

Economy Scrutiny Committee

Minutes of the meeting held on 22 July 2021

Present:

Councillor Priest (Chair) – in the Chair
Councillors Farrell, Johns, Moore, Noor and Shilton-Godwin

Also present:

Councillor Rawlins, Executive Member for Environment
Councillor White, Executive Member for Housing
Councillors Flanagan and Karney

Apologies: Councillor Baker-Smith, Bayunu, Doswell, Raikes and Stanton

ESC/21/34 Minutes

Two requests for information remain outstanding:

- Information on the GM Independent Inequalities Commission
- Information on housing support provided to asylum seekers has been highlighted not yet been actioned

Note that the Chair of Resources and Governance Scrutiny Committee is happy for the Economy Scrutiny Committee to consider the audit on temporary accommodation ahead of the strategy being considered further

Decision

To approve the minutes of the meeting held on 24 June 2021 as a correct record.

ESC/21/35 Places for Everyone Publication Plan 2021: A Joint Development Plan Document for Nine GM Authorities

The Committee considered a report of the Director of City Centre Growth and Infrastructure, which sets out the proposed consultation on the publication stage of the Places for Everyone Publication Plan pursuant to Regulation 19, Town and Country Planning (Local Planning) (England) Regulations 2012.

Key points and themes in the report included:

- Places for Everyone set the plan for growth and ambition across Greater Manchester and was designed to align with Manchester's own local plan;
- The spatial strategy set out the position on growth, competitiveness and opportunities alongside the housing methodology;
- It considered the previous consultation exercise carried out as part of the Greater Manchester Spatial Framework and set out the next steps following consultation

whereby the draft joint development plan document and representations would be submitted to the Secretary of State, a post-consultation report would then be prepared and then the plan submitted to the Secretary of State for Examination.

The report was also scheduled to be considered by the Executive at its meeting on 28 July 2021.

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

- The report and documentation referenced carbon neutral which was different to zero carbon. There needed to be greater clarity on what was expected in terms of carbon objectives within the report;
- Heat in cities and surrounding environments and whether consideration had been given to the role played by heat islands around buildings and developments?
- The employment land identified to the North of Manchester but outside the City identified in the consultation was important to North Manchester and its residents;
- It was felt that the report was very technical report and residents may not appreciate the impact and role they had to play in shaping the future;
- Members would like to see attempts to ensure widest possible engagement to get the plan out to residents;
- It was a large piece of work which had been married to the GM 2040 Transport Strategy, and it was questioned whether Stockport's removal had altered the transport impact?
- Many green spaces in Manchester were reclaimed brownfield land which in places were often more biodiverse than some of the greenbelt land itself. And it was pleasing to see that the report offered a good insight and nuance into the types of green space in Manchester; and
- Reference was made to the zero waste strategy and GM plans to move towards a circular economy in seeing waste as a resource.

The Planning and Infrastructure Manager stated that the plan didn't state zero carbon but did state carbon neutral by 2038 so did pick up the theme in the plan to an extent. It was reported that changes were not possible to this consultation but can be incorporated in future iterations.

In respect of the heat islands point, it was stated that the Environment Bill required net biodiversity gain which was built into the plan and in November the Environment and Climate Change Scrutiny Committee would be considering a presentation on climate and environmental policy around heat island effects setting out the difference between green streets and those without.

On getting local buy-in the Planning and Infrastructure Manager stated that due to the strategic nature of the development plan document it had been difficult to get buy-in at a local level. Going forward, engagement was likely best achieved through the local plan. The development plan should be taken as a whole for Greater

Manchester and not just the nine participating districts so each proposal did need to be considered as a whole.

Around the issue of the government reforms on local plans, at present there was no clarity on the draft legislation/expectations around local plans. The ongoing conversations would be considered in light of the proposals once they came forward.

It was reported that Stockport's Transport 2040 Strategy had been refreshed following its their from the GMSF. Manchester schemes were firmly in scope and it was reported that Manchester needed to focus efforts onto upcoming infrastructure tranches. The Head of Environment, Planning and Infrastructure informed the Committee of the government's recent commitment to £4.2bn for an integrated transport fund for eight city regions. Manchester was expecting to get a good share to put towards its 2040 strategy. It was also reported that both the TfGM/GMCA growth strategies and Places for Everyone were coming forward together.

