

## **Economy Scrutiny Committee**

### **Minutes of the meeting held on Wednesday, 9 January 2019**

#### **Present:**

Councillor H Priest – in the Chair

Councillors Connolly, Davies, Green, Hacking, Newman, Raikes, Shilton Godwin, A Simcock and K Simcock

#### **Also present:**

Councillor Leese – Leader

Councillor N Murphy – Deputy Leader

Councillor Sheikh – Assistant Executive Member for Housing and Regeneration

#### **Apologies:**

Councillors Douglas, Johns, Paul and Razaq and Councillor Richards (Executive Member for Housing and Regeneration).

#### **ESC/19/1 Minutes**

In relation to Minute ESC/18/56, Councillor Newman proposed that that the following point was inaccurate:-

- Why was the Local Housing Allowance higher in Wythenshawe in comparison to the rest of the city as this was proving problematic for Wythenshawe residents getting onto the property ladder.

He proposed that this be amended to:-

- Why was the Local Housing Allowance higher in Wythenshawe in comparison to the rest of the city as this was proving problematic for Wythenshawe residents who were on low incomes.

#### **Decision**

To approve the minutes of the meeting held on 5 December 2018 as a correct record, subject to the above amendment.

#### **ESC/19/2 Residential Growth update and Action Plan**

The Committee considered a report of the Strategic Director (Development), which provided a summary update of the progress made in implementation the activities set out in the Residential Action Plan over the period 2016 to date.

The Director of Housing and Residential Growth referred to the main points and themes within the report which included:-

- In March 2016 the Executive endorsed the Manchester Residential Growth Strategy which set a minimum target of 25,000 new homes to be delivered

within the city between April 2016 and March 2025. In December 2018 the Executive Member for Housing and Regeneration put forward a report, endorsed by the Economy Scrutiny Committee and Executive, that revised this target to 32,000 (including 20% affordable housing);

- The Residential Growth Strategy proposed a set of priorities to support the city's sustained economic growth and ensure that there are affordably priced houses and apartments for sale and rent, which would underpin the economic growth objectives of the city and meet the needs of all households;
- Details of the progress made in delivering residential growth since 2016;
- The Residential Growth Action Plan, taking into account:-
  - The impact of Brexit;
  - Delivering an appropriate mix of property types and tenures;
  - Land supply and availability of Public Sector funding;
  - The draft Greater Manchester Spatial Framework and Manchester Local Plan; and
- Progress of key activities underway together with actions that would be taken forward during 2019

Some of the key points that arose from the Committees discussions were:-

- What involvement has the Council had to date in the development of off site housing construction;
- What guidance was there for developers in relation to room sizes in new build properties;
- How optimistic was the Council that it would receive sufficient funding through the Government's Housing Infrastructure Fund (HIF);
- What balance of housing was the Council aiming for in relation to Council Tax bands;
- Was the Council considering the recently published report of Shelter that recommended an additional 3 million home across the country to address homelessness and the implications that this may have for Manchester;
- Could Officers provide further details on how it was envisaged that future partnership working arrangements would work in respect of the Council's role to influence and govern;
- What was the Council doing to ensure that it continued to provide owner occupation properties;
- Were Right to Buy Properties entering the private sector rental market becoming a problem;
- Did the option for the Council to repurchase properties that had been sold as Right to Buy apply to just Council housing stock or did it also include Council properties which were managed by other organisations and what was the viability of this option;
- When would progress be reported on the development of the Housing Affordability Zones;
- What consideration had been given alongside the strategy for the need of appropriate social infrastructure to support the occupation of these additional properties; and
- Consideration should also be given to the hidden demand in the city centre for older people to downsize.

The Director of Housing and Residential Growth advised that off site manufacturing of housing is essential to deliver the scale of housing development required across the country. However, for this area to develop, there would be a need for organisations such as the Council to back offsite housing, though not at an initial cost to the Council. It was reported that at present, most of the businesses within this field were located along the M1 corridor in Yorkshire. The Strategic Director (Development) added that the proposal to develop 200,000 homes across Greater Manchester, demonstrated the ambition of the region and should attract these types of companies to establish bases of operation within the North West.

