy - Feedback from the Responses to the conversation held in Autumn 2018	To requests that Officers provide a ward breakdown of the consultation responses with the relevant Ward Members	This information will be circulated to Members when available	Richard Elliott
20 June 2019	ESC/19/25 Overview of the economic characteristics of Manchester's population aged	To request that the number of Manchester residents who are subject to an Adult Social Care package and the associated costs is provided to Committee Members	This information will be circulated to Members when available	Elisa Bullen

	50-64 and the implications for their economic participation	Request that Committee Members are informed of any future planned engagement/workshop activities	This information will be circulated to Members when available	Elisa Bullen
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2. Key Decisions

The Council is required to publish details of key decisions that will be taken at least 28 days before the decision is due to be taken. Details of key decisions that are due to be taken are published on a monthly basis in the Register of Key Decisions.

A key decision, as defined in the Council's Constitution is an executive decision, which is likely:

- To result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, or
- To be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the city.

The Council Constitution defines 'significant' as being expenditure or savings (including the loss of income or capital receipts) in excess of £500k, providing that is not more than 10% of the gross operating expenditure for any budget heading in the in the Council's Revenue Budget Book, and subject to other defined exceptions.

An extract of the most recent Register of Key Decisions, published on **1 August 2019**, containing details of the decisions under the Committee's remit is included below. This is to keep members informed of what decisions are being taken and, where appropriate, include in the work programme of the Committee.

Corporate Core					
Subject/Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
Collyhurst Regeneration Ref: 15/005	City Treasurer (Deputy Chief Executive)	Not before 1st Mar 2019		Business Case	Eddie Smith, Strategic Director (Development and Growth) e.smith@manchester.gov.uk

The approval of capital expenditure for land and buildings in Collyhurst.					
Estates Transformation Ref:2017/06/30D The approval of capital spend to ensure that the operational estate is fit for purpose.	City Treasurer (Deputy Chief Executive)	Not before 1st Mar 2019		Business Case	Richard Munns r.munns@manchester.gov.uk
To report on changes to the Council's Allocations Scheme. 2019/04/25D To agree the changes to the Allocations Scheme.	Executive	16 Oct 2019		Revised Allocations Scheme	Martin Oldfield m.oldfield@manchester.gov.uk
Development of new build Gorton Hub (2019/07/26C) Development of a multi-partner hub building in Gorton District Centre to deliver health and care services alongside space for One Manchester and a reprovisioned library	Executive	16 Oct 2019		Executive Report and Checkpoint 4 Business Case	Richard Munns r.munns@manchester.gov.uk

Hammerstone Road Depot refurbishment (2019/07/30A) The approval of capital expenditure to refurbish the depot to increase utilisation, reduce carbon emissions and improve the accommodation.	City Treasurer (Deputy Chief Executive)	Not before 2nd Sep 2019		Checkpoint 4 Business Case	Georgia Cayton, Estates Service Lead Tel: 0161 234 4659 g.cayton@manchester.gov.uk
Developing a More Inclusive Economy - Our Manchester Industrial Strategy (Ref: 2019/08/07A) <ul style="list-style-type: none"> To adopt <i>Developing a More Inclusive Economy – Our Manchester Industrial Strategy</i> on behalf of the city of Manchester. 	Executive	11 Sep 2019		Covering report and final Strategy document.	David Houliston d.houliston@manchester.gov.uk
Brownfield Land Register Update 2019 2019/03/01D To publish Manchester's Brownfield Land Register.	Deputy Chief Executive, Strategic Director (Development and Growth)	Not before 29th Mar 2019		Report and Recommendation	Richard Elliott, Head of Policy, Partnership and Research r.elliott@manchester.gov.uk
Marginal Viability - Housing Infrastructure Fund, New Victoria Site 2019/03/01N	City Treasurer (Deputy Chief Executive)	Not before 1st Apr 2019		Checkpoint 4 Business Case	Jon Sawyer, Director of Housing and Residential Growth jon.sawyer@manchester.gov.uk

To release grant funding of £10.074m secured from the Government's Housing Infrastructure Marginal Viability Fund to enable delivery of a key strategic residential and commercial development scheme at New Victoria, developing 520 new homes in total.					
Contract for the Provision of a Voluntary, Community and Social Enterprise (VCSE) Infrastructure Support Service 2019/06/13A To appointment a provider to deliver a VCSE Infrastructure Support Service	Strategic Director (Development and Growth)	Not before 12 Jul 2019		Report and Recommendation	Mike Worsley mike.worsley@manchester.gov.uk
The Courtyard, Royal Mills (2019/07/26B) Acquisition of Long Leasehold interest of 'The Courtyard', Royal Mills.	Strategic Director (Development and Growth)	Not before 28th Aug 2019		Briefing Note and Heads of Terms	Richard Cohen r.cohen@manchester.gov.uk

