

# **Economy and Regeneration Scrutiny Committee**

## **Minutes of meeting held on Tuesday, 5 December 2023**

### **Present:**

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

### **Also present:**

Councillor Akbar, Executive Member for Finance and Resources  
Councillor Moran, Deputy Executive Member for Finance and Resources  
Councillor Rawlins, Executive Member for Environment and Transport  
Councillor White, Executive Member for Housing and Development  
Andy Clarke, Manchester Airport  
Chris Woodroofe, Manchester Airport  
Christopher Coleman, Network Rail  
David Hoggarth, Transport for the North  
Simon Elliot, Transport for Greater Manchester  
Paul Galloway, Morgan Sindall  
Mark Hodkinson, Biffa  
Katie Mowat, Biffa

### **Apologies:**

Councillor Iqbal

### **ERSC/23/52 Minutes**

#### **Decision**

That the minutes of the meeting held on 7 November 2023 be approved as a correct record.

### **ERSC/23/53 Manchester Airport**

The Committee received a report of the Director of City Centre Growth and Infrastructure which provided an update on the role of Manchester Airport in the economy of the city; the current economic situation of the Airport following the impact of COVID-19; and the next steps in the economic future for the Airport.

Key points and themes within the report included:

- Manchester Airport operational update;
- Economic impact of Manchester Airport;
- Investment in infrastructure;
- Investment in employment, education, and skills;
- Airport City update; and
- Forward look.

Chris Woodroofe, Managing Director of Manchester Airport delivered a short presentation on the Airport, including its operational performance, its economic impact, transformation work, engagement with the local community and apprenticeship opportunities.

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

- The economic impact and benefits of the Airport on Wythenshawe and to request that, when the Committee received a further report from the Airport, it include a narrative on this;
- Public transport links to the Airport, including a question about Metrolink expansion, and the impact of congestion;
- Public transport connectivity at Airport City;
- The implications of the Transformation Programme by 2025;
- Managing risk related to future changes in the aviation industry due to a move to a net zero future;
- The customer experience and perceptions of this;
- The workforce, including the areas that staff were recruited from, pathways for staff to progress their careers, restrictions on employing staff with a criminal record and whether the post-pandemic recruitment and training issues had been resolved;
- Noting that the Airport had become an accredited Real Living Wage employer, did this apply to procured services as well; and
- The Airport's longer-term financial position.

A Member who was the Chair of the Environment, Climate Change and Neighbourhoods Scrutiny Committee informed Members that her Committee would be receiving a report on Manchester Airport and Aviation Emissions at its meeting on 11 January 2024 and she invited all Members of this Committee to attend.

Chris Woodroofe outlined some of the work taking place with the local community in Wythenshawe, including schools engagement, which prioritised Wythenshawe schools, engagement with the local community and local Ward Councillors and involvement in the multi-agency taskforce for the area. He reported that the people assisted by the Manchester Airport Academy to return to work after a period out of work were from the local community. He offered to provide the Member with further information on the economic benefits of the Airport for Wythenshawe after the meeting. He explained that the Transformation Programme would revolutionise the passenger experience and enable the airport to make full use of its existing runway infrastructure, highlighting the expected increase in passenger numbers, increase in GVA (Gross Value Added) and additional jobs created. He reported that the aviation industry in the UK was committed to net zero carbon emissions by 2050 and was confident of being on track to meet this target, advising that Manchester Airport was a founding member of the Jet Zero Council. He informed Members about plans for sustainable aviation fuel, including proposals to turn the Council's black bin bag waste into jet fuel. He informed Members of the commitment for the Airport itself to be net zero by 2038 and stated that he was confident that this was achievable. He recognised the Member's point about public transport connections to jobs at Airport City and advised that he would look into that issue outside of the meeting.

Andy Clarke, Head of Corporate Affairs at Manchester Airport reported that the Airport shared Members' disappointment about the decision in relation to HS2. He informed Members that the Rail Minister had visited the Airport since the decision was announced and that the Airport was being included as one of the northern leaders engaged with over the future of the network in the north. He advised that, while it was too early to comment on a Metrolink expansion, the Airport was working on a response to the Minister on what it would want to see delivered from the funding package for the northern transport network and he offered to share this information with Members once it was available.

Chris Woodroffe reported that, with increased east-west connectivity, the number of passengers who could travel to the Airport by rail would increase by 50%. In response to a question about congestion, he reported that the Airport's Transformation Programme included investment in the road network around Terminal 2 and that there was a capacity cap on the Airport until additional roadworks were done. He stated that he would welcome a coherent scheme, involving east-west rail, national highways and government investment, to address congestion.