The Committee was informed that the Executive had previously approved the Council's residential quality guidance which covered the size and space required for rooms within different types of developments. This was in accordance with national conditions.

The Committee was advised that the Council was working with Homes England to secure at least £50million of HIF investment. A bid would be submitted to Government on 1 March 2019 and a decision would be expected to be made in the Summer. It was reported however, that 80% of the HIF would be allocated to London and the South East, and as such, the Council would continue to lobby Government for more appropriate distribution of funding.

The Strategic Director (Development) commented that Manchester's profile of Council Tax banding across the city was skewed in comparison to other Greater Manchester areas, and although its profile had changed over the last 10 to 15 years, this in the main had resulted in a growth of property band C properties. He advised that assessments of properties being built were undertaken as part of Council Tax forecasting and agreed to provide information on this to the Committee.

The Strategic Director (Development) advised that in terms of partnership working, this was something that could be built into the Committees work programme for next year, to allow Members to gain a greater understanding and scrutinise the effectiveness and governance arrangements of such relationships. He also commented that it was the Council's ambition to measure the numbers of properties available for owner occupation properties, but this had challenges particularly within the city centre where investors, having acquired homes for sale, had then rented the properties and in some instances for Air BnB.

The Director of Housing and Residential Growth reported that the Council had the ability to limit the sale of Right to Buy properties to individuals that were not eligible and could take legal action if necessary where this occurred. He also commented that the Council was exploring the potential for the buyback of Right to Buy properties previously owned by the Council. He also advised that the Council would consider the report and proposals by Shelter in connection to addressing homelessness and how this may impact the city's housing affordability strategy.

Officers acknowledged the comments in relation to the progress that had been made with the Housing Affordability Zones and informed the Committee that an update would be provided shortly to Members. It was also commented that it was recognised that there was a need for appropriate social infrastructure in those areas

where additional housing was proposed at scale. To this effect, Officers were working alongside NHS partners and Education colleagues in terms of planning for these developments, especially for proposals within the city centre.

## **Decision**

The Committee:-

- (1) Notes the progress of key activities underway together with actions that will be taken forward during 2019;
- (2) Requests that the Committee's views are taken into account in developing the Action Plan and notes that it will be brought back to the Scrutiny Committee and Executive later this year, once the impact of Brexit is more clearly understood and a draft plan for Delivering Manchester's Affordability Strategy is in place; and
- (3) Agrees to look at partnership working in more detail as part of next years Work Programme.

### **ESC/19/3 Delivering the Our Manchester Strategy - Leader of the Council's portfolio**

The Committee considered the report of the Leader of the Council, which provided an overview of work undertaken and progress towards the delivery of the Council's priorities, as set out in the Our Manchester strategy, for those areas within his portfolio.

By way of a further update the Leader informed the Committee of the launch of the GCHQ Manchester Engineering Accelerator, which would help return added value on investments in the City which were not predictable at the time that the investments were made. He also reported that the Combined Authority had set out a series of policy developments for the region, which included the proposed new GMSF proposals and consultation and a new housing vision document. Furthermore, he advised that the Independent Prosperity Review in relation to the Local Industrial Strategy was about to conclude and results would be published on 8 February 2019, which would then be followed by a consultation period.

Some of the key points that arose from the Committees discussions within the Leaders report were:-

- How had the OMS resulted in activities being undertaken differently and involved Manchester residents;
- Who was at fault for the recent time table debacle on the rail networks across Manchester and the wider Greater Manchester region and what was the timescale for resolution;
- Clarification was sought as to what options were being considered at Piccadilly Station as part of Transport for the North strategy;
- How was the Combined Authority developing its view on the uncertainty of Brexit with a view to mitigating its impact on Manchester;
- What direct impact had the Our Manchester engagement sessions had;

- What decisions and associated risk assessments had been taken around the Channel 4 HQ bid; and
- How did the Calder Valley line sit within transport improvement plans.

