Present: Councillor: Michael Holly (in the chair)

Councillors: Susan Haworth (Bolton)
Ahmed Ali (Manchester)
John McCann (Oldham)
Kate Lewis (Salford)
Mark Hunter (Stockport)
Elise Wilson (Stockport)
Yvonne Cartey (Tameside)
John Holden (Trafford)
Barry Brotherton (Trafford)
Charles Rigby (Wigan)

Other attendees: Sir Richard Leese (Portfolio Lead for Economy and Business)

Officers: Eamonn Boylan (Chief Executive, GMCA)
Susan Ford (Statutory Scrutiny Officer, GMCA)
Simon Nokes (Executive Director Policy & Strategy, GMCA)
John Steward (GMCA)
Ross Macrae (GMCA)
Emma Stonier (Governance and Scrutiny, GMCA)
Lynda Shillaw (Chief Executive, MAG Property Group)
Eddie Smith (Strategic Director, Manchester City Council)
Ian Kerr (The Growth Company)
Sheona Southern (The Growth Company)

Apologies: Councillors: Jane Lewis (Bury)
Roy Walker (Bury)
Chris Goodwin (Oldham)
Cecile Biant (Rochdale)
Grace Fletcher-Hackwood (Manchester)

E26/17 APologies For Absence

Apologies for absence were received from Jim Taylor, Lead Chief Executive for Economy and Business.

E27/17 URGent Business

Members were asked to consider agenda item 7 before agenda item 6 due to the
relevant officers having a prior commitment until 3pm.

**E28/17 DECLARATIONS OF INTEREST**

There were no declarations of interest declared at the meeting.

**E29/17 MINUTES OF THE MEETING HELD 10 NOVEMBER 2017**

The minutes of the meeting held 10 November were submitted for consideration.

**RESOLVED:**

1. To approve the minutes of the meeting held 10 November 2017 as an accurate record; and
2. To circulate the action list to members of the Committee.

**E30/17 GM INTERNATIONALISATION STRATEGY**

Sir Richard Leese, Portfolio Leader for Economy and Business introduced a report which sought the Committee’s views on progress with the implementation of the GM Internationalisation Strategy and asked for views on the challenges highlighted in the report. Key areas highlighted were;

- The geographical areas included in the strategy were identified using intelligence led data, connecting areas of growth in the global economy with areas of strength within Greater Manchester;
- Geographical areas not included in the strategy were noted as not being excluded if opportunities arose;
- Understanding of sectoral strengths within the Greater Manchester, which included life sciences and digital businesses, had grown providing greater clarity about what Greater Manchester could offer;
- Delivered successes over the past year which included the opening of a direct airline route to China, the West Coast of United America and prospects for other routes;
- Universities within Greater Manchester were noted as a key driver particularly in relation to the life sciences, quality of research and the level of clinical expertise in Greater Manchester hospitals;
- Importance of an Internationalisation Strategy in the context of Brexit to assist with the growth and maintenance of international markets; and
- The strategy is backed up by an action plan and measures which are intended to assess how Greater Manchester is performing and perceived in international markets.

Members welcomed the report, expressed support for the GM Internationalisation Strategy and noted its importance to Greater Manchester as an international facing city region.

A Member noted that in the report it was highlighted that the 2017 delegation to MIPIM, an international property exhibition, the most significant to date and asked how the success of the delegation was measured. One way to measure success was highlighted as being the number of companies who wanted to attend; it was noted that there were a considerable amount of private sector companies who wanted to be
on the Manchester stand which included global companies who also had their own stand. It was also noted that how success was measured was sometimes difficult as companies do not necessarily provide feedback as to the outcomes of their attendance. Positive feedback has also been received through conversations with delegates and representatives which provided reassurance that the delegations represented value for money.

Members also noted that the participation of senior leaders at MIPIM had, in the past, been open to criticism and enquired whether a cost-benefit analyses’ of attendance were undertaken to assess its wider impact. Members were informed that overall officers were not aware of negative press regarding MIPIM and that members of the press also attended these delegations. It was noted that generally within Greater Manchester the media saw MIPIM as a positive for promoting the region. Members were also informed that delegations to MIPIM were core funded from Manchester City Council. It was also noted that Manchester City Council was able to leverage 7/8 times more funding for trade delegations from the private sector than they contributed.

A Member noted the relationship with China was highlighted in the report and asked whether there were ethical concerns regarding this. It was noted that decisions about international trading and relations were a matter for national governments rather than Greater Manchester as a region.

A Member commented that it was positive that the key challenges outlined in section 9.1 were divided into those related to Brexit and those unrelated.

