

Economy Scrutiny Committee

Minutes of the meeting held on Thursday, 9 February 2023

Present:

Councillor Johns (Chair) – in the Chair

Councillors Good, Moran, Raikes, I Robinson, Shilton Godwin and Taylor

Also present:

Councillor Midgley, Deputy Leader of the Council

Councillor Akbar, Executive Member for Finance and Resources

Councillor Hacking, Executive Member for Skills, Employment and Leisure

Councillor Rawlins, Executive Member for Environment and Transport

Councillor White, Executive Member for Housing and Development

Apologies: Councillor Noor

ESC/23/7 Interests

The Chair declared a non-pecuniary interest in item 7 – Levelling Up Fund and UK Shared Prosperity Fund Update.

ESC/23/8 Minutes

An amendment to the minutes of the previous meeting was proposed to reflect that Councillor Angela Moran submitted apologies.

Decision: That the minutes of the meeting held on Thursday, 12 January 2023 be approved as a correct record, subject to the amendment outlined above.

ESC/23/9 Local Plan Update

The committee considered a report of the Director of Planning, Building Control and Licensing which provided an update on the Local Plan. The report also provided an overview of current planning policy; an update on emerging planning policy (Places for Everyone and the Manchester Local Plan); a summary of the current consultation on updates to the National Planning Policy Framework (NPPF) expected this Spring; and potential future changes to NPPF via the Levelling Up and Regeneration Bill.

Key points and themes within the report included:

- The emerging Local Plan presented an opportunity to review current planning policy and will set out how the city should meet the need for new development over the next 15–20 years. It will identify where new development should happen, which green spaces and other aspects of the environment should be protected or enhanced, and how transport and other infrastructure will be improved;

- The range of policies included within the Local Plan to address key issues and challenges;
- The range of studies commissioned to provide the evidence base of the Local Plan;
- The timetable for the stages of the Local Plan's development, with adoption planned for winter 2024;
- The Places for Everyone local plan - a joint development plan of the nine Greater Manchester districts which will determine the kind of development that takes place in their boroughs - was nearing completion of hearing sessions and would undertake further round of formal consultation on any proposed changes to the plan in late 2023 and would be adopted by individual full councils;
- The ongoing government consultation on the proposed approach to updating the NPPF; and
- Changes to national planning policy proposed under the Levelling Up and Regeneration Bill 2022 (LURB).

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

- The internal scrutiny process of the Local Plan, and whether this would be subject to further consideration by this Scrutiny Committee;
- How the impact of future carbon emissions and rainfall could be forecasted to support the evidence-base for the Local Plan;
- The impact of implementing Schedule 3 of the Flood and Water Management Act 2010 concerning Sustainable Draining Systems (SuDS);
- The importance of a sense of place, and whether the city had the local services and infrastructure to support new emerging communities;
- The reforms to national planning policy proposed in the LURB and the implication of these on planning policy around affordable housing;
- If any further detail around Compulsory Purchase powers and Investment Zones was available;
- The impact of the government's recent building safety announcement on the Council's ability to hold developers to account on cladding issues;
- How planning powers are used to require developers to use local labour;
- Noting the Council's record for high-quality development, and querying whether the new National Development Management Policy Framework would require the Council to accept lower quality development in line with the revised policies;
- Whether the current evidence bases within the Council's strategies were sufficient; and
- Expressing concerns over the potential loss of flexibility for the Council through changes to the NPPF.

The Executive Member for Housing and Development introduced the item and highlighted the importance of the Local Plan for the city as it outlined the Council's ambitions and framework for development. He explained that the Local Plan would align with Places for Everyone which was a joint development plan between the nine

Greater Manchester authorities and was currently under inspection. This included targets for 50,000 affordable homes with 30,000 of these being social rent zero-carbon properties which aligned with Manchester's Housing Strategy. He explained that the Local Plan also encompassed policies and objectives around biodiversity, green spaces, and purpose-built student accommodation for which several studies had been commissioned to inform the evidence base of the Local Plan. He also provided assurances that residents and elected members would be consulted on the Local Plan prior to adoption and highlighted previous extensive feedback from residents and community groups.

The Director of Planning, Licensing and Building Control explained that the Local Plan acted as a planning policy framework and that this would align the Council's policies and ambitions to enable delivery these priorities through the planning process where feasible. She acknowledged potential challenges and stated that the Local Plan would be scrutinised by an Independent Examiner. She also explained that the refreshed Core Strategy was proposed to be adopted in 2024, which meant that evidence would need to be gathered and the Core Strategy subject to internal scrutiny processes by summer 2024 and officers were committed to meeting this deadline.

