

Economy Scrutiny Committee – 30th September 2015

(MS: Sorry for the length of this document, please skip to anything that is relevant to you.)

As is becoming usual, the meeting started late, this time the delay was seven minutes. These delays are caused by councillors being held up in their 'pre-meeting' meeting. Councillors Leese, Peel, Raikes and Hacking did not attend the pre-meeting. Before the meeting started councillors Hacking and Leese discussed Mr Leese's lack of attendance at the Labour Party conference. They also exchanged their thoughts on the 'ramblings' of their new 'dear leader'. Clearly, the 'Corbyn revolution' has failed to touch some areas of the Labour Party.

The **first substantive item** concerned **business growth and support** in Manchester. The introduction from officers was relatively brief and outlined how a survey of Manchester businesses had been completed and that this would be scaled up to the Greater Manchester level. Vague remarks were made about the funding for this coming from various different places.

Councillors then asked the following questions:

- A. Cllr Bridges asked about the repayment regime of regional growth fund loans to businesses in Manchester.
- B. Cllr Shilton Godwin asked whether some people were receiving loans enabling them to become self-employed merely to remove them from the unemployment figures.
- C. Cllr Peel inquired about the 5-year survival rate of businesses and what can be done to improve this. He also asked about how exports could be increased and linked this to the uncertainty caused by the EU referendum. He also suggested that Manchester could advertise in other countries to fill certain vacancies.
- D. Cllr Ellison asked whether the council was working with UKTI to make sure that Manchester a priority for investment.

The answers/comments were as follows:

- A. There were said to be many different schemes and that the terms of repayment are decided on an individual basis.
- B. The presenter said that they were careful not to simply offer loans to people to take them off the unemployed list. He said that these people were given a range of options to develop 'a path from benefits'. (MS: It is worrying to hear the continued use of this language going unchallenged by councillors. Benefits are not only given to unemployed people.)
- C. The survival rate of businesses was said to be 'slightly adrift'. It was said that the survival rates are lower than London but that the bigger difference was that London had many more start-ups than Manchester. Export assistance was said to be being provided.
- D. There was said to be a proactive approach. Mr Leese said that investment was attracted the most when Manchester was presented as being part of shared Northern English economy. (MS: Which is why the Council has organised on this scale – oh wait, it hasn't. It is instead organising at a Greater Manchester level which, according to Mr Leese's logic, isn't big enough to be attractive to investors.)

Item 6 centred on **the Councils procurement from SMEs**. Head of procurement Paul Murphy gave an overview of the current situation. He stated that Manchester was procuring from SMEs at a greater rate than national government (MS: well it should be, given the differences between national and local government).

Councillor questions/remarks were as follows:

- A. Cllr Davies pointed out (MS: rightly) that the comments made did not address why the Council procured the least from SMEs in a Greater Manchester context. She also noted that comparing national and local spending on this matter was unhelpful.
- B. Cllr Amesbury noted that procurement was a way to promote the Council's values.

The officer replied as follows:

- A. Manchester was at the bottom of procuring from small businesses not from SMEs, where there are no comparable figures. He suggested that SMEs were unaware of how to bid for contracts with the Council. He also said he took on board the comments about comparing national with local government (MS: if he did take that one board, it was not with any enthusiasm).
- B. (MS: no response to Cllr Amesbury's remarks.)

Councillor Peel asked whether figures on dealings with co-ops and mutuals were kept. The response was it isn't.

Item 7 concerned **District Centres**. Officers Jessica Bowles and James Shuttleworth introduced the report.

Councillors asked the following:

- Cllr Karney: Who is in charge of drawing up individual district centre plans?
- Cllr Bridges made a remark about how there was a gap in addressing these issues.
- Cllr Shilton Godwin noted that it was hard for areas outside of the city centre to get noticed in terms of planning from the Council. She also remarked that centres should be seen as producing-areas as well as retail areas. She also noted that her ward (Chorlton Park) left to market forces would become dominated by housing.
- Cllr Priest (the Executive officer in this area) noted that a sense of place needs to be developed and that district centres were an important way of doing this.
- Cllr Simcock asked what had happened to the individual ward plans, given that the City Centre had recently been the subject of a 71-page document.
- Cllr Ellison then made a long remark loosely concerning the need to have individual district centre plans.

The above questions received little response from officers. (MS: This could be because individual questions were buried (as usual) in long statements only loosely connected to the report.)

Item 8 revolved around the **City Centre Strategic plan**. Pat Bartoli, Head of City Centre Growth and Regeneration, gave an overview of the report. Mr Leese then highlighted the central role of the City Centre to the economy of the City.

Councillor comments were as follows:

- Cllr Davies noted that the report was out of date regarding a number of areas. She expressed the opinion that the City Centre should be about more than just employment. She also noted that a balance should be made between owner-occupier and rented housing. She noted that provision for families was absent from the report.
- Cllr Karney talked for a long time about his personal experiences and welcomed progress in the City Centre.
- Cllr Simcock made remarks about the City Centre area growing beyond its current boundaries and asked if the goals of the plan would be hampered if the City Centre started to include areas where

there was significant social housing. (MS: The exact point being made was fairly unclear, at least to me.)

Mr Leese replied by saying school places would be dealt with (MS: there are no current plans for any schools to be built in the ward). He said jobs for locals was a priority (MS: the action on this issue would suggest it still ranks well below overall economic performance as a priority).