3. Economy Scrutiny Committee Work Programme – September 2019

Thursday 5 September 2019, 10.00am (Report deadline Tuesday 27 August 2019)				
THEME –Spatial and Infrastructure Planning				
Item	Purpose	Executive Member	Strategic Director / Lead Officer	Comments
Officers response to the Executive Member for Housing and Regeneration's Affordable Housing proposals	To receive a report that provides a response to the Executive Member for Housing and Regeneration's future Affordable Housing proposals	Cllr Richards (Exec Member Housing and Regeneration)	Eddie Smith	
Northern Powerhouse Rail Update	To receive an update on the progress that has been made with the ambitions of Northern Powerhouse Rail	Cllr Leese	Pat Bartoli Eddie Smith	
The impact of ongoing Brexit discussions on Manchester	To receive a report that includes information on:- <ul style="list-style-type: none"> What impact Brexit has had on the Manchester and Greater Manchester economy to date (in relation to skills/jobs/talent) What likely impact will a 'No Deal' exit have on Manchester/Greater Manchester The impact of Brexit in relation to foreign investment in the City's 	Cllr Leese	Eddie Smith Angela Harrington Richard Elliott	

	economy <ul style="list-style-type: none"> Impact of Brexit on skills in the City 			
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.		Mike Williamson	

Thursday 10 October 2019, 10.00am
(Report deadline Tuesday 1 October 2019)

THEME – Growing the Manchester Economy

Item	Purpose	Executive Member	Strategic Director / Lead Officer	Comments
(1) The Growth Company's business support activity in Manchester	To receive an update on the Business Growth Hub's business start-up and support offer and its impact on start up and survival rates of businesses in Manchester.	Councillor Leese	Mark Hughes (The Growth Company) Eddie Smith Angela Harrington	See November 2017 minutes
(2) Inward Investment	To update Economy Scrutiny on the work of MIDAS in attracting inward investment to the city, its performance over the last 2 years and forward strategy.		Tim Newns Mark Hughes (The Growth Company)	
(3) Visitor Economy	To provide an update on Marketing Manchester in promoting the visitor economy in the city; an overview as to how the city is doing and any opportunities and issues going forward.		Sheona Southern Mark Hughes (The Growth Company)	
City Centre Transport Strategy	To receive an update on the Council's City Centre Transport Strategy	Cllr Stogia (Exec Member Environment. Planning and Transport)	Richard Elliott	

Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.		Mike Williamson	
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Thursday 7 November 2019, 10.00am (Report deadline Tuesday 29 October 2019)				
THEME – The Green Economy				
Item	Purpose	Executive Member	Strategic Director / Lead Officer	Comments
The Green Economy – Opportunities and Challenges for Manchester	<p>To consider the opportunities and challenges faced by Manchester in delivering a Green Economy for the City's economic growth and development in the context of the Local Industrial Strategy and the ambition as a City and region to be carbon neutral by 2038</p> <p>To include reference to the adoption of a zero carbon strategy that can generate growth and improvements in people's lives in ways consistent with sustaining and advancing economic, environmental and social well-being.</p>	Councillor Leese	Eddie Smith Richard Elliott Angela Harrington	External guests to be determined and invited to provide
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.		Mike Williamson	

Thursday 5 December 2019, 10.00am (Report deadline Tuesday 26 November 2019)				
THEME – Work and Skills development for Manchester residents aged 16 and over				
Item	Purpose	Executive Member	Strategic Director / Lead Officer	Comments
Devolution of the Adult Skills Budget	To receive a report on the impact of the devolution of the Adult Skills Budget	Councillor Rahman (Exec Member Skills Culture and Leisure)	Angela Harrington	Invite Gemma Marsh, Director of Skills, GMCA
Manchester College update	To receive an update from Manchester College on the following:- <ul style="list-style-type: none"> • Quality and performance update; • Progress with the Colleges Estates Strategy; • Core Skills and introduction of T-levels; • Performance of Total People's delivery of apprenticeships in Manchester including a breakdown of occupational area and level and success rates 	Councillor Rahman (Exec Member Skills Culture and Leisure)	John Thornhill, Manchester College	
Manchester Adult Education Service (MAES)	To receive a report from MAES on their 2018/19 performance self-assessment and 2019/20 improvement plan	Councillor Rahman (Exec Member Skills Culture)	Julie Rushton, MAES Angela Harrington	