In response to a query from the Chair regarding internal scrutiny of the Local Plan, the Director of Planning, Licensing and Building Control explained that it was yet to be decided which commissioned studies would be submitted to the relevant Scrutiny Committee and it was suggested that Policy Panels may be utilised.

The Director of Planning, Licensing and Building Control acknowledged that much of the evidence being produced was contemporary and explained that the Council would engage with relevant parties to forecast an evidence base for the future.

It was stated that engagement would be undertaken with key stakeholders to identify the social infrastructure required and where capacity was available and census data would be used to gain an understanding of future population figures. It was acknowledged, however, that the Local Plan could not identify who would deliver key infrastructure and the Council would not have the authority to identify specific sites for dental and GP practices, for example. The Executive Member for Housing and Development cited developments at Victoria North as an example of where the Council is working with partners to consider infrastructure requirements at an early stage in the development process. Work was ongoing across the Council and discussions underway with government departments to ensure suitable infrastructure at Victoria North and a business case for a new tram stop at Sandhills in Collyhurst had recently been submitted. He noted that the Department for Education (DfE) often waited to assess how many children moved into the development, which he felt was often too late to provide the necessary provisions.

The Director of Planning, Licensing and Building Control explained that a national consultation was underway regarding the proposed revisions to housing figures within the NPPF, but this did not include reference to a devolution deal for Greater Manchester.

Members were also advised that the suggestion of streamlining the process for Compulsory Purchase Orders (CPO) had been discussed for many years with the Council participating in several rounds of consultation. The Executive Member for Housing and Development highlighted that funding for new homes within Places for Everyone would be provided to Homes England rather than the Council, which further demonstrated the need for greater devolved powers like those granted to London Borough authorities.

The Director of Planning, Licensing and Building Control stated that officers would welcome the proposal to make the CPO process easier and explained that there were certain circumstances where the Council needed to legitimately impose a CPO to deliver what was needed for the city. In response to a query around Investment Zones, the Director of Planning, Licensing and Building Control confirmed that no further information had been provided to the Council regarding the process for identifying potential Investment Zones. She explained that where planning powers were proposed to be reduced, the Council would have less control over the quality and delivery of development such as the ability to impose conditions regarding local labour. The Strategic Director for Growth and Development also highlighted that it had been referenced at a recent Conference of the North that Investment Zones would be relaunched and could be aligned more closely with universities although the detail of this remained unknown.

In response to a query regarding the impact of implementing Schedule 3 of the Flood and Water Management Act 2010 concerning SuDs, the Planning and Infrastructure Manager explained that this was a key aspect in the work of the 'Our Rivers, Our Cities' programme, which helped to inform the evidence base of the Local Plan, and there had been significant discussion on existing infrastructure. This was also at the forefront of business planning for United Utilities, who had commissioned a study of the upper River Mersey to assess water management.

The Director of Planning, Licensing and Building Control explained that a consultation was underway which proposed giving local planning authorities powers to not determine applications where there had been previous issues with the developer or applicant. A second consultation on the building safety levy was also underway which proposed making developers pay a levy prior to starting work. Both consultations were open to the public and links to these would be provided after the meeting. She also provided assurances that the Council would provide a robust response to these consultations subject to the approval of the Executive Member.

The Executive Member for Housing and Development explained that 49 developers had signed the Building Safety Pledge, which set out that leaseholders should not have to pay for any costs associated with critical fire-safety remediation work arising from the design, construction, or refurbishment of buildings of 11 metres and above. The Secretary of State for the Department for Levelling Up, Housing and Communities had recently issued legally binding contracts on this for developers to sign within six weeks and consequences, such as not receiving planning or building control permission, were in place for those who did not do this, which he welcomed.

Encouraging local labour through the planning process had been a key focus of the Council for many years. This had previously been achieved through a legal agreement and was frequently imposed through conditions to planning approval, although there were limitations to this. The review of the Local Plan would also look to improve on this.

The Director of Planning, Licensing and Building Control acknowledged that the proposed revisions to the NPPF could allow the government to reduce the matters dealt with by local planning authorities and their ability to adopt higher development standards. She reiterated that the Council was proud of the quality of development in the city and would continue to push for high-quality standards.

In response to a query from the Chair, it was confirmed that there was a substantial evidence base for the Council's strategies, but further expertise would be required in some areas to enable delivery through the planning process of key priorities.

