

# **Economy and Regeneration Scrutiny Committee**

## **Minutes of meeting held on Tuesday, 15 September 2023**

### **Present:**

Councillor Johns – in the Chair  
Councillors Abdullatif, Benham, Iqbal, Northwood, Richards, I Robinson, Shilton  
Godwin and Taylor

### **Also present:**

Councillor Craig, Leader of the Council  
Councillor Midgley, Deputy Leader  
Councillor White, Executive Member for Housing and Development

### **Apologies:**

Councillor Hussain

### **ERSC/23/35 Minutes**

Councillor Northwood advised that she was affected by cladding issues and asked that this be included as a personal interest under item ERSC/23/30 Manchester Housing Strategy (2022-2032) - Annual Monitoring Report.

### **Decision**

That the minutes of the meeting held on 18 July 2023 be approved as a correct record, subject to the above amendment.

### **ERSC/23/36 Economic Strategy Update**

The Committee received a report and presentation of the Strategic Director (Growth and Development) which provided an update on the development of a new Economic Strategy which set out how the next phase of Manchester's growth could ensure that the city's economy was both high performing and drove a reduction in inequalities.

Key points and themes within the report and presentation included:

- Manchester's economic ambition;
- Manchester's economy;
- Policy context;
- The strategy development process;
- Early feedback from residents and businesses;
- RSA Urban Future Commission;
- Resolution Foundation Economy 2030 Enquiry;
- Research findings/literature review;
- Summary of main challenges identified from evidence base and research work;
- Vision and purpose;

- Strategy objectives; and
- Measuring progress.

The Leader invited Members' feedback, which would be taken into account as the document was finalised. She outlined the national context that the city was operating in and highlighted the challenge of increasing economic productivity while having an inclusive focus, including addressing the gap between those who lived in the city and those who worked in the city. She highlighted how this Strategy would complement the Our Manchester Strategy and work taking place at a Greater Manchester level.

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

- To welcome that the Committee's feedback from the last time this item had been considered had been incorporated into this work;
- The impact of years of austerity and of the pandemic;
- To ask who had been engaged with in relation to the development of this strategy and were there any differences in the responses from businesses and residents in different parts of the city;
- Concern that Manchester did not have many of the levers to implement change as many powers lay with central Government;
- The importance of the district centre strategy, including district centres as a place where people worked;
- The focus on the private sector, noting that a strong public sector could provide high quality, rewarding jobs;
- The impact of city centre growth on areas that neighboured the city centre and ensuring that local residents benefited from this growth and could access these jobs;
- To welcome the consideration of zero carbon commitments within the report;
- The link with the Our Manchester Strategy;
- Was the Council doing everything it could to increase the number of employers paying the real living wage;
- Retaining graduates in the city;
- The impact of home working, including on data;
- The importance of quality of life, culture and the night-time economy in attracting and retaining people in the city;
- Noting that, while this was a ten-year strategy, the impact of the decisions made about the use of land in the city would impact far beyond this period; and
- That agglomeration was about connectivity not just density, with reference to the way areas outside of the city centre could be viewed if they had the right transport links.

The Leader recognised the Member's comment about levers for change resting with central Government, while commenting that Greater Manchester had progressed further in obtaining devolved powers than other city regions, and benefited from having mature relationships between places and a coherent centre; however, she commented that the datasets relating to Manchester and Greater Manchester could be complicated, with different data sources including different areas and it was

important to be clear on this in order to be able to benchmark with other cities. She stated that the Council had not received all the devolved powers that it had asked for and that she would continue to lobby the Government for a coherent plan for cities and greater control over levers to implement change, as well as over funding and about business rates, or whatever replaced business rates in future. In response to a Member's comments, she stated that it was important not only to focus on jobs but on creating good, thriving, sustainable neighbourhoods that people wanted to live in and which would attract and retain people. She advised that, while creating jobs in high value private sector areas had a greater impact on productivity, the public sector could provide good quality jobs; however, she noted that some areas of the country had suffered due to an over-reliance on public sector jobs which had been cut. In response to a Member's question, she stated that, while other areas had focused on one sector, Manchester had intentionally focused on four key sectors and this eco-system had enabled new and emerging sectors to set up and grow their businesses in Manchester.

