

Economy Scrutiny Committee

Minutes of the meeting held on Thursday, 11 November 2021

Present: Councillor H Priest – in the Chair

Councillors: Bayunu, Moore, Noor and Raikes

Apologies: Councillor Baker-Smith, Doswell, Farrell, Johns, Stanton and Shilton Godwin

Also present:

Councillor Leese, Leader

Councillor White, Executive Member for Housing and Employment

Julian Skyrme, Director of Social Responsibility, The University of Manchester

Michael Stephenson, Director of Public Affairs, Manchester Metropolitan University (MMU)

ESC/19/52 Minutes

Decision

The minutes of the meeting held on 14 October 2021 were approved as a correct record.

ESC/19/53 Growth & Development Directorate Budget 2022/23

The Committee considered the report of the Strategic Director Growth & Development that described that following the Spending Review announcements and other updates the Council was forecasting an estimated shortfall of £4m in 2022/23, £64m in 2023/24 and £85m by 2024/25. The report set out the high-level position and where Officers had identified options to balance the budget in 2022/23 which were subject to approval.

Key points and themes in the report included:

- Describing that the Local Government Finance Settlement would be released in December 2021;
- A longer-term strategy to close the budget gap was being prepared with an estimated requirement to find budget cuts and savings in the region of £40m per annum for 2023/24 and 2024/25; and
- Describing the priorities for the services within the remit of this committee, details on the initial revenue budget changes proposed by officers and the planned capital programme.

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

- Did the identified priorities align to the various strategies that were considered by the Committee;

- An assurance was sought that the City Centre Growth & Infrastructure priorities extended to the wider city and districts; and
- Further information was sought on the accidents and trips budget.

The Executive Member for Housing and Employment stated that Manchester remained committed to delivering on its key priorities that included delivering affordable housing, addressing climate change and job creation. He further commented that the priorities did align with the various strategies, such as the Housing Strategy that were considered by the Committee.

The Leader stated that the City Centre Growth and Infrastructure priorities did extend to the wider city, making reference to the schemes to be delivered in Wythenshawe as an example.

In response to a specific question relating to the reduction in the accidents and trips budget within the Highways Directorate, the Director of Highways stated that this fund was to cover any personal injury claims and accidental repairs to vehicles. He advised that the reduction in that budget had been proposed due to the reduction in journeys undertaken by vehicles and fewer pedestrians during the pandemic.

In response to a comment from a Member regarding previous budget decisions taken by the Council, the Chair directed the Member to the list of background documents listed at the front of the report.

Decision

To note the report.

ESC/19/54 Contribution of Higher Education institutes to the City's Economy (Cllr Moore in the Chair)

The Committee considered the report of the Director of Inclusive Economy and Strategic Lead Policy & Partnerships that provided an overview of the economic contribution of Manchester's two main universities, The University of Manchester and Manchester Metropolitan University.

The report utilised research by Public First which was undertaken in 2020 using data from 2018/19 which quantified the direct value created by the universities, their wider supply chain and procurement spending with local businesses, and the additional spending of their staff, students and visitors. It also drew upon Research England's new Knowledge Exchange Framework (KEF) and Higher Education Statistics Agency (HESA) data.

The report described that both universities had signed the Greater Manchester Civic University Agreement on 24 September 2021 during the Greater Manchester Combined Authority meeting and were committed to delivering positive outcomes for Manchester and the city region.

Key points and themes in the report included:

- Information relating to Sustainability and the Greater Manchester Civic University Agreement;
- Both universities had signed the Greater Manchester Civic University Agreement on 24 September 2021 during the Greater Manchester Combined Authority meeting and were committed to delivering positive outcomes for Manchester and the city region;
- Data and narrative relating to research, teaching and economic impact;
- Education and Skills;
- Business support, innovation, enterprise and start-ups;
- Public engagement;
- Case studies across a range of activities; and
- Next steps.

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

- Welcoming the information relating to the Living Wage;
- What methodology was used to arrive at the figure to describe the economic impact of research;
- An update was sought on attracting Research and Development Funding to the city;
- How did the Universities work with local schools and FE colleges;
- The need to acknowledge the cost of the Universities to the Council and other public sector bodies, for example student exemptions from Council Tax and issues relating to the student accommodation, such as waste; and
- The need for appropriate student accommodation in appropriate areas, noting the impact this could have on neighborhoods and communities.

The Director of Social Responsibility, The UoM stated that the two institutions worked very closely together bringing strengths to the city. He described that both had signed up to the Civic University Agreement along with the other universities across Greater Manchester to work together to drive social and economic change in the city region. The agreements contained six principals of education and skills, reducing inequalities, jobs and growth, the digital economy, net zero and the creative and cultural economy.

He further described that it had been evidenced that Manchester residents had great pride in the Universities in Manchester and was aligned to the economic ambitions of residents.

The Director of Public Affairs, MMU commented that both sites took their role as anchor institutions very seriously and their policies and ambitions mirrored those of partners, such as the City Council. He further commented that the importance of public engagement was recognised by both institutions and a Community Engagement Plan was in development.

The Director of Social Responsibility, The UoM stated that the figures to describe the economic impact of research had been derived using an agreed formula. He stated that a benchmarking exercise had been undertaken against the two Nottingham Universities and information on this could be shared. He described that joint

proposals across the Combined Authority were submitted to attract Research and Development Funding, adding that the establishment of Innovation GM, a £7bn blueprint for translational innovation between Greater Manchester and the Government was a sound base on which to attract funding into the city and the wider city region.