Decision:

That the committee

1. notes the report, and
2. requests an update on the Local Plan in the next municipal year.

ESC/23/10 Housing Allocations Policy Evaluation

The committee considered a report of the Strategic Director (Growth and Development) which outlined an evaluation of the Council's social housing allocations scheme which had been undertaken following 24 months of operation to analyse its effectiveness.

Key points and themes within the report included:

- The scheme was designed to provide priority to rehousing applicants based on housing need, with priority within bands determined by length of time in the band;
- Demand for social housing remained high with over 14,000 households on the register, of which 8,000 were in bands 1-3 and in some form of housing need;
- The evaluation found that the overall objectives for the scheme were being met although there were increasing challenges around temporary and emergency accommodation;
- Allocations to those in priority need accounted for 64.8% of all lettings, compared to 31.6% under the old scheme;
- During the first two years of the new scheme, 40% of all allocations went to applicants on the housing register due to being homeless, compared to 19% in 2019/20;
- One of the main achievements of the scheme was the successful rehousing of a considerable number of young people who were ready to transition out of care;

- The COVID pandemic caused significant challenges with regards to repairing and refurbishing vacant properties but officers were working to make these properties available; and
- It had been necessary to make some minor changes to the process and the scheme to improve the situation around temporary and emergency accommodation. Proposed changes included awarding Band 2 status to prevention duty applicants and to permit those owed the prevention or relief duty to accept a private rented tenancy offer, to discharge either homelessness duty (prevention or relief) and to retain a Band 2 award for rehousing. These changes would encourage people to present at an earlier stage and encourage changes in behaviour to access alternative accommodation rather than temporary accommodation.

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

- Welcoming the changes and outcomes of the revised Policy;
- How the Council could keep residents experiencing domestic violence safe where they could not be moved straightaway;
- Whether there was an increase in those in band 2 as a result of the changes;
- The wait times for those with band 2 priority; and
- Noting an increase in the number of households in temporary accommodation, which was higher than in other Greater Manchester areas.

The Executive Member for Housing and Development introduced the item and explained that the report formed part of the 2-year evaluation of the revised Housing Allocations Policy which had been subject to extensive consultation. He explained that the changes looked at how the Housing Allocations Policy could help those with the most serious housing need, such as those experiencing domestic abuse and serious violence and those leaving care. He noted a challenge in the amount of housing stock available to allocate and a lack of investment in social housing over the last 13 years by the Conservative and coalition governments. He stated that the Council was working to deliver more social and affordable housing in Manchester and the Housing Strategy set out a target of 10,000 more homes in the next 10 years.

The Executive Member for Housing and Development also stated that the Policy sought to prevent homelessness before it happened, which he felt was a key strategy, and would award band 2 priority to those at risk of homelessness to try and prevent this.

The Head of Housing Access explained that the Council was the largest landlord in the city and let around 2,500 homes of which 90% were let to those in housing need. She reiterated challenges in demand and waiting times but there were a number of strategic priorities around children leaving care, overcrowding, domestic violence and prevention of homelessness. There were also challenges in suitable 4-bedroom and adapted properties within the housing stock. The Council worked with 14 housing provider partners, and she stated that there was a good working relationship with other providers. She also stated that the revised policy would allow more options and choices for those in need and would encourage them to present to the housing service at an earlier stage to prevent and relieve homelessness.

In response to a query regarding what could be done to keep residents experiencing domestic violence safe where they could not be moved straightaway, the Assistant Director of Homelessness stated that this was the third biggest cause of homelessness in Manchester and the majority of domestic violence survivors were helped either when they were already homeless or had made the decision to leave their existing home. He stated that there had been significant feedback from those living in temporary accommodation that wished they had the opportunity to stay in their existing home. He explained that the Council ran a Sanctuary Scheme which provided security measures to create a safer living environment and 30 installation schemes were delivered in 2021/22. He explained that the Council sought to give residents greater choice and control over the options in front of them.

The Assistant Director of Homelessness expressed his belief that there would not be an increase in the number of people within band 2, as the changes would encourage people to present to the Council earlier and get the same level of help as previously. The changes would also help with housing stock challenges and reduce the need for B&B accommodation. The Deputy Leader of the Council stated that the change was already having a positive impact for frontline staff in the homelessness service as it allowed for a more positive and hopeful experience with those presenting to the Council.