Chris Woodroffe informed Members that the experience of customers at Manchester Airport had improved since the summer of 2022 and that 90% of passengers surveyed now rated their experience as good or better. He reported that the Airport now had a stable workforce which had enabled them to deliver one of their best performances in the summer of 2023. He outlined how Manchester Airports Group was investing in its airports, firstly at Manchester Airport and then at London Stansted, which would benefit the Council as one of the owners. In terms of the longer-term financial position, he reported that the views of the Credit Rating Agency and the over-subscription of the Airport's corporate bond were positive indicators that investors saw the Airport as a good investment. He offered to share with Committee Members the Arup report on Manchester Airport's impact on the wider economy, society and its potential to drive future prosperity across the North. He reported that there were already examples of employees who had built their careers at the Airport but that there was always more to be done on providing pathways for career progression. He informed Members that there were some jobs at the Airport which, for security reasons, had rules around employing people with criminal records but that most criminal records, except for very serious crimes, expired after a certain period and that there were a lot of land-side jobs available at the Airport which these restrictions did not apply to. In response to a question from the Chair, he reported that the Border Force at Manchester Airport had been working well this summer and he cited the benefits of electronic gates in speeding up the process. He clarified that the Airport paid the Border Force to employ additional staff to provide the Fast Track Service, with passengers paying the Airport to use the service. He recognised a comment by the Chair about public transport access to the Visitor Park, stating that he would look into this.

Andy Clarke reported that the Real Living Wage employer status related to partners providing direct services to the Airport, such as the company which had the cleaning contract, but not to, for example, the airlines; however, he stated that the Airport led by example. In response to a question from the Chair about retail and hospitality businesses at the Airport, Chris Woodroffe reported that they were encouraged to

pay the Real Living Wage but the Airport could not force them to do so; however, he advised that, by the Airport paying its cleaners the Real Living Wage, it put pressure on other employers at the Airport to compete with those wage levels.

In response to questions about public transport connectivity, the Executive Member for Environment and Transport reported that the Bee Network, with franchised bus services, would be in place in south Manchester in 2025 and that Members could speak to her about gaps in public transport services. She informed the Committee that the hours of operation for Metrolink services to the Airport was constantly being reviewed. She informed Members that there were already a lot of examples of local residents who had progressed their careers through Manchester Airport and agreed that it was important to consider how this was being communicated to local residents, so that they could see the benefit that the Airport brought to their area.

The Strategic Director (Growth and Development) reported that transport infrastructure, and investment in this infrastructure, were fundamental to Manchester's growth, although there were limits on the ability of partners, including the Airport, Transport for Greater Manchester (TfGM) and the Greater Manchester Combined Authority (GMCA), to affect change. She advised that bus franchising provided an opportunity to influence the transport network and that, following the decision about HS2, the Council and its partners would continue to make the case for investment in the transport infrastructure that was needed for Manchester and the north.

### **Decisions:**

1. To request that the report by Arup be circulated to Committee Members.
2. To request that the Airport's response to the Rail Minister on what it wants to see delivered from the funding package for the northern transport network be circulated to Committee Members, once it is available.
3. To receive a further report on the Airport in the next municipal year.

### **ERSC/23/54 Rail Update**

The Committee received a report of the Director of City Centre Growth and Infrastructure which provided an update on the current position with a number of rail schemes, including high speed and conventional rail, and the resulting impact on the city.

Key points and themes within the report included:

- HS2, Northern Powerhouse Rail and Network North;
- Northern Hub update;
- Manchester & North West Transformation Programme (MNTP) and Manchester Recovery Task Force (MRTF);
- The Transpennine Route Upgrade (TRU);
- Manchester & Salford Central Stations Prospectus;
- Current train service issues and opportunities;

- GM Rail Board update; and
- Priorities for Manchester.

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

- To express concern at the impact of the decision on HS2 on Manchester, Greater Manchester and the north;
- How much money had been spent working on HS2 over the past 10 years;
- How 'tap-in tap-out' pricing would work, given the complexity of the ticketing options;
- The management of land owned by Network Rail and engagement with the Council and Ward Councillors on this; and
- Concern that, after having its contract renewed, Avanti West Coast had cut its services.