In relation to the point around greenfield/brownfield sites, the Planning and Infrastructure Manager stated that Places for Everyone offered a strong urban regeneration framework. The plan could deliver site-specific outcomes with granular detail. Victoria North offered an example of integrating green/blue infrastructure in the city and it was important to look at all the aspects of green/blue infrastructure for the city.

The Executive member for Housing and Employment stated that the Plan would deliver 165,000 homes across Greater Manchester with 56,000 in Manchester, of which 20,000 would be affordable and 30,000 social rent. He added that the brownfield/greenfield discussion was a really important debate especially around what was defined as being brownfield land. He welcomed the plan coming together despite the Conservatives/Liberal Democrats blocking of affordable housing via GMSF in their borough

The Executive Member for Environment stated that conversations had started and a policy on the circular economy would come through Environment Scrutiny Committee, with the Chair of Economy Scrutiny updated on progress. She also added that community grants had recently been issued to encourage upcycling with HWRCs mending items to look to reuse items again.

Decisions

The Committee

1. Endorse the recommendations of the report to Executive on 28 July, those being:-
 - Approve the Places for Everyone Publication Plan 2021, including strategic site allocations and green belt boundary amendments, and reference to the

potential use of compulsory purchase powers to assist with site assembly, and the supporting background documents, for publication pursuant to Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 for an 8 week period for representations to begin not earlier than 9 August 2021; and

- Delegate authority to the Director of Planning, Building Control and Licensing, in consultation with the Executive Member for Housing and Regeneration, to approve the relevant Statement of Common Ground(s) required pursuant to the National Planning Policy Framework 2019.
2. Recommend that conversations take place between Officers and Executive Members around resident engagement particularly in wards bordering other GM boroughs such as in Blackley.
 3. Requests that a future update comes to the Committee regarding the policy on the circular economy

ESC/21/36 Victoria North (formerly Northern Gateway) progress update

The Committee considered a report of the Interim Director of Housing and Residential Growth providing an update on the progress being made in delivering the Victoria North initiative (formerly Northern Gateway) which is seeking to transform 155 hectares of land at the northern edge of the City Centre through Collyhurst, New Cross and the Lower Irk Valley.

Key points and themes in the report included:

- In March 2019, Executive approved a final version of the Strategic Regeneration Framework which set out the vision for 15,000 homes over 15-20 years and offers the guidance document for both the joint venture with FEC and landowners.
- In February 2020, Executive approved the Strategic Business plan of the JV and the initial development area business plan
- In total, it is anticipated that 988 new homes will be delivered through the JV by no later than 2025. Progress is being made on Collyhurst Village Phase 1
- Executive agreed to provide a facility agreement to FEC to finance the development on commercial terms
- The report discusses the coordination between Victoria North and development at North Manchester Health Campus

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

- Councillor White introduced the report stating that it represents a key part of regeneration for the city as the biggest UK housing scheme on site with a

significant investment in green space, reclamation of the valley and lots of decontamination works;

- Councillor Karney spoke to the committee in his capacity as a local councillor, stating that Collyhurst has waited over 11 years since the coalition cancelled the previous development proposals. The scheme will deliver 240 new homes, 100 of which will be Council-owned. Collyhurst is the gateway to North Manchester and it's central to the renaissance and renewal of North Manchester and it's good to see that North Manchester voices are being heard to lead the country in building more council houses;
- Councillor Flanagan spoke to the committee in his capacity as a local councillor, stating that FEC's vision for the area was the most superior and he is delighted to see the delivery of new Council houses and 15,000 new homes. Officers are listening to ensure existing residents aren't displaced and he requests that the Committee supports local members in setting up a committee to oversee the development project. There are concerns around facilities such as the lack of school, health provision and removal of existing shops. Also, the scheme needs to ensure grey water capture to help the Irk Valley alongside the electrification of car charging points;
- What facilities will be provided for the local community such as health, education and transport in addition to job opportunities?
- How will housing profits be reinvested and the socially rented properties managed?
- The development of Victoria North, Northern Gateway and NMGH developments all benefit North Manchester. While it's good to see the inclusion of the voluntary sector and focus around 'Our Manchester' values, there needs to be wider involvement of councillors locally so elected members are better informed;
- Ambition around passivhaus is positive and hopefully consideration is being given to homes that will cool down easier rather than retaining heat. There's a need to consider heat islands in the development scheme in addition to the potential flood risk mitigation issues which pose a particular problem in the upper valley up to Oldham and Bury;
- The target of 16% affordable housing appears particularly low given the structure of this scheme, if this scheme can't deliver 20% affordable housing, how can anything?