Pat Bartoli said that some new buildings were being built which would have more owner-occupier properties (MS: the exact balance was not mentioned). It was noted that plans for families would be developed (MS: although as Mr Leese is minded to have a cross-city school plan, rather than schools as part of neighbourhood plans, some areas are likely to always be underserved). The question regarding social housing wasn't really dealt with at all. Pat Bartoli seemed to say that transport would be key to addressing this.

A second set of councillor questions were as follows:

- Cllr Shilton Godwin asked what was being done to ensure that the City Centre linked together.
- Cllr Peel (whose ward is the City Centre) made a long statement. In brief, it touched on the report's lack of references to schools and the poor provision of nurseries.
- Cllr Ellison made remarks concerning travel into the city centre and the need for more shops in order to compete with other cities.

Pat Bartoli said that TFGM was being consulted with in regards to transport plans. Mr Leese replied by saying that plans for schools shouldn't be in the report as this work should be done at a City-wide level. It was noted that if left to market forces the City Centre would become one big housing estate (MS: which is what is happening). He also noted that the City should offer a 'lifestyle offer' to young professionals.

The final lot of councillor questions were as follows:

- Cllr Amesbury stated his support for the plan.
- Cllr Davies noted that there is a tension between licensed premises and residential housing; she suggested that more consultation was the way to deal with this.

Mr Leese responded by repeating his statements from earlier.

Item 9, the Residential Growth Strategy, was then briefly outlined.

Councillor questions included:

- A. Cllr Bridges asked how high rents could be tackled, given the difficulties of providing more social housing.
- B. Cllr Shilton Godwin raised concerns over the rising cost of rents and house prices.
- C. Cllr Wilson asked how social letting agencies were to be included in the action plan.

Responses were:

- A. Social rent systems are too complicated to implement.
- B. Part-ownership has been used to try to address this problem. Help to buy has also helped increase affordability. (MS: The full response, which I have condensed here, also seemed to continue the trend of conflating social and affordable housing.)
- C. (MS: Not much of response from what I could discern. I think the 'it is under consideration' phrase was used.)

Next, Councillors delivered the following:

- D. Cllr Amesbury asked how many new houses were needed.
- E. Cllr Peel raised the issue of high rents in his City Centre ward. Continuing his interest in this area he again raised the issue of space standards and when a Manchester standard would be adopted. He also supported the setting up of social letting agencies.

Responses were:

- D. 25,000 houses over the next 5 years is the realistic target. (MS: this figure is below the 6,000 per year usually stated. There is clearly no agreement on this across the Council).
- E. In regards to the space standard, the officer essentially repeated what has been said at previous meetings (London model for now, Manchester model will be drafted). On the issue of social housing, the officer stated that the number goes up and down (MS: wow, really!). He claimed that the waiting list was static at around 12,000 people and that there was a turnover of 4,000 to 5,500 a year. (MS: while such statistics only ever give a snapshot, I would have to question the accuracy of these figures. Shelter have the waiting list at 20,000 people. Even if Shelter are wrong, their figures also show that the waiting list has not been static. This calls into question what data the Council is using.)

Item 10 was the **Greater Manchester Transport Strategy 2040**. After the report was briefly introduced, councillor questions followed.

- Cllr Amesbury: affordability is not mentioned much in the report, what is being done on this?
- Cllr Wilson: mentioned the need to look more at bus travel, especially travel across the city.
- Cllr Bridges echoed the points made on connecting neighbourhoods.

Responses: the devolution deal will be important in addressing these points. Fares could be better controlled under the powers which devolution will bring. Buses are an important part of the public transport mix.

- Cllr Shilton Godwin: welcomed a holistic approach and spoke about the importance of cycling.
- Cllr Peel: Questioned how the future schemes would be paid for. He also touched on buses and air quality.
- Cllr Ellison repeated much of what had been said and added the need to connect to areas outside of Greater Manchester.

Cllr Fender, the Chair of TFGM, replied by restating that greater control of the buses will produce results. He said that the money would come from places like the Transport Fund. He also said that expansion of Metrolink was under consideration.

The presenter said that links with places such as Cheshire were being taken into account. Walking and cycling plans were mentioned.

Cllr Davies asked what was being done for journeys across the City centre which can't be walked. The reply was that there are links and that more are being developed.

The **final item** was a report on the **Council's Living Wage Policy**. Thomas Skinner, head of the Manchester Living Wage campaign, and Cllr Raikes outlined progress. Thomas Skinner said that of his wish-list of 15 points all but 2 had been addressed by the council. The 2 outstanding points are the Council not becoming an accredited Living Wage employer and the lack of Manchester taking the lead in rolling out the Living Wage across Greater Manchester.

- Cllr Amesbury asked what the wage policy should be called.
- Cllr Karney noted that changes are hard to make and thanked Cllr Raikes for his determination in this area.
- Cllr Wilson suggested that some contracts which had been brought back in-house were not paying the living wage.
- Cllr Peel welcomed the report. (MS: He continued his push to become an MEP by again bring up the EU, noting that this issue was currently being discussed at that level.)

Executive Member Flannigan said that he was unaware of the issue raised by Cllr Wilson and that he would look into it. The Chair (Cllr Richards) noted that Manchester Airport recently said that they would talk to their partners to encourage them to adopt the Living Wage.

There were brief discussions over the **work programme**.

The meeting finished at 12:30.

The above is an abridged impression of the meeting. For more detail please contact me at:
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