

## **Economy and Regeneration Scrutiny Committee**

### **Minutes of the meeting held on Tuesday, 6 February 2024**

#### **Present:**

Councillor Johns (Chair) – in the Chair

Councillors Abdullatif, Benham, Hussain, Richards, I Robinson and Shilton Godwin

#### **Also present:**

Councillor Akbar, Executive Member for Finance and Resources

Councillor Hacking, Executive Member for Skills, Employment and Leisure

Councillor Rahman, Statutory Deputy Leader

Councillor Rawlins, Executive Member for Environment and Transport

Councillor White, Executive Member for Housing and Development

Jonathan Marsh, Head of Strategic Planning, Transport for Greater Manchester (TfGM)

John McGrath, Artistic Director and Chief Executive, Factory International

Randel Bryan, Executive Director and Deputy Chief Executive, Factory International

Menaka Munro, Head of Engagement, Factory International

#### **Apologies:**

Councillors Iqbal, Northwood and Taylor

### **ERSC/24/6 Minutes**

#### **Decision**

That the minutes of the meeting held on 9 January 2024 be approved as a correct record.

### **ERSC/24/7 Manchester City Council Climate Change Action Plan - Progress Update - Transport Emissions**

The Committee received a report of the Strategic Director (Growth and Development) and the Strategic Director (Neighbourhoods) which provided an update and overview of progress made in delivery of the Transport and Travel workstreams within the Climate Change Action Plan from 2020 to 2025.

Key points and themes within the report included:

- Progress against Climate Change Action Plan commitments in relation to direct emissions;
- Work to reduce the broader citywide emissions associated with highways-based transport and travel; and
- Future actions.

Key points and queries that arose from the Committee's discussions included:

- The trajectory of overall emissions from transport in the city and the levers available to the Council to influence this;

- That the 'Right Mix' element of the 2040 Transport Strategy should be reviewed;
- The impact of congestion on the city and its economy;
- Taxis which were licensed outside of the city;
- Levels of car ownership in different parts of the city and whether this influenced prioritisation of investment;
- Meeting demand for Electric Vehicle charging;
- Idling vehicles, particularly around schools;
- The benefits of the Active Neighbourhoods scheme in Levenshulme and Burnage;
- When would the Manchester bus fleet be fully electric; and
- The impact of the City Centre Strategy on wards on the outskirts of the city centre and how these issues could be addressed.

The Director of Highways reported that a policy was being produced on Electric Vehicle charging, advising that interim measures would be needed, for example in relation to trailing cables across footpaths, until the technology developed further to enable quicker charging and more permanent infrastructure was in place. The Assistant Director (Infrastructure and Environment) informed the Committee about funding of approximately £3.3 million which the Council had secured to improve the provision of Electric Vehicle charging and the options being considered for how to invest this money.

In response to the question about car idling, the Director of Highways highlighted the role of softer measures, such as signage around schools, advising that there were challenges with undertaking enforcement action in relation to this but that he would look into whether more could be done, in relation to both enforcement and education. The Executive Member for Environment and Transport reported that the Enforcement Team were starting to address this, initially speaking to drivers who were idling, to be followed by a media campaign.

In response to a Member's comments about the 'Right Mix' vision within the Greater Manchester Transport Strategy 2040, Jonathan Marsh, Head of Strategic Planning, TfGM, reported that this had been developed prior to the pandemic, that there had been a lot of changes to travel behaviour since then and that TfGM was reviewing the 'Right Mix' as part of the work to update the Local Transport Plan. In response to a question on the timescale for this, he stated that a consultation would take place around autumn or winter 2024, depending on when the General Election was held, and that stakeholders such as Councillors would be consulted as part of this. He highlighted that 'Right Mix' was not only about transport but also required changes to land use planning to enable people to travel more locally, as well as digital connectivity leading to a reduction in some journeys. In response to a comment about journeys into the city centre, he highlighted that the City Centre Transport Strategy included a target for 90% of journeys into the city centre to be made by public transport or active travel.

In response to a Member's comments, the Assistant Director (Infrastructure and Environment) reported that a lot of work had taken place in relation to transport emissions and that over the next year it would need to be drawn together into a

cohesive programme under the Climate Change Action Plan and feed into the refresh of the Plan, noting the city's ambitions to be a leader in this work.