The Head of Residential Growth ran through a presentation on the project with particular updates around the upcoming delivery of 30 homes in Collyhurst Village where determination is expected in August/September. The scheme will see FEC build-out the developments and then the Council will take ownership of the social rent properties. 29 demolitions are due to take place and a 1.3 Ha park is to be constructed. The difficulty is around unlocking the lower Irk valley due to constraints caused by historic contamination and rail infrastructure. £51.6m funding has been secured and contracting team have been appointed;

The Head of Work and Skills stated that from the outset of the scheme key partners are around the table. NMGH is waiting for DHSC approval as is Parkhouse

Manchester/GMMHT. The updated social value policy from March is the basis for the scheme's social value approach.

HIF money gives investment into the river park;

The Head of Residential Growth stated that the provision of new social and community infrastructure is vital to ensure that the neighbourhood is connected going forward. Lots of health facilities are needed including dentists and but there's a need to agree the long-term funding from the NHS to ensure health provision catches-up. The scheme is looking to provide accommodation for existing retailers to remain in the local area. Net Zero carbon developments and low carbon housing are to be delivered alongside a focus on reducing carbon use/thermal insulation coupled with electric vehicle charging points. Over 40 Ha of new green space will be created with appropriate trees rather than tokenistic trees around the area. There is a challenge due to the flooding risk and the project team are using an Environment Agency framework to identify expertise and ensure the wider catchment area is considered as a whole.

The Interim Director of Housing and Residential Growth stated that the social housing will be managed by the Council alongside the newly transferred Northwards properties;

The Head of Residential Growth discussed the breadth of scheme including its size and scale alongside the wider framework for North Manchester area. The project team are working with Homes England, TfGM and education colleagues but there is a challenge around the funding, by comparison Ebbsfleet has a £350m infrastructure budget. In relation to the volume of affordable housing, there is an ongoing commercial negotiation with a registered provider so no clarity can be offered yet however the multi-phased nature of the project means it will ride through a number of development cycles: present issues are Brexit, pandemic and materials crisis;

Councillor White encouraged the need for Executive members to work together to establish the best approach to regeneration in the area and stated that the scheme as a whole will deliver 20% affordable housing but this depends on the nature of each individual development.

Decisions

1. To note the report
2. Future reports don't need to consider the background but should set out how risks and issues are being overcome as the scheme develops.
3. Future reports should include reference to the river valleys coordination and management plan, this report did not mention the work that is currently taking place;
4. Committee to feedback to Executive members around the most productive means of raising issues between Executive members on the scheme.

ESC/21/37 Section 106 – Impact of the implementation of the policy in delivering the City’s priorities

The Committee considered a report of the Director of Planning, Building Control and Licensing which outlined the City’s s.106 policy and examined the impact of s.106 contributions and the future direction of travel in light of the proposed national planning reforms.

Key points and themes in the report included:

- Significant benefits can be achieved separate to s.106 with the planning process as a whole supporting substantial investment in Manchester
- The creation of the HAF presents the Council with a real opportunity to invest directly into the provision of affordable homes in Manchester
- The number of s.106 agreements signed has remained consistent with previous years despite the pandemic
- The government’s planning white paper proposes reforms to s.106 and the CIL system and as such the future role remains uncertain

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

- Councillor Rawlins and White introduced the report stating how s.106 is just one of the tools available to the Council but provides a means to bring in funding for the Housing Affordability Fund to deliver inclusive growth for all across the city;
- The committee considered whether developers generally follow-through on their s.106 agreements, how many historic agreements remain outstanding and what clawback mechanisms exist;
- Why do so few major developments provide s.106 funding with the schemes in the report being small-scale, and is CIL worthwhile in Manchester?
- Due to the allocation of resources between committees it can be difficult to scrutinise. What’s the process if there’s no money left in the development company and how can it be reviewed?
- there is a sense of dissatisfaction around s.106 policy in Manchester and a feeling of a slight fragmentation of the wider picture. Wider insight can only be achieved by asking for full details.