The Leader gave examples of two Our Manchester engagement sessions that had resulted in highlighting innovative practices within areas of Manchester which were in the main community led. He added that these had demonstrated that there were things that communities could take responsibility for and also the role for local members to be community leaders. In terms of the rail timetable debacle, he advised that ultimate responsibility rested with the Secretary of State for Transport, however there had been a collective failure across the rail industry as Rail Operators, Network Rail and the Department for Transport were all aware before the new timetables were introduced that the engineering works had not been completed and as a consequence, the required numbers of trains had not been available to deliver the new timetable. He advised that although some improvements would happen in relation to improved fleets from Northern and TransPennine, total resolution of the matter would not be resolved in the short to medium term. In connection to this, the Leader also advised that the most recent analysis of station options at Piccadilly Station by Arup, had not taken into account any future proofing and had only concentrated on the ability to deliver the day one timetable for HS2 requirements. There was currently an impasse between Government and the Northern Powerhouse as to what would be the most appropriate reconfiguration of rail services in and out of Piccadilly that could meet the anticipated scale of passenger growth and demand for the next century plus. He also advised the Calder Valley line still remained a priority within the wider rail improvement network but he was unable to give any detail as to when any activity on this line would take place.

The Leader commented that in relation to the Channel 4 bid, local media reports had not been accurate as the Council had not been in competition with Salford City Council to secure Channel 4's new headquarters. The bid submitted had been supported by the GM Mayor and Salford City Mayor. Appropriate risk assessments had been undertaken and he advised that as in any bidding process, costs had been incurred, but these had not been considered to have been disproportionate given the size of the bid and what would have been the potential value added return should Channel 4 have selected Manchester as its new headquarters. He added that the cost of the bid would be apportioned with the GMCA as the bid was for Channel 4 to relocate in the Greater Manchester area.

He advised that the Combined Authority received monthly Brexit forecast reports which provided data sectors were responding to the implications of Brexit. The Combined Authority had also developed hypothetical models for both a 'hard' and 'soft' Brexit and commented that a consensus amongst all GM Leaders was that a 'No Deal' Brexit would be the worst option. He added that due to the uncertainty at a national level of what the final Brexit arrangements would be it was difficult to say how it intended to mitigate any impact on Manchester.

## **Decision**

The Committee notes the report

## **ESC/19/4 Delivering the Our Manchester Strategy - Deputy Leader's portfolio**

The Committee considered the report of the Deputy Leader of the Council, which provided an overview of work undertaken and progress towards the delivery of the Council's priorities, as set out in the Our Manchester strategy, for those areas within his portfolio.

Some of the key points that arose from the Committees discussions within the Deputy Leaders report were:-

- Requesting an update on the activity surrounding the Living Wage and the move towards accreditation;
- Welcoming the reported investment into the 101 telephone system operated by Greater Manchester Police and the introduction of a live chat facility, noting that it was important to retain the 101 service;
- Was the ongoing dispute between residents in the Green Quarter and the company awarded the contract for the Town Hall refurbishment taken into consideration as part of the procurement exercise; and
- What was being done to improve skills and training opportunities for both young and older residents to enter the labour market, particularly in areas such as construction where there existed a skills shortage.

The Deputy Leader advised that a report on the Living Wage activity was being considered by the Resources and Governance Scrutiny Committee at their next meeting. He further commented that he had met with the local Chamber of Commerce who were fully supportive of the Living Wage and recognised the benefits of this, and work was ongoing to influence their supply chain and further engage with them around this issue and zero hour contracts.