	To include an update on the delivery and performance of the ESOL strategy	and Leisure)		
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.		Mike Williamson	

Thursday 9 January 2020, 10.00am

(Report deadline Friday 20 December 2019) ** PLEASE NOTE DEADLINE DUE TO CHRISTMAS HOLIDAYS

THEME – The City’s future economy and labour market requirements

Item	Purpose	Executive Member	Strategic Director / Lead Officer	Comments
The City’s future economy and labour market requirements	<p>To receive 2 reports.</p> <p>The first report to cover:-</p> <ul style="list-style-type: none"> • Current Labour Market Information; • Skills demand and supply; and • Consideration of future direction of travel <p>The second report to cover:-</p> <ul style="list-style-type: none"> • Careers Education, Information, Advice and Guidance (CEIAG) programmes; • Schools engagement in developing the skills needed for future labour markets; and • Curriculum for Life 	Cllr Rahman (Exec Member Skills Culture and Leisure)	Angela Harrington	<p>Invite Chair of CYP Scrutiny</p> <p>Minute extract of the CYP Scrutiny Committee from 9 October 2019 in reference to Curriculum for Life to be circulated in advance of the meeting</p>
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee’s work programme and any items for information.		Mike Williamson	

Themes identified at the Committee's Work Programme setting meeting (Items highlighted in grey indicate that these have been included in the work plan of one of the above meetings)	
Theme	Tentative Date of meeting
The Effects of Poverty on the City To include information on:- <ul style="list-style-type: none"> • Data at a ward level on employment/unemployment rates, self-employment and zero hours contracts, unfilled jobs (how Manchester residents are being trained/upskilled) • Family Poverty • Inclusive Growth (with reference to specific activities) • Equality of jobs and the roll out of the Greater Manchester Good Employment Charter • Work with Schools (promotion of entrepreneurship) 	TBC
Young People <ul style="list-style-type: none"> • Follow up to the Young People's Workshop in November 2017 (additional workshop session to be arranged) 	Provisionally between Feb and March 2020 meetings
Moving from Growth to Wellbeing To include information on:- <ul style="list-style-type: none"> • The impact on Manchester residents as the City's economy grows and how these people are supported to ensure they are not left behind • The pace of growth in Manchester's economy • The impact of the growth in Manchester's economy on BAME groups 	TBC

Previous Items identified by the Committee to be scheduled				
Theme – Strategic Regeneration				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
GM Spatial Framework	To receive an update on the implementation of the GMSF and its implications for Manchester	Cllr Leese	Richard Elliott Eddie Smith	
Manchester's Local Plan	To receive an update report in relation to Manchester's updated Local Plan following consultation with Manchester residents and key stakeholders	Cllr Leese	Richard Elliott Eddie Smith	
District Centres	To report on the work undertaken by the District Centres Sub Group to enable its findings to be integrated into Local Plans	Cllr Richards (Exec Member for Housing and Regeneration)	Eddie Smith	Provisionally scheduled for January 2020 Invite Professor Cathy Parker, Institute of Place Management.
Outcome of the consultation with stakeholders in relation to the proposed Housing Affordability Zones	To receive a report on the outcome of the consultation with stakeholders on the four proposed Housing Affordability Zones	Councillor Richards (Exec Member for Housing and Regeneration)	Eddie Smith	See November 2017 minutes

Theme – Transport and Connectivity				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
HS2 update	To receive an update on the progress that has been made with the delivery of HS2 and the impact this will have on the city's economy	Cllr Leese	Eddie Smith	
Bus Franchising update	To receive an update on the Greater Manchester Mayors proposals to franchise the regions bus service impact this will have on the city's economy	Cllr Leese	Richard Elliott	
Theme – Incorporating Inclusive Growth into Council Services/strategies				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Theme - Skills development for Manchester residents aged 16 and over.				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Higher Education provision and its impact on the City's economy	To be determined	Cllr N Murphy (Deputy Leader)	Angela Harrington	

Employment Contracts and Labour Market Flexibility	To receive a report on changes in employment contracts and labour market flexibility and the implications for workers in Manchester.		Angela Harrington	See February 2016 minutes
Hospitality and Tourism skills gap	To receive report on the issue around skills challenges within the hospitality and tourism sector	Councillor N Murphy	Angela Harrington	See November 2017 minutes
Theme – Growing the Manchester Economy				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
City Centre Business Engagement	TBC	Councillor Leese	Eddie Smith	
Theme - Miscellaneous				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Development of a Manchester City Council energy Company	To receive a report on whether the Council was considering a scheme to develop its own energy company	Councillor Leese	Eddie Smith	See November 2017 minutes