The Strategic Director (Growth and Development) reported that taxi licensing standards were part of the Clean Air Plan but that these could only be implemented for taxis which were licensed in Greater Manchester, although taxis licensed elsewhere could operate in the region, adding that this was an issue that the Government had been lobbied on. She reported that an analysis of both car ownership and areas which were under-served by public transport informed investment decisions. In response to a Member's request, she agreed to provide data on car ownership across the city.

In response to a Member's question about whether there were any other levers which could be used to discourage taxis licensed elsewhere from operating in Manchester, such as not allowing them to use bus lanes, the Director of Highways advised that he would look into this and respond to the Member.

In response to a Member's comment about the issues affecting wards on the outskirts of the city centre, the Director of Highways drew Members' attention to the safer schools work, including both education and engineering measures to improve safety and encourage active travel to school. He reported that residents' parking schemes were being introduced in some areas to address the issue of displacement of parking from the city centre, although he advised that there were challenges in getting all affected residents to support these schemes. He reported that city centre parking controls were also being reviewed.

Jonathan Marsh from TfGM highlighted work to encourage people, through investment, to access public transport earlier in their journey. He reported that there was significant investment taking place in making the bus fleet electric and he offered to provide further information on this.

In response to a question from the Chair about refreshing the City Centre Transport Strategy, the Strategic Director (Growth and Development) advised that this was a complex piece of work and outlined how a range of studies and factors would inform this work, citing as examples of the issues that would need to be considered access for businesses and access to business and residential parking in the city centre which was not within the Council's control. In response to a request from the Chair to share the Walkability Study with the Committee, she agreed to share studies which would underpin this work as they emerged, including the Walkability Study, and suggested that the Committee consider the City Centre Transport Strategy and Movement Plan at a future meeting, to which the Chair agreed.

### **Decisions:**

1. To note the latest position on the development and delivery of the transport and highways commitments within the Climate Change Action Plan.
2. To recommend that the Council's representatives on TfGM and the GMCA communicate the recommendation that the 'Right Mix' deliver carbon reductions in line with the Council's carbon budget.

3. To note that the Strategic Director (Growth and Development) will provide the requested data on car ownership across the city.
4. To note that the Director of Highways will advise whether there are any levers which can be used to discourage taxis licensed elsewhere from operating in Manchester, such as not allowing them to use bus lanes.
5. To request that the Walkability Study be shared with Committee Members.
6. That the Committee will consider the City Centre Transport Strategy and Movement Plan at a future meeting

[Councillor Johns declared a personal interest due to a research project he was undertaking on bus decarbonisation.]

### **ERSC/24/8 Annual Culture Report 2024**

The Committee received a report of the Strategic Director (Neighbourhoods) which provided an annual culture update setting out the full work programme of the Council's culture team.

Key points and themes within the report included:

- The Council's investments in arts and culture;
- Cultural Impact Survey;
- Zero carbon;
- Loads to Do website;
- Manchester Culture Awards 2023;
- International partnerships and other collaborations; and
- Cultural Strategy.

The Committee also received a presentation which provided an overview of the Cultural Impact Survey 2022/23.

Key points and queries that arose from the Committee's discussions included:

- The importance of culture to the city and to welcome the achievements in this area;
- The decrease in volunteering and freelancers since the pandemic;
- Engagement with schools;
- Addressing the under-representation of non-white residents;
- How culture was defined including the role of smaller events outside of the city centre;
- The financial challenges facing the sector; and
- The importance of having spaces for creativity in local communities, to increase participation and engagement and to encourage and enable local residents to develop careers in the creative industries.

In response to comments about a decrease in volunteering, the Statutory Deputy Leader reported that the culture sector was still recovering from the pandemic, as well as being affected by the cost-of-living crisis and austerity, although investment in the sector had been maintained in Manchester. He acknowledged Members' points about culture encompassing a wide range of events and activities across the city, stating that the Cultural Impact Survey provided a snapshot of the organisations surveyed but that the team would look into how this could be expanded to capture broader cultural events.

The Policy and Programmes Manager (Culture) reported that the work on the Cultural Strategy indicated that the culture in people's lives was a lot more diverse than what was included in the Cultural Impact Survey, which was largely about the city centre-based cultural offer, based on the organisations which had responded to the Survey. She welcomed a Member's comment about work that a school in her ward had been doing and the good practice which could be shared more widely. She reported that the pandemic had highlighted the vulnerability of the freelance workforce and that positive initiatives had been introduced as a result of this.