In response to a member's query regarding why Manchester had a higher number of households in temporary accommodation than other Greater Manchester authorities, the Deputy Leader acknowledged the increase but stated that this needed to be considered in the context of policies implemented by the Conservative-Liberal Democrat coalition government and subsequent Conservative governments since 2010 which had a cumulative impact on the exponential rise of homelessness across the country. She stated that a lack of investment in affordable homes, benefit caps, the 'Bedroom Tax', rising rents, lack of increase in housing allowances and other austerity cuts had caused the increase in homelessness and demand for temporary accommodation. She provided assurances that the Council was working to address these issues and reiterated the Chair's point that a report on the wider Homelessness service had been provided to a recent meeting of the Communities and Equalities Scrutiny Committee.

The Executive Member for Housing and Development highlighted that Manchester was a significantly bigger area compared to other boroughs within Greater Manchester and it would be better to consider temporary accommodation figures per 1000 of the population. The Assistant Director of Homelessness also suggested comparing figures with other core cities to gain a more representative insight.

Decision:

That the committee

1. notes the report, and
2. endorses the changes to the process and the proposed minor amendment to the allocation scheme, to help reduce the numbers of households that require temporary accommodation.

ESC/23/11 Levelling Up Fund and UK Shared Prosperity Fund Update

The committee considered a report of the Strategic Director (Growth and Development) which provided a summary of the UK Shared Prosperity Fund as it applied to Manchester, including the context of the UK Government's Levelling Up agenda and the competitive Levelling Up Fund (LUF) which it sat alongside.

Key points and themes within the report included:

- Manchester was classed as a Priority 1 area for Levelling Up by the Government, based on need for economic growth, improved transport connectivity and regeneration;
- 2 bids were submitted by the Council in LUF Round 1, of which one – 'Culture in the City' – was successful. A bid to regenerate Withington Village was unsuccessful. A bid submitted in LUF Round 2 to regenerate Wythenshawe Town Centre was also unsuccessful;
- Culture in the City aimed to deliver 8,282m² of high quality, affordable, technology and creative work and production spaces at HOME Arches and Campfield Market, with £19,822 million awarded from LUF;
- The Shared Prosperity Fund (SPF) was launched in April 2022 as a replacement for European Structural and Investment Funds (ESIF) following Brexit, and the distribution of this across all areas of the UK meant that Greater Manchester's proportion of this is substantially lower than that from ESIF; and
- Manchester was allocated a total of £5,013,823 in SPF for Communities and Place funding which was prioritised for investment in district centres.

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

- Welcoming the Executive Member's recommitment to investing in Wythenshawe town centre;
- Whether there was any indication from government to increase local funding allocations to account for the fact that some areas had disproportionately been unsuccessful with LUF and other funding schemes;
- Welcoming support for business start-up and incubation, and querying if there were any additional contingencies to support businesses during the cost-of-living crisis;
- Conveying frustration at the government rule introduced during the decision-making process that any applicant council who had been successful in Round 1 would be unsuccessful in Round 2 and the time and resources that this misused;
- How SPF could work with local labour market policies and how this would help residents;
- The process for unsuccessful funding bids;
- The devolution trailblazer scheme for Greater Manchester;
- Whether the Council is consulted on funding simplification; and
- The criteria for SPF and how are resources assigned to evaluate this.

The Executive Member for Housing and Development explained that the UK Shared Prosperity Fund and Levelling Up Fund were two funding pots which the government released as part of their wider Levelling Up strategy. He stated that the Council had submitted a strong bid in round 2 of the LUF for £20million to transform and invest in Wythenshawe which was rejected without formal notification to the Council. He stated that he had some concerns with the LUF allocation process generally as it made local authorities compete against each other, but he reiterated the commitment of the Council's Labour administration to investing in Wythenshawe.

The Strategic Director (Growth and Development) stated that the Council had tried to access LUF resources to support ambitious developments and plans and explained that the Council had one successful LUF bid for 'Culture in the City' despite subsequent unsuccessful bids in Withington and Wythenshawe. She explained that the SPF would be targeted in and around Withington to develop elements of the unsuccessful LUF bid and in Moston in line with the Council's objectives and Neighbourhood Frameworks. She also stated that some Community and Place funds from the SPF were yet to be allocated and proposals would be developed in line with Neighbourhood Frameworks.

The Strategic Director (Growth and Development) explained that there was limited funding for business start-up and incubation spaces, but Manchester had received almost £2million of funding for this and a Hub and Spoke model was in place to target support in different areas of the city. She highlighted that the SPF did not provide the same amount of funding as its predecessor ESIF, but officers were working to maximise its impact in the city in consultation with Executive Members.