In response to a Member's question, the Director of City Centre Growth and Infrastructure reported that the Government was not required to publish the Equality Impact Assessment in relation to the decision on HS2. She informed the Committee that the Council had spent around £3 million since 2012 on work relating to HS2.

Simon Elliot from Transport for Greater Manchester (TfGM) advised Members that an integrated public transport system, including integrated ticketing, was key to the roll-out of the Bee Network. He acknowledged the challenges of introducing a 'tap-in tap-out' contactless system due to the complexity of rail ticket pricing, informing Members of a pilot on the train route from Glossop and Stalybridge into Manchester by 2025, prior to a multi-modal roll-out across the region. He reported that TfGM shared Members' disappointment regarding the reduction in Avanti West Coast services in December, advising that these were due to planning issues, historical terms and conditions and a backlog in driver training and emphasising the importance of ensuring the reliability of the reduced service. He reported that Andy Burnham, the Mayor of Greater Manchester, had written, through the Rail North Committee, to Avanti stating that the reduced service was not acceptable and seeking assurances that there would not be further reductions in the New Year. He informed the Committee that the Rail North Committee was the body responsible for holding rail companies in the north to account and that the Managing Director of Avanti, Andrew Mellors, had attended a meeting of the Committee and would be providing them with Avanti's full recovery plan for the New Year.

Christopher Coleman from Network Rail advised Members that, if they informed him of the details of the issues relating to Network Rail land, he would work with colleagues to address these concerns. The Executive Member for Environment and Transport offered to work with Network Rail on how Ward Councillors could engage with Network Rail on issues relating to their land, ensuring that they received a consistently good response.

The Chair emphasised the importance of north-south connectivity, as well as east-west connectivity, and expressed concern that the Government did not appear to have a plan for north-south rail beyond using the current West Coast Main Line. He also expressed disappointment at the cancellation of Work Package C's Transport

and Works Act Order (TWAO), relating to improvements at Oxford Road and Piccadilly Stations, and questioned why this decision had been taken.

David Hoggarth from Transport for the North (TfN) reported that, along with other organisations, TfN was trying to get more details on plans in relation to Northern Powerhouse Rail and following the decision on HS2. He highlighted a report which TfN was submitting to its Board meeting the following week, which recommended safeguarding the routes until a clear alternative was put forward and reconfirming its position in relation to the Strategic Transport Plan for the North, publishing this in the next few months. He reported that TfN would be working with all parties, including the Department for Transport as a potential funder, on opportunities for developing and financing the north-south link. He reported that the industry was pushing Network Rail to work to identify a solution to the congestion issues around the Manchester Piccadilly area through to Stockport.

Christopher Coleman from Network Rail reported that the Manchester Recovery Task Force (MRTF) had been formed in 2020 with one of its objectives being to address the capacity issues on the Castlefield Corridor. He advised that it had identified that the issues related to the wider network and had put in place a number of actions to address this, which included a small reduction in the number of services using the Castlefield Corridor in the December 2022 timetable to improve reliability and punctuality. He reported that a second piece of work for the Task Force was a Performance and Capacity Strategy to ensure that the required infrastructure was in place before the timetable was increased and that £72 million of Government funding had been awarded to improve connectivity, reliability and performance in north Manchester. He reported that there was an emerging capacity challenge between Stockport and Manchester Piccadilly and that Network Rail was taking a strategic view of this, testing a number of scenarios to identify improvements that might need to be made and he outlined some of the options being considered. He reported that proposals for Platforms 15 and 16 at Piccadilly Station were being included in this strategic review. He informed Members that the original proposal for additional platforms at Manchester Oxford Road Station would have taken the building work significantly outside the boundary of Network Rail's land and it was determined that it was not a viable option and he advised that an alternative design was being worked on, with partner organisations, which would also address other issues, including accessibility. The Chair expressed concern that there was no real strategy at a national level for delivering these improvements and reported that the wider capacity issues had been due to be addressed through the Northern Hub and other projects.

In response to comments from the Chair, Christopher Coleman from Network Rail reported that decisions on Oxford Road Station were not being taken in isolation and that Network Rail was responsible for preparing strategic advice for the future of the network, which was continually reviewed and updated, including in light of the decision on HS2. In response to a question from the Chair, he reported that discussions were taking place on the right way to communicate and engage with the Council and informed Members that the Council had been offered the opportunity to work with the Manchester & North West Transformation Programme (MNTP) on matters affecting Manchester.