The Director of Public Affairs, MMU stated that the Universities had established relationships with the local FE providers across Greater Manchester and a Statement of Joint Cooperation had been agreed. This had seen fourteen colleges and universities across Greater Manchester coming together with a joint commitment to address the skills and economic challenges facing the region.

The Director of Social Responsibility, the UoM described that the Universities were committed to attainment, wellbeing and inspiration to the young people of Manchester, noting the positive impact that the delivery of the museum, galleries and libraries had on citizens' lives and aspirations. He stated that whilst it was difficult to quantify the benefits of these, it was accepted that they were important to the residents of the city.

In response to the issue raised regarding the cost to the city council and partners, both guests acknowledged this had been a challenge, however improvements had been made in terms of the response of both institutions to issues when they arose. The Director of Social Responsibility, the UoM commented that the University had worked closely with Manchester Student Homes to address the issues related to student accommodation experienced in some neighbourhoods and the disciplinary procedures had been strengthened to address off campus behaviour.

The Committee noted that a report on Purpose Built Student Accommodation would be considered at the appropriate time.

Decision

To note the report.

[Councillor Priest declared a personal pecuniary and prejudicial interest in this item of business and withdrew from the meeting during consideration of this item.]

ESC/19/55 Graduate retention and student numbers in the City (Cllr Moore in the Chair)

The Committee considered the report of the Director of Inclusive Economy that provided an overview of the student body studying at the higher education institutions (HEIs) in Manchester with a specific focus on the two largest institutions, the University of Manchester (UoM) and Manchester Metropolitan University (MMU).

Key points and themes in the report included:

- Providing an overview of Manchester's higher education provision;
- Data and narrative in relation to higher education admissions and attainment;
- Information on the UoM widening participation initiative;

- Degree apprenticeships;
- An overview of the numbers of graduates remaining in the city post-graduation;
- The emerging picture of the impact of COVID-19 on the student body;
- Graduate retention and attraction;
- Manchester's Graduate Labour Market and the local response to support the graduate labour market;
- Our Manchester Graduate Scheme;
- Case studies; and
- Next steps.

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

- Welcoming the report and the importance of promoting Manchester as a great city to live, work and socialise;
- Discussion of the data in the report regarding 'brain drain' and advising that wider consideration needed to be given to account for those residents returning to the city who had studied elsewhere and those graduates from other areas moving to Manchester, adding that this data had previously been available;
- What analysis of Teacher Assessed Grades had been undertaken to understand the impact on attainment levels; and
- Was data on the outcomes of the First Generation Scholarship Programme and the work to improve diversity and inclusion available.

The Director of Social Responsibility, the UoM stated that initial analysis of the Teacher Assessed Grades indicated that there had been an increase in those children from independent schools achieving A star grades at A Level. He advised this was concerning and could undermine the work to widen participation. He stated this would continue to be monitored.

The Director of Social Responsibility, the UoM stated that data on graduate outcomes was recorded and could be shared with the Committee. The Chair recommended that the University Equality and Diversity Plan be circulated for information following the meeting.

In response to the comment from the Member regarding the data available and 'brain drain' the Director of Inclusive Economy advised she would look into this further, noting the comments from the Member.

The Executive Member for Housing and Employment welcomed the report and made particular reference to the Our Manchester Graduate Scheme, a pilot collaborative initiative between the Council and MMU aiming to connect small and medium-sized enterprises (SMEs) to recent graduates. The businesses would be supported with funding, candidate attraction, recruitment, and selection carried out by MMU. The business would offer a 12-month graduate opportunity with the potential for the role to become permanent. Upon starting in the role, the graduate would have access to regular CPD (Continuing Professional Development) training provided by the council's HR department. The scheme launched in August 2021 and is currently at the stage of recruiting businesses with nine SMEs interested to date.

Decision

To recommend that the University Equality and Diversity Plan is circulated to Members of the Committee.

[Councillor Priest declared a personal pecuniary and prejudicial interest in this item of business and withdrew from the meeting during consideration of this item.]

ESC/19/56 Economy COVID19 Sit Rep Report

The Committee considered a report of the Strategic Director (Growth and Development), which provided a further update of the current situation in the city in relation to COVID-19 and an update on the work progressing in Manchester in relation to areas within the remit of the Committee.

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

- Noting the low footfall figures reported for the King Street and St Anne's Square area of the city centre;
- Was comparative footfall data available for District Centres pre and post covid; and
- Information on the Community Renewal Fund was requested.

In response to the footfall figures for King Street and St Ann's Square, the Strategic Lead for City Centre Partnerships stated that discussions were underway with existing businesses and property owners to consider options for partnership arrangements in King Street and St Ann's Square that would attract more footfall. Footfall was impacted by some existing empty properties and by continuing concerns about the pandemic. The Leader stated that there was also an issue with the accuracy of data collection, as the recording equipment was not always functioning effectively.

The Executive Member for Housing and Employment stated that the comparative footfall data was available for District Centres pre and post covid and could be provided to the Committee.

The Director of Inclusive Economy advised that further information on the Community Renewal Fund would be circulated to Members following the meeting.

The Leader advised the Committee that it had been agreed that the Economic Recovery Group would continue to meet on a monthly basis, and the Sit Rep report would continue to be submitted to the Committee for consideration.

Decision

To note the report.

ESC/19/57 Overview Report

The report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit and responses to previous recommendations

was submitted for comment. Members were also invited to agree the Committee's future work programme.

The Chair informed the Committee that following publication of the agenda pack she had had further discussions with the Strategic Director of Growth and Development to agree the work programme. This would be made available to Members in the December Overview Report.

Decision

The Committee note the report and agree the work programme, noting the Chair's comments.