The Director of Culture reported that it was a challenging environment for cultural organisations at present and that many were having to re-negotiate their Key Performance Indicators (KPIs) with their funders due to the impact of the pandemic and the cost-of-living crisis, particularly energy costs. He reported that the cost-of-living crisis was impacting on both the supply and demand sides, with the costs of staging a production increasing and audiences having less disposal income. He reported that the Government tax relief schemes had helped but that smaller organisations struggled to access these. He reported that cultural organisations in the city were working together, using creative and collaborative approaches, to get through this difficult period. In response to comments from the Chair about ticket prices, he reported that all the organisations that the Council provided funding to had affordable ticketing policies and made affordable tickets available but that, with costs increasing and no corresponding increase in funding, ticket prices were having to be increased.

The Principal Resources and Programmes Officer (Culture) advised that the decrease in volunteering was likely to be due to people not being able to afford to volunteer and organisations not being able to afford the costs associated with running a volunteering programme. He acknowledged Members' points about local culture, advising that cultural organisations based in local wards drove cultural engagement in those areas. He informed Members about a Place Partnership bid to the Arts Council and highlighted the Loads To Do website, which promoted low and no-cost events and activities, especially those in local neighbourhoods. He reported that the Cultural Impact Survey had been sent to approximately 200 organisations and that responses had been received from 22 funded organisations – which were required to respond – and 21 other organisations. He advised that there was quite a lot of work involved in responding to the survey and that consideration could be given to producing a less detailed version of the survey for the non-funded organisations to encourage them to respond. In response to the Member's comments about having creative spaces in local communities, he informed Members that a Cultural Portfolio Board had been established to look into whether spaces in the city which were owned by the Council or partners could be viable places for cultural activity.

The Chair informed Members that the Committee would be scrutinising the Cultural Strategy in the next municipal year. He reported that he would raise his concerns about the re-organisation of music education with the Chair of the Children and Young People Scrutiny Committee to ascertain if her Committee would be scrutinising this.

The Statutory Deputy Leader reported that the city had worked to support freelancers during the pandemic, using a £500,000 donation from a philanthropist, but that this was only a fraction of what was needed and freelancers had been badly affected. He drew Members' attention to the role of MADE, Manchester's Cultural Education Partnership, while expressing concern about limited resources for this work. He recognised that more work needed to be done in relation to diversity and stated that the cultural organisations in the city were aware of this and he hoped that future reports would demonstrate progress being made.

**Decision:**

To note the report.

**ERSC/24/9 Manchester International Festival 2023 and Aviva Studios Opening Season**

The Committee received a report of the Strategic Director (Neighbourhoods) which provided an overview of the information and data relating to Manchester International Festival (MIF) 2023 and the opening season of Aviva Studios from October to date.

Key points and themes within the report included:

- The impact of MIF23;
- The economic impact of MIF23;
- The opening season of Aviva Studios;
- Manchester City Council support for the Festival and Aviva Studios; and
- Performance against strategic objectives.

Key points and queries that arose from the Committee's discussions included:

- To welcome the city's achievements in relation to the Manchester International Festival and Factory International and to recognise the value of investing to achieve economic and social impact;
- Positive experiences of Manchester International Festival and events at Aviva Studios;
- Whether Factory International would be setting more ambitious targets for the coming year;
- The appointment of a new Chair of Manchester International Festival, which traded as Factory International and delivered MIF every two years; and
- Strengthening community engagement.

John McGrath, Artistic Director and Chief Executive, Factory International reported that Moira Sinclair had been appointed as the new Chair of MIF and, in response to

Members' comments, he highlighted that it had a diverse Board which reflected the city's population. He provided clarification on the figures on job creation within the report, advising that most jobs created by MIF were temporary but that, with the establishment of Factory International, there were now approximately 140 permanent employees and he offered to provide further statistics. He highlighted the role of Factory Academy, the organisation's talent development scheme. He also highlighted Factory International's performance against its key indicators set out a 7.2 in the report and outlined how the targets might be amended in future, which he advised could include setting more ambitious targets for some indicators but also taking a more in-depth look in relation to some of the statistics, for example, looking at whether different parts of the city were accessing affordable ticket options rather than just looking at the overall figure on affordable ticket purchases. In response to a question about South Asian artists and audiences, he agreed that more work needed to be done on this and stated that his organisation was looking into some specific, targeted initiatives. He acknowledged a Member's comment about the economic impact of volunteers, stating that he would look into how this was assessed.

