

## **Economy Scrutiny Committee**

### **Minutes of the meeting held on 9 December 2021**

#### **Present:**

Councillor H Priest – in the Chair

Councillors Doswell, Farrell, Johns, Moore, Noor, Raikes, Stanton and Shilton Godwin

#### **Also present:**

Councillor Craig, Leader

Councillor White, Executive Member for Housing and Employment

#### **Apologies:**

Councillors Bayunu and Johns

### **ESC/21/58                      Minutes**

#### **Decision**

The minutes of the meeting held on 11 November 2021 were approved as a correct record.

### **ESC/21/59                      Comprehensive Spending Review, Funding and Budget Update**

The Committee considered the report of the Deputy Chief Executive and City Treasurer that provided an update on the main announcements from the Spending Review of the 27 October 2021 with a focus on the thematic areas relevant to Economy Scrutiny and the impact of the budget on Manchester. The report also provided an update on key funding programmes announced by government and the action Manchester is taking to access this funding.

Key points and themes in the report included:

- An overview of the Local Government Finance Announcements;
- Announcements impacting household incomes;
- Funding announcements which benefited Manchester;
- Implications for Employment and Skills;
- Implications for welfare benefits and unemployment;
- Implications for Housing, Transport, Culture, Climate and Net Zero and Innovation and Connectivity; and
- Other relevant announcements.

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

- Whilst welcoming the increase in spend in tackling homelessness and rough sleeping, what was being done to reduce the numbers of people afflicted;

- The increase in work and skills funding would not match the level of cuts that had occurred in the last ten years;
- What would be the impact of the slow progress of the new Apprenticeship Programme on residents who need to upskill;
- Was there any indication why the Levelling Up bid for Withington Village was unsuccessful;
- More information was needed on the Growth Company's Good Jobs project in North Manchester; and
- What was the Council doing to lobby government for a fair finance settlement;

The Committee was advised that the Council was waiting for a meeting with the Department for Levelling Up, Housing and Communities to discuss why the bid for Withington Village was unsuccessful.

The Director of Inclusive Economy acknowledged that the increase in funding for work and skills did not match the level of funding that had previously been cut and as the budget for Adult Skills was a stationary budget this would be impacted by inflationary pressures on salaries and pensions. In terms of apprenticeships, the take up in Manchester had never been high and had dipped particularly for younger people and with other routes into employment and the volatility in the labor market, the attraction of apprenticeships and apprenticeship wages was not particularly attractive. The Council was still working on promoting apprenticeships as good routes into employment and job opportunities. She also provided a brief update on the Growth Company's Good Jobs project and suggested that the Committee may want to consider a more detailed report on this in the future.

The Strategy and Economic Policy Manager advised that in terms of homelessness, there had been a national increase in the spend to tackle this and it would need to be seen as to how this filtered down to local levels before more detail could be given. The Leader commented that the increase in government funding would not address the situation in Manchester and the Council would still need to supplement this through its general revenue budget. The Executive Member for Housing and Employment commented that the money allocated to the development of brownfield sites, which the Council could bid for, was welcomed and would contribute to affordable housing on brownfield site. He also welcomed the investment being made in North Manchester.

The Leader advised that the Council had had a consistent approach on what local government should be funded for and how it should be funded. The move to more competitive small pots of funding did not help any local authority and Manchester would continue to make the case for an appropriate base line budget. Whilst Manchester budget position for 2022/23 looked to be positive when compared to elsewhere, this had been achievable due to decisive action taken in previous years and the financial situation for future years was precarious as one off additional funding stopped.

## **Decision**

The Committee:-

- (1) Notes the report.
- (2) Request that a briefing note be sent to the Committee and all North Manchester Ward Councillors on the Growth Company's Good Jobs project.

### **ESC/21/60                      Innovation Greater Manchester**

The Committee considered the report of the Director of City Centre Growth and Infrastructure that provided an update on Innovation Greater Manchester – a business led platform that set out how a long-term strategy, underpinned by public and private investment, would unlock a globally leading innovation ecosystem that would spur on the discovery, invention, and adoption of new technologies and business models needed to raise productivity and competitiveness, and provide solutions for the city's big societal challenges including net zero and reducing health inequalities.

Key points and themes in the report included:

- Providing a background and describing progress to date; and
- Providing a number of examples.

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

- Had any assessment been undertaken on whether the current LEP review posed any risks to Innovation GM;
- Partnership working with the wider north west region should not be forgotten and what was the nature of the relationship between Manchester and the wider region;
- Physical access to employment for residents, especially those in North Manchester, was important;
- It was important that any employment opportunities around the Oxford Corridor did not detract from the existing opportunities located at the Centre of Scientific Research and Development at Hexagon Tower in North Manchester;
- The regeneration of North Manchester needed to be wider than just the redevelopment of the North Manchester Hospital campus; and
- An update on Green Hydrogen technology was requested.

The Leader emphasized that the inclusion of the redevelopment of North Manchester Hospital Campus within the programmes of work demonstrated that it complemented the other pieces of work aimed at driving up the standards of health care and that it also demonstrated that Innovation Greater Manchester was a city wide approach and not centered around one specific area of the city. The Director of Inclusive Economy advised that North Manchester had been included as part of Health Innovation in Manchester's Data in Places programme, which would be submitted as part of the GM Innovation bid. The focus for the North Manchester elements of the bid would be

childhood obesity and frailty, with a view to using both quantitative and qualitative data on changing systems to tackle these two growing and prevalent population health issues. The new approaches would make a difference to health outcomes in North Manchester and provide opportunities for commercialisation /creation of new businesses and jobs to deliver solutions internationally.. She described that this would also commercialise health opportunities that was bespoke and distinct from the Oxford Road corridor.