The Chair requested a briefing for City Centre Councillors on the Manchester and Salford Central Stations Prospectus, including the local impact on communities and the Council's response. Christopher Coleman from Network Rail explained the purpose of the Prospectus and how it was being developed with stakeholders. He reported that it would be ready in the New Year and could be shared with Members. The Director of City Centre Growth and Infrastructure reported that she and Christopher Coleman would provide a briefing for the local Ward Councillors in the New Year.

### **Decisions:**

1. To receive a report on the Strategic Rail Plan at an appropriate time.
2. To note that a briefing on the Manchester and Salford Central Stations Prospectus will be arranged for local Ward Councillors in the New Year.

[Councillor Taylor declared a disclosable pecuniary interest as her client, First Group, was referred to in the report and she left the room for this item.]

[Councillor Johns declared a personal interest due to writing and speaking on the subject of rail.]

### **ERSC/23/55 Information on the economic impacts of Social Value**

The Committee received a report of the Director of Inclusive Economy which provided an update on social value and provided examples of the social value opportunities generated as a direct result of Manchester City Council's procurement policy.

Key points and themes within the report included:

- Background information;
- Achievements so far and economic impacts, including Social Value delivered by suppliers to the Council through different contracts; and
- Current focus and next steps.

Paul Galloway from Morgan Sindall, the construction company which built Gorton Hub, outlined the Social Value activities his organisation had undertaken, including job creation, education activities, work with local unemployed people, community initiatives and work to reduce waste and carbon emissions.

Katie Mowat from Biffa delivered a presentation about Biffa's Social Value activities, including school engagement and community events, as well as colleague engagement and plans and priorities for 2024.

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

- To recognise the importance of Social Value and to thank the companies for fully engaging with it;
- How Councillors could support the effective use of Social Value in their wards;

- Monitoring to ensure companies met the Social Value elements of their contract;
- Whether homeless families could be added as one of the targeted priority groups;
- The variations in how well companies delivered Social Value activities and using learning to improve the use of Social Value and capturing and sharing good practice; and
- Was data available on the extent to which the targeted priority groups were being reached.

The Deputy Executive Member for Finance and Resources informed the Committee that there was support from Ward Councillors on Social Value but that this involvement could be improved and she would give further consideration to how local Members could be better communicated with and engaged in this work, advising that Ward Councillors understood local needs. She informed Members about work taking place to gather case studies on Social Value and then communicate this work to external audiences and also to Members, so that they could see examples of best practice and use this as inspiration for identifying Social Value activities for their ward. She informed Members that a Social Value Co-ordinator had recently been recruited who would work across all Directorates and have an overview of work taking place across the Council.

In response to a Member's question about ensuring that the Social Value opportunities relating to Wythenshawe Civic Centre were maximised, the Director of Inclusive Growth reported that Social Value was a built-in consideration in the procurement process for the development. She outlined some of the investment into the area and reported that the approach to Social Value in Wythenshawe would be similar to, and take learning from, the approach in north Manchester. She informed Members that Social Value was built into contracts and monitoring this was part of the contract management arrangements. She reported that the Social Value Policy had been refreshed by Executive in March 2021, including amending the priority groups. She reported that some young people who had experienced homelessness would be covered under the other priority groups and that some companies had undertaken Social Value work relating to homelessness. The Executive Member for Finance and Resources offered to discuss reviewing the targeted priority groups with the Member who had raised this issue.

The Strategic Lead (Commissioning) reported that, for the Town Hall Project, there were financial consequences for companies if they did not deliver on the Social Value element of their contract; however, the first step if the Social Value element of a contract was not being delivered was normally to discuss this with the company concerned.

The Head of Integrated Commissioning and Procurement reported that there had been significant work in recent years to improve the Council's contract management and that the new system which would be in place soon would provide better data to support this work.

In response to a question on the Real Living Wage, the Strategic Lead (Commissioning) reported that this was a standard question on all procurements, as



well as whether the organisation was a member of the Greater Manchester Good Employment Charter, or could demonstrate that it met the different aspects of the Charter. He reported that there were challenges with gathering data on the extent to which targeted priority groups were being reached by Social Value activities but that working with Voluntary, Community and Social Enterprise (VCSE) organisations could help with this. In response to a Member's question on small and medium-sized enterprises (SMEs), he explained that, for larger-scale procurement, the Council was legally not allowed to differentiate between bidders, although they could support smaller organisations through training on how to bid for public sector contracts; however, smaller value procurements could be reserved for particular sectors, such as SMEs or VCSE organisations.