In response to a query regarding whether the government might increase local funding allocations when an area had been unsuccessful with LUF and other funding schemes, the Strategic Director (Growth and Development) stated that there were no indications of this. She informed members that there would be a third round of LUF bids, and the Council would await further detail on the criteria for this before deciding whether to resubmit the Wythenshawe bid or submit a new bid for other parts of the city.

Members were informed that the Council was seeking greater certainty over funding through the devolution trailblazer negotiations.

Members were also advised that there was no dedicated support for businesses during the cost-of-living crisis within the SPF. The Director of Inclusive Economy advised members that The Growth Company was providing support for business through its "Here for Business Campaign" and the Greater Manchester Combined Authority (GMCA) had brought forward some SPF funding to help The Growth Company with this. This included clinics and in-person sessions in each local authority area in Greater Manchester.

The Director of Inclusive Economy explained that GMCA administered the Supporting Local Business and Work & Skills priorities within the SPF and would work with the Council to design how this would operate in practice. On labour market interventions, she advised the committee that a 'deep dive' had recently been undertaken on economic activity in the city which could be used as an evidence base to inform the design. She acknowledged challenges in that the totality of the SPF funding was less than that of ESIF and with a 3-year timeframe with the labour market intervention toward the end of this, this could be an issue for those distant from the labour market.

In response to a question regarding the capital gateway approval process, the Strategic Director (Growth and Development) informed the committee that this was an internal process for submitting an item to the Capital Programme, with proposals progressing from CP1 and CP4 as they are further developed and costed, and she confirmed that those projects which were unsuccessful in the LUF bids would be subject to this process.

The Strategic Director (Growth and Development) explained that various officer groups across the GMCA, such as the GM Directors of Place and GM Chief Executives Group, would review any proposals for a devolved single pot of funding. Various proposals had been put forward with a number of different priorities on issues such as transport, housing and work and skills. This would shape the Council's approach to funding as it would provide a greater degree of flexibility should the proposals be accepted.

It was also stated that the Council was subject to evaluation around the number of jobs and employment space created, low carbon impacts and training and apprenticeship opportunities arising from SPF funding. This was reported to GMCA who fed back to the government on Manchester's behalf. The Principal Resource and Programmes Officer advised that this was relatively modest and the Grant Funding Agreement which dictated the level of monitoring was very similar to that of ESIF previously.

Decision:

That the report be noted.

ESC/23/12 2023/24 Budget

The Committee considered a report of the Deputy Chief Executive and City Treasurer which outlined the Council's latest forecast revenue budget position, and the next steps. Following the Provisional Local Government Finance Settlement announced on 19 December 2022, the Council was forecasting a balanced budget for 2023/24 and 2024/25. The risk moved to the next Spending Review period in 2025/26 where a shortfall of £57m was forecast and this would reduce to £40m after the proposed use of £17m smoothing reserves.

Key points and themes within the report included:

- The Finance Settlement meant that the budget gap identified in November could be closed, without the need for further cuts and savings, and provided some opportunity for reducing the quantum and rephrasing some of the savings;
- It was now proposed that options of £36.2m be progressed, a reduction of £6.1m, although additional funding streams announced as part of the Settlement came with several spend requirements, and additional pressures had emerged since the November Scrutiny report;
- £16m of reserves per annum were being used to close the pre-Settlement budget gap and would be rephased to support a sustainable position, particularly to support closing the budget gap in 2024/25 and to deal with the significant risks faced in 2025 and beyond;
- A proposal to increase the Council Tax precept by 2.99% and the Adult Social Care precept by 2% was reflected in the base and would be alongside targeted support to residents who are most vulnerable;
- The Settlement also gave some scope for targeted investments which would put the council in a more sustainable position to face the next spending review in 2025;
- Indicative workforce reduction of 60 Full-Time Equivalent (FTE) posts linked to savings proposals was anticipated to be managed through natural turnover and vacancies;
- A second phase of the budget consultation was underway and provisional results from this would be provided to the Executive on 15 February, with a full analysis to Budget Scrutiny on 27 February; and
- The next steps for the budget process.

The Executive Member for Finance and Resources wished to place on record his thanks to the Deputy Chief Executive and City Treasurer and her team for all their hard work following the settlement announcements. He stated that the budget settlement needed to be considered in the context of over a decade of austerity imposed on Manchester. He further referenced the impact of inflation, population growth in the city and the cost-of-living crisis all had on budgetary pressures. He commented that the Government had failed to communicate their financial decisions for city, noting the recent experience of announcements of the Levelling Up bids.