In regard to the LEP review, it was commented that Manchester had an established and proven track record of working closely with local business leaders and that those relationships would continue. It was explained that the Advanced Machinery and Productivity Institute and the Sustainable Materials Translational Research Centre that were being progressed for the Rochdale-Bury Gateway North site, would leverage Manchester's global reputation in materials science, to create at-scale assets and services to embed new net zero materials in to manufacturing processes in businesses across the wider conurbation.

Officers further commented that the innovation in relation to green hydrogen and energy that had been developed at Manchester Metropolitan University was pioneering research. This project had now made the case for a larger facility in Manchester and the wider city region to build upon its success, noting the importance of this technology in the drive to net zero.

It was stated that the anticipated investment of circa £200m across Greater Manchester would facilitate the translation of innovation into jobs and skills. Discussions were ongoing with not only local neighbouring authorities, within the North West but also, other cities and city regions to explore and discuss shared opportunities. The Committee was also advised that conversations were being had with other European cities to share lessons learnt. It was further commented that the plans associated with North Manchester were not intended to displace skills from other areas but rather attract new and international opportunities and investment in the area.

The Chair commented that it was important that all resulting skills and employment opportunities were promoted and accessible to all residents across the city. Officers responded by advising that this was an important point and was fully understood.

## **Decision**

To note the report.

## **ESC/21/61                      Selective Licensing - Results of Public Consultation**

The Committee considered the report of the Strategic Director (Neighbourhoods) that provided the Committee with information on the recent consultation exercise completed in areas within Gorton and Abbey Hey, Harpurhey, Clayton and Openshaw to establish whether the declaration of a Selective Licensing (SL) scheme was required in those areas.

Key points and themes in the report included:

- Providing an introduction and background;
- Noting that The Housing Act 2004 gave the Council the power to introduce the licensing of private rented homes within a designated area, with the aim of improving the management and condition of these properties to ensure they had a positive impact on the neighbourhood;
- Describing the consultation process and method undertaken;
- An evaluation and key findings from consultation exercise;
- A summary of the responses from both residents, landlords and agents and landlord organisations;
- The findings from an exercise to inspect the external condition of those properties in the identified locations; and
- Conclusions, noting that the results of both the initial and the formal consultation exercise showed the majority of residents supported the introduction of SL in all four areas.

Councillor Hughes (Gorton and Abbey Ward) addressed the Committee, welcoming the proposed selective licensing areas within his ward and the improvements this would bring to private rented properties.

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

- Whilst currently capped at a 20% limit of private rented housing stock, what progress had been made with government to press for a city wide selective licensing policy;
- Could a landlord with properties in a selective licensing area be required to improve standards to any properties that had outside of the selective licensing area;
- Had there been any evidence of the increase in costs to landlords being passed on to tenants;
- Could anything be done to incentivise landlords to provide properties that had a better ECP rating than E; and
- Was the other 80% of private rented properties benefit from the raising of standards in properties within selective licensing areas.

The Executive Member for Housing and Employment stated that the Council wanted to target its resources to tackle the worst landlords in the worse areas and there needed to be a strong evidence base to apply for a city wide licensing scheme, citing a number of Councils that had applied for this but had been unsuccessful. He stated that this would be kept under review.

The Committee was advised that the Council could take action against individual properties that were in a poor state and these didn't need to fall under the selective licensing areas. In addition, the Committee was advised that there had been no

evidence of an increase in tenant rents following increased costs to landlords to improve their properties.

Officers advised that there was little the Council could do to incentivise landlords to improve the ECP rating of their properties as there was little in the way of grant funding.

The Executive Member for Housing and Employment commented that he would hope the improvement to the 20% of properties that fell under a selective licensing area would have an impact to the overall improvement to the remaining 80% of private rented sector properties.

## **Decision**

The Committee notes the report

### **ESC/21/62                      Update on COVID-19 Activity**

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.

Key points and themes in the report included:

- Although unemployment levels were falling, there was still a number of job vacancies and growth was beginning to slow;
- Challenges associated with rising inflation and energy costs on household incomes;
- An IPSOS MORIS Political Monitor report identified that 54% of people surveyed thought the economy would get worse next year; and
- The recent introduction of additional COVID measures had impacted on the city's hospitality and retail sectors.

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

- The additional COVID restrictions would have significant impact in the city centre and financial support from Government was needed; and
- Was office space demand in the city consistent across a typical week.

The Director of City Centre Growth and Infrastructure agreed the impact of the covid restrictions would have a financial impact on retailers and financial support would likely be needed for a number of retailers and hospitality businesses.

In terms of demand for office space, it was reported that information from agents demonstrated that there was still a strong trend for office uptake, particularly from smaller occupiers. How this translated into occupation for next year and beyond was

not yet know, but this would be kept under close review. At present there was no major concerns. It was also reported that pre-covid occupancy levels were at around 70% and now occupancy levels were at 40-50%, so it was evident there had been a steady increase of staff returning to offices for work.

The Chair agreed to raise with the Leader the need to make representations to Government on the need for financial support to retailers and hospitality businesses impacted by the additional covid measures.

### **Decision**

The Committee notes the report.

## **ESC/21/63                      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 clarified the Work Programme items for the January to March 2022 meetings and suggested that items on access to childcare as a potential barrier to employment and scrutiny of the work to address issues raised in the Marmot report and beacon indicators pertinent to this committee's work (employment and housing) be added to the Work Programme as items to be scheduled in the new Municipal Year.

### **Decision**

The Committee note the report and agree the work programme and the suggestions for future items as detailed above.