In response to a Member's question, Randel Bryan, Executive Director and Deputy Chief Executive, Factory International reported that economic impact included both visitor spend and Factory International's investment in artwork and productions. He highlighted some of the figures on economic impact from the report, advising that Manchester International Festival was still critical to the vision and purpose of Factory International. The Principal Resources and Programmes Officer (Culture) offered to provide clarification on the definition of "attendees" and "visits" used in the report following the meeting. The Chair requested that in future reports these definitions be clarified.

Menaka Munro, Head of Engagement, Factory International informed Members about the two key programmes for community engagement, Neighbourhood Organisers and the Community Partnerships Programme. She reported that Neighbourhood Organisers were paid roles working in specific areas of the city, developing audiences and providing the organisation with feedback on the needs of their communities and the way the organisation worked. She reported that this programme would develop and grow over the coming year, with additional Neighbourhood Organisers being recruited. She reported that the Community Partnerships Programme involved equitable contracts with a community venue, where Factory International provided £10,000 worth of support for their organisational and community development and worked with them to build the arts offer in their area and bring people into the venue to participate. She reported that Factory International was planning to recruit two further community partners.

**Decision:**

To note the report.

**ERSC/24/10 Revenue Budget Update 2024/25**

The Committee received a report of the Deputy Chief Executive and City Treasurer which provided a high-level overview of the updated budget position. It set out the latest forecast revenue budget position, and the next steps. Following the Provisional

Finance Settlement announced on 18 December 2023, the Council was forecasting an estimated budget shortfall of £38m in 2024/25, £79m in 2025/26, and £90m by 2026/27. After the application of approved and planned savings, and the use of c.£17m smoothing reserves in each of the three years, the budget was balanced for 2024/25 and the remaining gap reduced to £29m in 2025/26 and £41m by 2026/27. This position assumed that savings of £21.4m were delivered next year.

Key points and themes within this report included:

- Changes to the budget position;
- Summary budget position;
- Budget consultation;
- Equalities impact and anti-poverty assessments;
- Scrutiny of the draft proposals and the budget reports; and
- Next steps.

The Executive Member for Finance and Resources stated that the Government's approach to the Local Government Settlement had been chaotic and only announced just before Christmas. He reported that the final announcement had resulted in a cut of 84% in the Services Grant and that this equated to a £6.1m cut for Manchester. He stated that this had resulted in an outcry from local authorities and MPs from all political parties. He stated that this situation needed to be understood in the context of 14 years of austerity and Government funding cuts and unfunded pressures such as inflation and population growth.

The Executive Member for Finance and Resources added that the Government had then announced an additional £500m for Social Care; however, local authorities were still facing a £4bn budget gap nationally, resulting in a number of local authorities serving a Section 144 notice and it was anticipated that more would follow.

The Executive Member for Finance and Resources commented that, despite this, Manchester had set a balanced budget and this had been achieved through diligent planning and management that had seen strategic investment in preventative initiatives; using financial reserves prudently and investment in activities that were important for Manchester residents, such as libraries; leisure centres, highways, parks and green spaces and reducing the carbon footprint.

The Executive Member for Finance and Resources stated that although Manchester had been able to deliver a balanced budget this year, the Council's financial position was expected to become even more challenging. The projected budget gap, even after using reserves for 25/26, was £29m in 2025/26 and £41m in 2026/27. He expressed concern that the Government had continually failed to listen to local authorities.

The Chair supported the Executive Member for Finance and Resources' remarks in relation to the national Government and the impact of its decisions and actions on local government.

Key points and queries that arose from the Committee's discussions included:



- That there was widespread concern about the cuts to local government and the impact on public services that people valued;
- That the impact of cuts over 14 years could be seen in neighbourhoods and to welcome the decision to establish the Neighbourhood Infrastructure and Renewal Fund;
- Praise for the Executive and officers who had made difficult decisions which had meant that Manchester was not in the position that some local authorities were and welcoming that the city was continuing to invest to achieve its goals; and
- How the Council ensured that the most vulnerable people in the city continued to receive the support they needed when budget decisions were made.