A Member noted that in section 9.5 the importance of maintaining international student numbers for Greater Manchester’s economy was highlighted. Within this section a letter written to the Prime Minister from the Chairs of Local Economic Partnerships (LEPS) in January 2017 was referred to and asked for an update on communications which had taken place with the government since this date. Members were informed that the response received from the Prime Minister to the January 2017 had not been particularly positive and had referred to existing government policy to include international students in immigration figures, however it was highlighted that there would be an opportunity to coordinate a further response to the government in relation to this.

A Member commented on the increased difficulty in converting inward investment projects due to uncertainty. They also noted the increase of average project lifecycle days since the EU referendum from 231 to 349 days and asked for a better understanding of the consequences of a project lifecycle increasing in days as the date for Brexit moved nearer. It was confirmed that attracting inward investment was becoming more difficult since Brexit; the climate of uncertainty was one reason that investors were delaying decision making.

A Member commented on Section 9.6 which highlighted manufacturing and noted their support for the importance of this sector for the economy within Greater Manchester. The report also highlighted the growth in exports businesses received if they engaged at an international level and Members noted the importance and support of MIPIM for facilitating this engagement. A Member also noted the attendance of Andrew Flintoff and Gary Neville at MIPIM 2017 and asked whether it was intended to take other cultural sector representatives to MIPIM 2018. Members
were informed that Gary Neville’s attendance at MIPIM was related to large scale
development in Manchester City Centre; other attendees at MIPIM in the past had
included Professor Brian Cox and Professors Andre Geim and Konstantin Novoselov
Manchester’s Nobel Prize winners for Graphene and leading digital industry
representatives. It was also noted that Bolton had had a long association with MIPIM
and this was another way in which success could be measured.

The importance of manufacturing for Greater Manchester was noted, and will be
further developed in GM’s local Industrial Strategy. Attention was also drawn to
businesses within Greater Manchester who do not currently, or plan to export
internationally and the need for modernisation to compete internationally. Export
figures for Greater Manchester were also highlighted as being low; one reason noted
for this is that GM firms made components for goods which other companies located
outside GM exported.

A Member commented on the employment area around the Airport and the
perception there was an uplift in wages and employment conditions in areas
bordering the airport. Concerns were expressed that the attraction of companies
whose work force was predominantly low-wage and used a significant number of
temporary contract employers may an impact on this. Members asked how many of
the 1900 jobs created at Amazon were permanent and how many were
temporary/zero hours contracts and asked whether this would be monitored.
Members were informed that there were figures in the following report which outlined
this. Additionally Amazon had presented to Manchester City Council’s Scrutiny
Committee who concluded that Amazon’s approach to employment in Wythenshawe
was exemplary. It was also commented that as a significant part of Amazons’
operation was automated there were a wide range of roles to support this
including robotics engineers. Amazon had created approximately 1500 permanent roles and
1500 temporary roles, with similar numbers employed in Bolton and a further
fulfilment centre due to open in Trafford Park imminently. Members’ attention was
drawn to the low pay in GM report undertaken in 2016 which had highlighted the
number of low wage companies operating within Greater Manchester which would
need to be addressed if Greater Manchester was to improve both its international
performance and productivity.

A Member congratulated the GMCA on becoming a living wage employer and noted
the importance of this.

Members noted the dichotomy between reducing immigration numbers nationally and
the impetus to attract international students to universities within Greater Manchester
and asked how it was intended to resolve this with the national government. Local
authorities, businesses and universities were all raising this matter with government.
Data indicated that only a very small number of students overstayed their visas and
the students made a significant contribution to the local economy. It was noted that
Greater Manchester would continue to make these arguments to government
regarding international students, and a similar case for international academics.

A Member noted that to achieve the full benefits of the GM Internationalisation
Strategy it was crucial that the transport and connectivity was in place to support this.
Members were updated that earlier this year HS2 had published its Manchester-
Crewe route and this had confirmed a station at Manchester Airport with the service
terminating at Manchester Piccadilly. The final decision regarding this was noted as
currently going through the parliamentary process. It was also commented that the building of HS1 increased the certainty that HS2 will be completed. Members’ attention was also drawn to the critical issue which needed to be resolved in the next 12 months, which was the decision about the touchpoint between HS2 and Northern Powerhouse Rail. Manchester’s, Transport for Greater Manchester and Transport for the North’s preferred solution required a different alignment of HS2 entering Manchester Piccadilly station; this was noted as being under discussion with an evaluation taking place. Two issues were also highlighted to Members in relation to wider transport investment; Greater Manchester’s Transport Strategy and indications from government in the Autumn Budget for discussions to take place with Greater Manchester regarding the possibility of Transport Fund 2, and the publication of Transport for the North’s consultation into their Strategic Plan for the transport in the North.

