

Economy and Regeneration Scrutiny Committee

Minutes of the meeting held on Tuesday, 3 September 2024

Present:

Councillor Johns – in the Chair
Councillors Bano, Benham, Northwood, I Robinson, Sadiq, Shilton Godwin, Taylor and Wills

Also present:

Councillor Bridges, Deputy Leader
Councillor White, Executive Member for Housing and Development
Councillor Simcock, Chair of the Resources and Governance Scrutiny Committee
John Bibby, Greater Manchester Combined Authority (GMCA)

ERSC/24/31 Minutes

Decision

That the minutes of the meetings held on 25 June 2024 and 16 July 2024 be approved as a correct record.

ERSC/24/32 How the Council uses its land and disposes of it in order to achieve its strategic aims

The Committee received a report of the Director of Development which provided an overview of the key considerations taken into account when providing a strategy for how the Council's land was used and the governance process that informed any disposals and the consideration given to wider corporate priorities and strategic aims.

Key points and themes within the report included:

- Strategic priorities;
- The Strategic Asset Management Plan (SAMP) evaluation process;
- Performance and outputs; and
- Continuous improvements.

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

- Support for the process outlined in the report;
- The transactions delayed by viability and whether these issues were expected to continue;
- The delivery of affordable housing;
- How Manchester compared with other areas on the effectiveness of outcomes in relation to its land;
- Who identified when Council land was surplus;
- The transition from disposal of land to the freeholder relationship;

- Property management issues from the residents' perspective and Members' casework in relation to this; and
- The impact of forthcoming changes in the legislation on leaseholds.

In response to a question from the Chair of the Resources and Governance Scrutiny Committee about surplus assets, the Executive Member for Housing and Development stated that these were a range of different assets, including small buildings in parks, former Children's Homes and small pieces of land. In response to a further question, the Deputy Leader reported that the Council was not just selling land in order to address budget deficits but to deliver an ambitious programme of improvements across the city. The Strategic Director (Growth and Development) advised that, when disposing of land, the Council was very mindful of the outcomes it would deliver and how it would meet broader corporate aims, and that larger sites would always have a development brief. The Director of Strategic Housing and Development acknowledged the Chair of the Resources and Governance Scrutiny Committee's point that the Council could not continue to raise funds through the sale of land assets at the current rate over the longer term; however, he reported that there was conservatively £100m in the pipeline over the next three years with at least double that for future years.

In response to a question from the Chair of the Resources and Governance Scrutiny Committee, the Assistant Director (Development and Investment Estate) acknowledged the impact of interest rate rises, while advising that the Council's work on Strategic Regeneration Frameworks (SRFs) and Neighbourhood Development Frameworks (NDFs) helped to mitigate the risk for private sector investors.

In response to a Member's question about taking the needs of the wider area into account, the Deputy Leader reported that the Council was increasingly doing this but could still do more and he informed the Committee that the Strategic Asset Management Plan (SAMP) Board would be doing a piece of work on this over the next 12 months. The Executive Member for Housing and Development reported that the Council was working proactively with partners to align the provision of housing, transport, schools, greens spaces, GPs and other amenities and was working closely with the new Government on this. He agreed that information could be provided to Members on how Manchester compared to other areas. He reported that the market had experienced fluctuations since the pandemic which had affected viability but that the Council was working with partners regarding available funding and there was a strong demand for housing in the city. He reiterated the Council's commitment to achieving its affordable housing target, advising that Manchester had had the highest number of affordable housing completions it had had for a decade last year and that there were more in the pipeline; however, he advised, still more needed to be done and discussions were taking place with the Government on accelerating this. The Strategic Director (Growth and Development) highlighted the work taking place with registered providers and potential new social housing providers, the use of brownfield land funding and the affordable housing which would be delivered through projects such as Victoria North.

In response to a Member's question, the Deputy Leader encouraged Members to raise issues in relation to vacant Council-owned sites in their ward, while advising that there could be additional challenges in some cases, for example, covenants

requiring a site to be used for education purposes. The Executive Member for Housing and Development reported that the SAMP process was bringing together different directorates, identifying assets which were not needed operationally. He advised that the Council was monitoring developments on the introduction of leasehold legislation, which was mentioned in the King's Speech, and would respond accordingly.