In response to Members' comments, the Director of Inclusive Economy reported that this strategy was replacing two previous strategies and that there had been a focus on embedding resilience into the strategy. She advised that the land available in the city centre was constrained and that the Council had to choose how to use it in the best way, highlighting work to extend the city centre at Victoria North, including a social value framework across all partners. She reported that Manchester had been accredited as a Living Wage City and had met the targets that it had set in relation to this and that this work would continue. She informed the Committee that Manchester had good quality graduates, including those in STEM (science, technology, engineering and mathematics) subjects, and that the challenge was in retaining them in graduate jobs, advising that creating more of these jobs would require making the city centre more dense. She acknowledged a Member's comments about needing to consider how growing the city centre impacted on adjacent areas. In response to a Member's question, she outlined how the Council worked with the universities, utilising their expertise.

The Leader stated that Manchester was performing better than most cities in retaining its graduates but that too many were working in non-graduate jobs and that continued work was needed to create more graduate jobs, as well as continuing to improve the education and skills of Manchester residents. She highlighted that increasing numbers of Manchester residents were now going to university. She advised that growing the city centre, and the city's reputation internationally, was enabling Manchester to attract businesses to invest in other parts of the city.

In response to the questions about engagement, the Strategy and Economic Policy Manager reported that the online survey had closed two days previously and that more information would be included in a future report. He informed Members that other methods had also been used, such as having officers attend events across the city to engage with people, in order to obtain responses from a wider range of people. In response to a question about home working affecting data quality, he reported that data indicated that a lot of people were back working in the office, at least for part of the week, but that there was an issue with data quality during the pandemic when working practices had changed dramatically.

The Head of City Policy acknowledged the challenges and opportunities relating to zero carbon including transport connectivity, green jobs, building standards and the need to adapt to a changing environment. In response to a further question on home working, he acknowledged that someone employed by a company in London but working from home in Manchester might not be included in Manchester's data, and that the impact of home working on data could require further consideration. The Chair highlighted that home working could impact positively on decarbonisation.

In relation to the vision and purpose of the strategy, a Member commented on residents only being referred to in the second part of the statement, while acknowledging that this might be appropriate, if the document was not primarily aimed at them. A Member commented on the importance of visible quality of life, including air quality and congestion. She also requested more clarity on the next steps. A Member commented on how broad the strategy was and the importance of ensuring that the level was right to make it a useful guiding framework.

The Director of Inclusive Economy advised that the strategy needed to give confidence to investors but also speak to residents. She stated that this strategy was focused on Manchester's economy and that the refreshed Our Manchester Strategy would be a broader strategy. In response to a Member's question, she confirmed that a literature review had been carried out, including looking at previous strategies and what had and had not worked previously. A Member commented that communication with residents should primarily be around the Our Manchester Strategy and that communication around this strategy should have an external focus.

The Leader reported that a key message to residents was that the city was not pursuing growth at all costs and that the Council wanted to carefully consider and choose how the city would continue to grow. She acknowledged a Member's point about the importance of quality of life in attracting and retaining people, including graduates, in the city and reflecting this in the strategy, highlighting that improvements in Manchester schools encouraged people to remain in the city when they started a family. She advised that the strategy was due to be considered by the Executive in November and would come back to the Scrutiny Committee prior to that and that there would also be engagement sessions taking place with Councillors as well as further input from members of the Senior Management Team.

In relation to the objectives, a Member asked whether new hubs were being considered, including in north Manchester, and advised that the second objective should include a reference to ensuring that growth was equitable. She advised that progress measures should incorporate climate change and asked that measures be connected to specific objectives in the final report and include benchmarking or RAG ratings to make the information more meaningful. She suggested that more consideration of encouraging start-up businesses could be included. She also highlighted a shortage of entry level roles in technology companies.

The Chair suggested a measure relating to spatial inequality. A Member suggested that the proposed measure relating to the gap between Manchester resident and Manchester worker wages include how this looked geographically across the city. She suggested that the ratio of housing expenditure to income be measured rather than the ratio of house prices to earnings.