**Decision:**

To recommend that, when the Social Value Framework is next reviewed, children and families who have experienced homelessness be added as a priority group.

**ERSC/23/56 Evaluation of the Moss Side, Moston and Old Moat Selective Licensing Areas**

**ERSC/23/57 Proposal for the Next Phase of Selective Licensing**

The Committee received a report of the Director of Development and the Strategic Director (Neighbourhoods) which provided the outcomes of the evaluation of the Moss Side, Moston and Old Moat Selective Licensing pilot areas.

Key points and themes within the report included:

- Implementation of the Scheme;
- Housing Compliance and Enforcement;
- Housing-related requests;
- Waste management and fly tipping;
- Victim-based crime, antisocial behaviour and domestic noise incidents;
- Deprivation and the housing market impact;
- Feedback from Neighbourhoods Teams and case studies;
- Communication and engagement; and
- Lessons learned and issues to consider.

The Committee also received a report of the Strategic Director (Growth and Development) and the Strategic Director (Neighbourhoods) which identified nine potential areas across six wards that were experiencing issues which met the criteria to justify a Selective Licensing designation in the area. Officers were seeking approval to undertake a consultation exercise to establish whether the declaration of a Selective Licensing scheme was required within the identified areas.

Key points and themes within the report included:

- Process for identifying areas which would benefit from Selective Licensing;
- Neighbourhood and Enforcement Teams engagement;
- Local Member engagement;

- Proposed Phase 4 Selective Licensing Areas – Criteria; and
- Introducing Phase 4 of Selective Licensing - Consultation Plan.

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

- Noting that the evaluation of the Moss Side, Moston and Old Moat Selective Licensing areas had found that excess cold was the most common serious issue and discussing the reasons for this;
- To welcome the level of data that had been gathered and to ask whether qualitative data from tenants had been gathered; and
- How decisions were made on the final list for the next phase from the original longlist.

In response to a Member's question, the Executive Member for Housing and Development reported that at present the Council could have 20% of the city's Private Rented Sector (PRS) licensed and that this sector represented approximately 40% of housing stock in the city. He informed Members that, as part of the Devolution Trailblazer deals, some of these housing decisions would be devolved from the Secretary of State to the Mayor of Greater Manchester and that discussions were taking place with the Greater Manchester Combined Authority (GMCA) about future implications.

The Compliance and Enforcement Specialist reported that the energy crisis and cost-of-living crisis had contributed to the increase in excess cold issues. She reported that qualitative feedback from residents had been obtained via residents' groups and residents' forums. In response to a further question about the feedback received, she reported that this had been mixed. She advised that some residents understood what Selective Licensing was, engaged with it and found it a positive experience; however, she reported that there was a need to manage expectations of some residents and also to raise awareness of the scheme, particularly as there was a turnover of residents during the time of the scheme. She informed Members that the Council now had an Engagement Officer to work with residents' group and landlords and to promote the schemes.

The Executive Member for Housing and Development reported that lessons learnt about resident engagement would be taken forward. In response to a Member's question, he stated that the consultation exercise regarding the introduction of Selective Licensing in an area made everyone in the area aware of it and that local knowledge was used to identify properties which should be licensed but were not.

The Housing Strategy Project Manager reported that areas had been ranked against the Selective Licensing criteria to arrive at a manageable list of areas which were the ones which would most benefit from Selective Licensing in the next phase. He advised that Neighbourhood Teams had also been engaged with as part of the decision-making and consideration given to whether other ways of addressing issues had already been pursued.

The Executive Member for Housing and Development reported that the proportion of PRS housing in an area was another factor taken into account, noting that this, and other factors, could change over time and that areas which had not been selected

this time would be considered again in future. He recognised a Member's comments about tackling issues relating to flats above shops, through both Selective Licensing and other interventions.

**Decisions:**

1. To note the findings of the evaluation of the Moss Side, Moston and Old Moat Selective Licensing Areas.
2. To commend the nine areas across six wards detailed in Maps 1 to 9 (Appendix 1) to the Executive as the Phase 4 Selective Licensing areas.
3. To commend the consultation plan outlined in Section 7 of this report to the Executive.

[Councillor Richards declared a personal and prejudicial interest as she had been involved in the decision-making on Selective Licensing during her time as an Executive Member and she left the room for this item.]

**ERSC/23/58 Overview Report**

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

**Decision:**

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