The Strategic Director (Growth and Development) explained that, through the Estates and Asset Board, senior officers from across the Council considered the Council's properties and assets and, where it was decided that an asset was surplus, it was referred to the SAMP Board to consider the best use for it. In response to a Member's question about casework relating to property management, she suggested that Members contact their Ward Co-ordinator or Neighbourhood Officer in the first instance. In response to further comments from the Member in relation to this, the Assistant Director (Development and Investment Estate) offered to look into this outside of the meeting.

Decision:

To note the report.

ERSC/24/33 The Council's Role As A Good Landlord

The Committee received a report and presentation of the Strategic Director (Neighbourhoods) which provided an update on the Council's role as a good landlord and gave the assurance that appropriate plans were in place to meet the needs of residents and regulators.

Key points and themes within the report and presentation included:

- Background and challenges;
- Priorities for 2024/25;
- Service plan; and
- Performance.

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

- To welcome the steps being taken to secure improvements;
- To welcome the proactive approach to Anti-Social Behaviour and sharing the learning from this;
- Whether the service had targets in place against which improvements would be measured;
- The importance of continuing to monitor repair times;
- The cyberattack on Manchester Move and support to residents in relation to this;
- The digital transformation of the service, including noting that some residents were digitally excluded; and
- Why satisfaction scores were such an issue across the sector and across the country.

The Assistant Director of Housing Operations assured Members that he and his Strategic Leads were performance-focused and he outlined the targets set out within the service plan, advising that these were in addition to team objectives. He reported that his service was working with colleagues to reassure residents in relation to the cyberattack on Manchester Move. He clarified that the move to digital would enable residents to use a customer app and portal if they felt comfortable to do so, while creating greater capacity within the service to speak to residents who were not able to, or did not want to, use this. He informed Members that there was a Digital Inclusion Officer to support residents with this and that it was likely that using digital methods would be incentivised. In response to a Member's question, he advised that this was an off-the-shelf app but that residents were being engaged with prior to its introduction, including testing the app with a group of residents. In response to a request that Members whose wards were affected be included in communications on this, he advised that briefings would be held with Ward Councillors in north Manchester. He reported that the service was working with partners, inside and outside of the Council, to improve how Anti-Social Behaviour was addressed and that bringing the service in-house had provided opportunities for a more integrated approach. He advised that satisfaction levels across the sector and across the country were likely to be affected by high profile failures, such as the tragic death of Awaab Ishak in Rochdale, and by younger generations having higher service expectations. The Strategic Lead (Resident Experience) reported that, in Manchester, tenants' satisfaction levels were significantly higher in transactional surveys, carried out after they had had an interaction with the service, than in the annual surveys and work was taking place to identify why this was.

The Executive Member for Housing and Development acknowledged the importance of improvements in relation to repairs, advising that this area was being reviewed and that an update on this would be provided to a future meeting of the Committee. The Assistant Director of Housing Operations reported that performance measures on repairs were being closely monitored, with targets for improvements.

Decision:

To note the presentation and support the high-level plans outlined.

[Councillor Northwood declared a personal interest as her job role involved the digital transformation of organisations.]

ERSC/24/34 Work to Improve the Quality and Management of the Private Rented Sector

The Committee received a report of the Strategic Director (Growth and Development) which provided an overview of the Private Rented Sector (PRS) in Manchester including the various challenges faced by the sector and how the market was evolving. The report also highlighted work undertaken by Manchester City Council (MCC) and the Greater Manchester Combined Authority (GMCA) to improve the quality and management of the Private Rented Sector as well as legislative changes likely to come forward in the near future which would have a significant impact on how the sector was regulated going forward.

Key points and themes within the report included:

- Factors driving significant changes in the market;
- Affordability challenges across the PRS in Manchester;
- Issues with the quality and management of elements of the PRS;
- Council powers to act against poor landlords;
- The Greater Manchester Good Landlord Charter; and
- Government proposals to reform the PRS.