He commented that the Provisional Local Government Finance Settlement announced on 19 December 2022 provided greater financial certainty than anticipated and enabled some proposed cuts to be removed or deferred.

Members expressed their disappointment at the inaction of and lack of communication by the government referred to by the Executive Member and commended the Executive and officers for their work in identifying the budget proposals.

a) **Growth and Development 2023/24 Budget**

The committee considered a report of the Strategic Director (Growth and Development) which provided a further update to members 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 2022. It highlighted how the Provisional Local Government Financial Settlement, announced on 19 December 2022, reflected a change in government policy in relation to funding inflation and social care pressures and provided an opportunity to review the quantum and phasing of savings. It was consequently proposed that options of £36.2m were progressed, of which £2.169m was within the remit of this Scrutiny Committee.

Key points and themes within the report included:

- The Growth and Development directorate was made up of City Centre Growth and Infrastructure, Strategic Development, Strategic Housing, Planning, Building Control and Licensing, Investment Estate, Manchester Adult Education Service (MAES), Work and Skills and Digital Strategy;
- The Growth and Development directorate has a gross budget of £35.5 million and generates £44.8 million in income;
- The Highways service was within the remit of this scrutiny committee and has a gross budget of £25.1 million;
- Earlier proposals presented in November 2022 suggested savings options of £3.54m over three years but the Provisions Local Government Finance Settlement provided more funding than had been forecast and enabled both the quantum and phasing of savings to be reviewed to ensure minimal impact on service delivery;
- Savings of c£2.044m over the three-year period were initially proposed for Growth and Development and savings options of £100k had been removed from this following the review;
- Savings of £354k over three years were initially proposed for the Highways service but, following review, these had been reduced by £129k to a revised total of £225k. The revised proposals were made up of a combination of increased income of £160k and deleting two vacant positions amounting to £60k;
- Other changes to the proposals suggested in November 2022 included reducing opportunities to capitalise on staffing costs with the Investment Estate service from £250k to £150k per annum and to invest £300k to provide additional resources to enable the establishment of a new team within City Centre Growth and Infrastructure, and to provide additional capacity to the Highways Development Specialist team;
- An overall reduction of 2 Full Time Employees (FTE) was anticipated as part of the savings proposals and these were both vacant posts; and
- The directorate continued to be affected by Covid-19, particularly in the Investment Estate service, and work was ongoing to assess requests for rent holidays on a case-by-case basis, and the cost-of-living crisis.

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

- How an economic recession could challenge income generation within the Growth and Development directorate and
- Welcoming the decision to remove savings from temporarily reducing gully cleansing.

The Executive Member for Housing and Development reiterated the impact of austerity over the previous 13 years on the city, council, and residents. He highlighted that the Growth and Development directorate was an income generator and that the budget proposals before the committee sought to maximise these opportunities. This would be used to help in funding affordable homes, planning, regeneration, and retrofitting. He also stated that the Council would be able to expand on what it delivers, particularly around social and affordable housing, if the government provided fair funding.

The Executive Member for Employment, Leisure and Skills echoed comments already made and highlighted that Manchester was a financially well-managed Council. He stated that insufficient government funding constrained the Council's ambitious plans and objectives.

The Strategic Director (Growth and Development) highlighted that additional resource had been secured to further progress works on active travel and to develop and plan for strategic infrastructure across Manchester.

The Executive Member for Environment and Transport stated that the Highways directorate also generated income for the Council. She explained that the Active Travel Strategy had progressed, but additional and fairer funding would have allowed this to be implemented at pace. The Head of Finance also highlighted that some savings had been removed following receipt of the Provisional Local Government Finance Settlement.

In response to a query from the Chair around the potential impact of recession, the Strategic Director (Growth and Development) expressed confidence in the income generation assumptions within the budget proposals and stated that these were robust. She highlighted that significant income was generated through rent from Manchester Airport and the directorate was working on several other areas of income generation, such as the Strategic Asset Management Plan which allowed the Council to take a more strategic approach to assets, and a review of the management of the Council's commercial estate.

Decision:

That the Committee

1. notes the report, and
2. endorses and recommends that the Executive approve the budget proposals.

The committee considered a report of the Governance and Scrutiny Support Unit which provided details of key decisions within the committee's remit and its work programme. It also included the Economy Dashboard for information.

Decision:

That the report be noted.