The Director of Planning, Licensing and Building control introduced the report stating that s.106 is just one small part of the wider planning process which delivers the city’s priorities as a whole. If all schemes come forward across the city, 45,000 jobs would come forward so it’s important to put the context forward around the planning process.

S.106 are legally stringent obligations but their future remains uncertain in policy terms. The Community Infrastructure Levy is not collected in Manchester and wouldn’t work for the city as it’s based on values. In terms of major applications coming forward, it’s not known until they come in what the impact and s.106

requirement will be. S.106 can only be applied to mitigate harm and housing schemes in particular are tested via viability assessments.

Historically, lots of s.106 agreements sat on workbooks but new governance arrangements in the Planning Department have meant that the Council are much more active in getting the money and spending it. At some point £10m+ was held but now down to £4m and being spent. New schedule of more extensive information will go to the Resources and Governance Scrutiny Committee and be circulated to members. Where the legal agreement is made, the agreement runs with the land. On Manchester schemes developers are required to provide reconciliation before completion to ensure that any uplift is captured. It can be difficult to capture exactly what is delivered from each scheme (jobs aren't captured for example).

Councillor White and Councillor Rawlins set out that national planning guidance limits the scope of policy e.g affordable housing not being required below 15 units and the fact that developers can make profits before s.106 contribution comes about. As such, Manchester is bound to some extent by wider government planning policy.

Decisions

1. To note the report
2. Committee to have oversight of the s.106 report that goes to Resources and Governance Scrutiny Committee

ESC/21/38 Economy Covid-19 Sit Rep Report

The Committee considered a report of the Director of City Centre Growth and Infrastructure and Director of Inclusive Economy which provided Members with an update on the current situation in the city in relation to Covid-19 and on the work progressing in Manchester within the Committee's remit.

Key points and themes in the report included:

- The report offered a general overview in addition to considering updates on the following areas: developments, footfall, culture, infrastructure, work and skills, funding and government legislation

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

- Going forward, will Coronavirus legislation provide for party conferences to take place in Manchester
- Discussion around the Science Museum Group's air and space hall's closure. Promising suggestions around what might happen next.
- What support is being offered to the particular sectors where furlough is ongoing?

- The committee discussed the University of Manchester's move to online teaching in the future
- In light of retail closures, increase in car use and the impact of that on the city's carbon use, what's being done to encourage people onto public transportation and what support is provided to local district centres?

The Director of City Centre Growth and Infrastructure stated that the city is still facing challenges post-covid but there are a number of measures being put in place to accelerate the city's recovery;

The Upper and Lower Campfield Markets had gone into Manchester's Levelling up fund bid with a view to future workspace, commercial use and retail but generally with the aim that the buildings make a positive contribution to the city;

The Director of Inclusive Economy set out that the current partnership of the job centre, business advice and growth company continue to offer support. If an employer is making more than 20 staff redundant/at risk this will be notified so a direct approach can be made to ensure workers' protection. However, some of these issues are not very predictable e.g Hospitality sector is missing skilled workers whereas a year ago the opposite was predicted.

The University of Manchester have pulled back from the position of online learning but Higher Education institutions remain in a mixed position. MMU want in-person teaching to resume;

Both the House of Fraser and Debenhams buildings are looking at office use to repurpose the stores. Very positive but will alter the dynamic of the high street;

Face coverings agreed to be used in GM on Metrolink. Work is being done to promote public transport. The Head of Planning, Environment and Infrastructure stated that TfGM are working with major employers to enable behaviour change and travel policy work is going on with a transition back to the workplace anticipated. Highways usage has increased but public transport has a way to go yet but public transport policy settings are being accelerated.

Councillor White stated that Manchester footfall is above the national average pre-pandemic. Recovering fast and there's something further to look into in district centres and how adaptation can take place going forward.

Decisions

To note the report.

ESC/21/39 Overview Report

The Committee considered a report of the Governance and Scrutiny Support Unit which provided 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.

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

- A response on accommodation support for people seeking asylum has been highlighted as actioned but this is still yet to be received.
- Previous recommendations aspect. Brownfield land register has been allocated to Richard Elliott, this should be amended to Michael Marriott - Head of Planning, environment and Infrastructure.

Decision

To note the report.