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

- Purpose Built Student Accommodation, including the impact on the local community;
- That landlords who signed up for the Good Landlord Charter were likely to be good landlords already and what was being done to target landlords who were not providing an acceptable service;
- The cladding scandal and accidental landlords;
- Increasing rents and declining quality in the PRS;
- Premium build-to-rent properties pushing rents up;
- The undersupply of properties in the mainstream market and the importance of interventions in this middle sector, not only the premium and lower end sectors;
- The extent to which landlord non-compliance with legislation was wilful or due to ignorance of the legislation and educating the latter group; and
- The imbalance of power between landlords and renters, with many tenants either not being aware of their rights or being unwilling to assert their rights due to concerns about being evicted, advising that more Selective Licensing would take the onus off the tenants.

The Executive Member for Housing and Development reported that the Good Landlord Charter was currently a voluntary scheme, although it was hoped that in future it could be incentivised, for example, enabling access to grants. He highlighted the role of mandatory licensing and advised that conversations were taking place with the GMCA on how the voluntary and mandatory schemes could be best used to improve the sector. He reported that a variety of properties were being developed in the Build to Rent sector, that more homes were needed across all types and tenures and that, where the Council was disposing of land through development agreements, it could ensure the inclusion of affordable housing. He informed Members that, where landlords were non-compliant, they were informed of what was required and given the opportunity to comply, rather than moving straight to enforcement action. He acknowledged the Member's point about the imbalance of power between landlords and tenants and advised that the forthcoming Renters' Rights Bill would help to address this. He advised that work was taking place with officers and the Communications Team to promote tenants' awareness of their rights and that Ward Councillors would also have a role in helping to promote this. He reported that more legislation was needed to protect tenants from retaliatory evictions.

The Neighbourhood Manager (Environmental Health, Trading Standards and Housing) acknowledged the issue of retaliatory evictions and advised that her team would undertake a discussion with the tenant before any contact was made with the landlord or enforcement action taken, noting that there were some legal protections but they were not sufficient at present. She outlined how her team was working with partners to try to raise awareness of renters' rights and identify vulnerable people who were less likely to raise issues about their landlord.

The Chair advised that learning could be taken from other awareness-raising campaigns, for example, on the Good Employment Charter.

The Strategic Lead (Housing Strategy and Policy) reported that the number of students living in the PRS was a key driver of affordability pressures and that Purpose Built Student Accommodation enabled students to be housed in the right accommodation while improving affordability in the PRS. He advised that the premium sector of Build to Rent was profitable for developers and that one of the challenges in the Housing Strategy was to introduce more Build to Rent properties, both in the city centre and across the city, that were at a lower price point and accessible to a wider range of people and that work was taking place to address this, looking at public transport nodes and brownfield sites and any levers that were available to the Council.

John Bibby, Housing Strategy Team, GMCA reported that the Good Landlord Charter was aimed at good landlords who wanted to improve further and that it would demonstrate to other landlords that this was achievable. He informed Members that the GMCA was working with local authorities, including Manchester, to improve enforcement for non-compliant landlords. He advised that the manifesto of Andy Burnham, Mayor of Greater Manchester, had included a commitment for tenants to have the right to request a property check, which would help people access the support they were entitled to, and that this was an important issue for the Mayor.

The Chair noted that the Committee would be receiving a report on Selective Licensing later in the year and advised that it would be useful to have some of the discussion at today's meeting reflected in that report, in particular, information on the progress of the devolution deal in enhancing Selective Licensing.

Decisions:

1. To note the information provided on the evolving Private Rented Sector in the city, the developing policy landscape and work by the Council and the GMCA to improve the quality and management of the Private Rented Sector.
2. To request that the Selective Licensing report include information on the progress of the devolution deal in enhancing Selective Licensing.

[Councillor Johns and Councillor Northwood declared a personal interest due to being affected by cladding issues.]

ERSC/24/35 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.

A Member commented on how useful the information in the Economy Dashboard had been in helping to scrutinise the other reports on the agenda and the Committee asked for their thanks to be passed on to the team who produced it.

Decisions:

1. That the Committee note the report, including the Quarterly Economy Dashboard, and agree the work programme.
2. To pass on the Committee's thanks to the team who produced the Economy Dashboard.