In response to the comments regarding the 101 reporting system the Deputy Leader acknowledged that investment had been made into the service, however a full review of the system was required to ensure it was appropriate. He also noted that the live chat service had relieved the pressure experienced by the 101 system and data on the 101 service would be provided to all Members. The Chair informed Members that this area of activity was within the remit of the Communities and Equalities Scrutiny Committee and she would discuss with the Chair the concerns raised by this Committee.

With regard to the Town Hall Project the Deputy Leader stated that a strict legal process had been followed to award the contract, and stated the many economic and social benefits the provider would deliver. He confirmed that the ongoing dispute did not, and could not be taken into consideration when assessing their bid. He stated that officers in the Housing Department, along with local Councillors and MP are working with the developer and building owner to resolve the dispute without any cost to the residents to replace the cladding.

In response to a comment made concerning the 50 – 64 year age group that now contain the most economically excluded parts of our communities, the Deputy Leader stated that work was ongoing to influence the attitudinal shift that was required to address this. He stated that work was ongoing with both local employers and the

employment service to develop clear pathways for people and provide the opportunities for retraining and updating skill sets in recognition on the realities of the demographic of the labour market. He also made reference to the activities to promote jobs and skills in the construction industry for both young men and woman.

## **Decision**

The Committee:-

- (1) Notes the report;
- (2) Requests that the Deputy Leader circulates current data on the number of calls made to and answered by the Greater Manchester Police 101 telephone service; and
- (3) Requests that the Deputy Leader circulates information on the Greater Manchester Police 101 telephone service to all Member so the Council.

## **ESC/19/5 Delivering the Our Manchester Strategy - Executive Member for Housing and Regeneration's portfolio**

This item was deferred to a future meeting as Councillor Richards (Executive Member for Housing and Regeneration) had submitted her apologies for the meeting.

## **ESC/19/6 Economy Dashboard - Quarter 2 2018/19**

The Committee considered the Quarterly Economy Dashboard for quarter 2 of 2018/19, which provided statistical data on economic development, housing and the visitor economy.

The Performance Analyst and Governance Lead presented the report to the Committee.

Some of the key points that arose from the committees discussions were:-

- Further comparative data was requested on the Housing Market Data for the city centre area;
- Further analysis of the airport passenger data was requested;
- Was comparative analysis undertaken against other core cities for the data sets presented within the dashboard;
- Consideration needed to be given to how the number of empty properties is presented within the report to ensure it is not misleading for readers; and
- Clarification was required regarding Business Rates in relation to sports, recreation and culture and asked that is a premises was repurposed following the closure of a business was this captured in another category.

The Performance Analyst and Governance Lead explained that further analysis and data in relation to the Housing Market and airport passenger figures and trends would be provided. He further informed the Committee that the State of the City Report presented the performance analysis against other core cities and the report would be circulated for information. In response to a comment from a Member regarding a breakdown as to the activity reported across the city centre the Performance Analyst

and Governance Lead stated that a map would be included in future dashboards to illustrate the areas referred to.

The Performance Analyst and Governance Lead accepted the comment regarding the empty property graph, stating that this could be misinterpreted and the format when presenting this data would be reviewed.

The Performance Analyst and Governance Lead clarified specific questions regarding terminology used within the report. The Chair recommended that Members may benefit from training in relation to understanding the data presented within the Dashboard. The Performance Analyst and Governance Lead confirmed this would be arranged for Members. He further confirmed that the online dashboard was accompanied by a document that provided a detailed description of the data and terminology used within the report to assist the reader.

### **Decision**

The Committee recommends that the next dashboard included figures and analysis of the passenger flight trends experienced at Manchester Airport.

### **ESC/19/7 Overview Report**

The Committee considered a report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit and responses to previous recommendations was submitted for comment. Members were also invited to agree the Committee's future work programme.

The Chair informed the Committee that the report listed for February on the impact of the Brexit settlement on the City would be deferred to a later date, to be confirmed. She further informed the Members that due to the number of items for consideration at the February meeting it was proposed to hold a two and half hour meeting.

### **Decision**

The Committee notes the report.