A Member asked that, when this item was next considered, more critical voices be included in the discussion, as well as hearing residents' voices. She also asked that more information on the risk factors explored in relation to embedding resilience in the strategy to be included in the next report. She advised that the Council should get buy-in from business in relation to lobbying the national Government.

In response to the Member's comments, the Leader invited all Members of the Committee to the Resolution Foundation's Economy 2030 Enquiry launch event in Manchester. She also offered to circulate the associated report, when it was made public. She reported that businesses were supporting the lobbying of the national Government to give the city increased control of the levers to bring about change.

### **Decision:**

That consideration will be given to when and how the Strategy is further scrutinised by the Committee, taking into account Members' comments.

### **ERSC/23/37 Making Manchester Fairer - poverty, employment, skills, housing**

The Committee received a report of the Director of Inclusive Economy which provided a progress update and next steps for the delivery of three of the key themes of the Making Manchester Fairer Action Plan - 'Cutting unemployment and creating good jobs', 'Lifting low-income households out of poverty and debt' and 'Improving housing and creating safe, warm affordable housing' in conjunction with the delivery of Manchester's new Anti-Poverty Strategy.

Key points and themes within the report included:

- Background information on Making Manchester Fairer 2022-2027;
- Integration with Manchester's new Anti-Poverty Strategy;
- Making Manchester Fairer Action Plan;
- Work and employment highlights and achievements;
- Operational activity;
- Employment and Wellbeing Kickstarter;
- Lifting low-income households out of poverty and debt (Poverty, income and debt), including highlights and achievements; and
- Improving housing and creating safe, warm, affordable homes, including highlights and achievements.

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

- To welcome the ambitious strategy;
- Concern about the level of child poverty in the city and the number of residents not working due to long-term sickness but to welcome the work taking place to address these issues;
- The impact of low wages and the rise in the cost of living, particularly the cost of housing and heating, and work in relation to the Living Wage and helping people into better paid jobs;

- Difficulties in capturing data on levels of adult poverty;
- Measures of how successful Employment Fairs were and whether consideration should be given to holding Employment Fairs outside the city centre;
- Noting that fighting systemic and structural discrimination and racism was one of the key themes of Making Manchester Fairer and was within the remit of a different Committee, highlighting that this also impacted on key themes that the Committee was considering and that this needed to be an overarching way of analysing all the themes, rather than just being seen as a discrete area of work; and
- How to scrutinise this area of work, including considering every item that came to the scrutiny committee in the light of Making Manchester Fairer, and whether this should be incorporated into the scrutiny report template.

The Director of Inclusive Economy reported that the Living Wage was independently calculated and had increased by 10% the previous year to reflect the rise in the cost of living. She advised that there had been concern about whether organisations would want to continue to be accredited Living Wage Employers due to the increase but she reported that the city's targets for this had been met and more employees in the city were benefiting from it. She reported that the Employment Fairs had been successful, although there was a limit on the extent to which attendees could be tracked. She advised that holding the Employment Fairs in the city centre worked well due to good transport links but some had taken place elsewhere, including in Wythenshawe and at the Etihad Stadium. She reported that people who were attending English for Speakers of Other Languages (ESOL) courses through Manchester Adult Education Service (MAES) were often in work but were able to access university or better paid jobs once they had improved their English and she highlighted the in-work progression service 'Ambition Manchester', which MAES was delivering. She reported that the current job market meant that people had more choice between employers and people in low-paid work were moving to different employers or sectors for slightly better money, although this might not continue if the economy went into recession. She recognised the Member's comments about the impact of structural inequality, highlighting the challenges facing people with long-term health conditions, people with caring responsibilities and those facing racial inequality. She reported that the Council had worked closely with the Greater Manchester Combined Authority (GMCA) in relation to the Shared Prosperity Fund to ensure that it was allocated based on level of need, so Manchester would attract a proportionately higher delivery of commissioned services, and she also reported that grant funding would be provided to local organisations who understood what was needed and what would work in their area. In relation to people with a disability or underlying health condition who were economically inactive, she advised that Making Manchester Fairer was looking at how NHS systems could be aligned with welfare to work, employment support and skills systems to provide holistic support.