The Executive Member for Finance and Resources reported that the Council had worked to protect the most vulnerable residents over 14 years of cuts and would continue to do so. He advised that the Council had invested in early help and preventative work to reduce demand; however, he reported that there was still a high level of demand and that the crisis in the NHS and adult social care, as well as private sector profiteering in relation to children's placements, presented ongoing challenges. He reported that the Neighbourhood Infrastructure and Renewal Fund would continue for a further two years.

**Decision:**

To note the forecast medium term revenue budget.

**ERSC/24/11 Growth and Development Budget Proposals**

The Committee received a report of the Strategic Director (Growth and Development) which provided a further update on the priorities for the services in the remit of this Committee and detailed the changes to the initial revenue budget options proposed by officers in November 2023. The Committee was invited to consider the proposed budget changes that were within its remit and to make recommendations to the Executive before it agreed to the final budget proposals on 14 February 2024.

Key points and themes within this report included:

- Service overview and priorities;
- Service budget and proposed changes;
- Commissioning and procurement priorities;
- Workforce implications;
- Equality and anti-poverty impact; and
- Future opportunities, risks and policy considerations.

The Executive Member for Housing and Development supported the earlier comments about the impact of Government cuts on local government, including on areas like Growth and Development. He reported that this was an area which brought funding into the Council and supported the Council's strategic objectives, highlighting new social housing, investment in Extra Care and accommodation for Looked After Children. He praised the work of officers in bringing in as much external funding as possible to support this work.

The Executive Member for Skills, Employment and Leisure drew Members' attention to the areas of the report within his portfolio, in relation to Work and Skills, the Manchester Adult Education Service (MAES) and digital inclusion. In particular, he highlighted the emerging budget pressure on MAES from increased costs, stating a commitment to continue to provide the existing service and to seek options to mitigate these pressures in future. In response to earlier comments, he stated that, while the Council had worked hard to mitigate the impact of Government cuts on Manchester residents, the cuts had had an impact on residents and the Council was not able to provide all the services it would want to.

The Chair emphasised the importance of protecting MAES from service reductions, advising that this was an example of investing to save as it equipped people with the skills to contribute to the economy and reduced service demand in other areas. Noting the reference in the report to future pressures from the legislative changes in building safety requirements, he recommended that the Committee receive a report on this in the next municipal year.

In response to a question from the Chair, the Director of Highways reported that penalty charge notices for parking contraventions were set out in statute and that the Council did not have the power to increase the level of the charge. In response to a further question, he confirmed that the Council did have powers to increase parking fees. The Head of Finance (Corporate Core) reported that the recommendation that Highways external charges be increased by up to 5% related to a range of income streams within Highways which the Council was able to control. In response to a further question from the Chair about why these were not being increased by the average rate of inflation of 8%, he reported that 8% was the average rate of inflation over the last 12 months but that the forecast figure for 2024/25 was lower and that, in setting the level of the increase, consideration had been given to both the Council's financial position and protecting residents and businesses from increased costs.

In response to a Member's question about the Government's plans on the sale of council assets, the Executive Member for Finance and Resources reported that this related to councils which were in serious financial difficulties and that Manchester was in a stronger position. He informed Members about the role of the city's Strategic Asset Management Board, which looked at Council land or premises that were not in use and identified the best option for them. The Executive Member for Housing and Development provided further information on this, outlining some of the options that could be considered for the land, such as social and affordable housing, schools and other facilities and, where land was sold, reinvesting the income in providing more affordable housing.

The Strategic Director (Growth and Development) reported that, unlike some local authorities, the Council had not acquired assets elsewhere to generate revenue and that the Council was not concerned by the recent Government announcement on the sale of council assets. She reported that the Council did have land assets within the city, some of which were part of the commercial and investment estate and generated income and others which were used as levers to shape the development of the city.

**Decisions:**

1. To note the proposed changes which are relevant to the Committee's remit.
2. To receive a report on the legislative changes in building safety requirements in the next municipal year.

**ERSC/24/12 Overview Report**

A report of the Governance and Scrutiny Support Unit was submitted. The overview report contained key decisions within the Committee's remit, responses to previous recommendations and the Committee's work programme, which the Committee was asked to approve.

**Decision:**

That the Committee note the report and agree the work programme.