A Member reported that knowledge of English was not the only barrier facing people from racialised communities, that graduates from these communities with excellent English and academic achievements could struggle to get graduate jobs and that this needed to be addressed. The Leader acknowledged this point and the Member's earlier point about systemic and structural discrimination and racism impacting across all the themes within Making Manchester Fairer. She noted that it had been

agreed that the Health Scrutiny Committee would scrutinise the whole Making Manchester Fairer programme, with the Chairs of the other scrutiny committees invited, while the other scrutiny committees would look at the themes within their remit; however, she offered to discuss with the Chair how this approach was working and any ways it could be improved. The Member welcomed that this area had been included as a core piece of work within Making Manchester Fairer.

The Strategy and Economic Policy Manager acknowledged that it was more difficult to gather data on adult poverty, reporting that there was not a UK Government or Government agency dataset available on this but that the Council did work to try to understand where poverty was concentrated within the city and the likely characteristics of the people who experienced poverty in Manchester. The Leader informed the Committee about work which had taken place during the pandemic to identify people in need of support, advising that this had highlighted a gap in support in relation to single adults living in poverty and that this was now a priority area.

In response to a Member's question, the Director of Housing Services reported that there had been significant investment of around £50 million in the decarbonisation of social housing and £10 million in relation to private housing but he acknowledged that the scale of this work was very large and there was a lot further still to be done. In response to a further question, he agreed to provide the Member with a figure of the cost of bringing homes in the city up to the required standard.

The Chair highlighted that debt was an issue which affected a lot of people experiencing poverty and suggested that the Committee might want to look at this at a future meeting, including fairer access to finance, such as Credit Unions.

The Deputy Leader welcomed Members' comments in relation to how this work should be scrutinised, including the use of measurable targets, and how it should be embedded into all work, including at a ward level with Ward Councillors and Neighbourhood Officers, and she advised that further consideration would be given to this. The Leader stated that there would also be a discussion about other ways to engage with Members about this work, outside of scrutiny committees.

The Director of Inclusive Economy reported that Neighbourhood Teams were included in the work on the Council's response to the cost of living crisis. She advised that information could be incorporated into a future report to enable the Committee to monitor progress with the action plan. In response to a question about people who were not in work due to long-term ill health, she drew Members' attention to the Working Well: Individualised Placement Support in Primary Care (IPSPC) programme outlined in the report. She recognised a Member's comments on the impact of being a carer on people's ability to undertake paid work, saying that this was an area of focus for the Council, while also commenting that increased flexibility and hybrid working could have a positive impact in enabling carers to work.

### **Decision:**

To note progress on the relevant themes of the Making Manchester Fairer Action Plan and incorporation of the Anti-Poverty Strategy as a joint programme of work.

[Councillor Northwood declared a personal interest as an employee of the national Citizens Advice Bureau, although this was a separate entity from Citizens Advice Manchester, which was referenced in the report.]

### **ERSC/23/38 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. The report also included the Quarterly Economy Dashboard, for information.

The Chair noted that the second recommendation on the recommendations monitor had now been completed. He reported that the Housing Needs Assessment report had been rescheduled for the November meeting. He informed Members that he had agreed a call-in exemption on modifications to the joint local plan due to the timing for approval of this but that the Committee would be scrutinising the local plan again at a future meeting. He reminded Members of the change of date, time and venue for the next meeting.

Members discussed the timing of a further report on the Economic Strategy and the importance of it being a detailed discussion which provided sufficient challenge. The Chair agreed to schedule this for the November meeting and to discuss this further with officers at an agenda-setting meeting.

A Member suggested that the Committee consider a report on the Shared Prosperity Fund which also covered previous funding and where funding might come from in future. The Chair advised that this had been considered at the end of the previous municipal year and that the scheduling of a further update would be discussed at the agenda-setting meeting.

### **Decision:**

That the Committee note the report, including the Quarterly Economy Dashboard, and agree the work programme, subject to the above comments.