A Member noted that section 5 of the report identified key sectors but highlighted that there was no differentiation made in relation to the relative importance of each sector. It was suggested that this could be coded in future iterations. Members were informed that the report only included key headlines and that there was more detail included in the full strategy. These also reflected, in 4 cases, the prime capabilities identified in the Northern Independent Economic Review and, in 1 case, a prime enabler identified in this review; all of which were noted strengths within Greater Manchester.

A Member queried the reasons behind the inclusion of the United Arab Emirates (UAE) in key markets and whether Greater Manchester still considered this a key global market. It was noted that the UAE had committed to decarbonising its economy and that this was one area in which Greater Manchester had identified as having future potential. Additionally it was highlighted that the UAE has significant capabilities as an air hub and good access to the rest of the world from Manchester Airport, and remained an important economic connection.

A Member asked whether the implementation plan referred to in section 10.2 was the GM Strategy Implementation Plan or whether this was specifically related to the GM Internationalisation Strategy. It was confirmed to Members that the implementation plan was related to the GM Internationalisation Strategy and that currently this was in development. The Committee requested sight of this once it was completed.

RESOLVED: 1. To note the update on the GM Internationalisation Strategy and the progress made with the implementation of the GM Internationalisation Strategy;
2. To note key challenges GM faces due to ongoing Brexit uncertainty; and
3. To receive the GM Internationalisation Strategy Implementation plan once available.

E31/17 MANCHESTER AIRPORT/ENTERPRISE ZONE

Members received a presentation from Lynda Shillaw, CEO MAG Property, regarding Airport City.

Sir Richard Leese commented that the ability to retain business rates for reinvestment was highlighted in the report; as yet it was confirmed that no business
rates had been retained. However it was noted that the infrastructure required to deliver this programme had paid for itself so there was no cost to the public sector and that at a future point business rates will be received and released for reinvestment.

A Member noted that in section 5.6 it was encouraging to see that jobs had been created in Old Trafford which was an area in need jobs and asked whether jobs created were all at the same level and/or grade. It was also asked whether similar information regarding job distribution was available for the Amazon site in Trafford Park. It was confirmed that the jobs outlined in the report and in the heatmap were all warehouse operators and therefore all at the same level. These were the vacancies Amazon had agreed to work with local partners on, to get local unemployed people back into work. Amazon had published other vacancies and Manchester City Council had been provided with a report related to this. More information would be provided to Members about this. Members were informed that the Trafford Park site was more heavily automated than the Enterprise Zone site and therefore not as many people were employed there. Amazon was undertaking a new development in the north of the conurbation and they had agreed to again work with the Growth Company, in terms of employing local unemployed people. It was highlighted that there was now 2 jobs available in Wythenshawe for everyone of working age, however the numbers employed for Bolton, Bury, Oldham and Rochdale were low primarily because of transport. Conversations have taken place with the Airport regarding the improvement of transport links from the northern half of the Greater Manchester to enhance the access to job opportunities created.

Members noted that one of the key partners identified in delivery was Carillion and queried whether this had been reviewed in light of recent financial difficulties or had had any impact on the work taking place at the Airport. It was confirmed that MAG Property Group was having regular conversations with Carillion and had received assurances that their banks were backing them. Additionally as there were two construction partners this provided some resilience, but the situation was being constantly monitored.

Members commented about the lack of connectivity from the Airport to local areas, in particular Stockport. It was asked whether the new link road highlighted in the presentation was the A555; it was confirmed that Enterprise Way was a separate spur road and had been built as part of a longstanding Airport obligation to build a route around the Airport. It was also noted that the A555 and Enterprise Way were due to open next year. The SEMMMS road development was also highlighted and it was asked whether any impact assessments for the Airport had been undertaken if the second part of this development was not completed. The assessment process and business case evaluation regarding the second part of the SEMMMS development would have had to take into account the economic benefits to the Airport of whether it was completed or not. Members noted that the Airport had been backers of this scheme and there was now some doubt about whether this would go ahead.

The benefit of the Metrolink route had been highlighted in the annex of the report; it was noted that Stockport residents (and those of other districts) needed to be able to access the Airport’s economic and business opportunities via a direct public transport connection such as Metrolink. Members were informed that the long term transport strategy for Greater Manchester identified the need for orbital routes and that
discussions were taking place with government currently regarding future transport investment.

A Member commented they had met with young adults from Bolton who had had positive experiences of working at the Airport and highlighted that the proposed new timetable from Bolton-Manchester Airport would reduce frequency to 1 per hour. They would like to see this changed back to two per hour particularly to support work opportunities. It was agreed that clarification would be provided to Members about changes to Bolton-Manchester Airport services.

A Member noted section 5.4 and recognised the effective scrutiny undertaken by Manchester City Council related to this and the work of the economists regarding low pay. Members highlighted the employment figures in the report (1500 permanent posts and 1000 temporary posts) and commented that, although this was an achievement, they would like to see more permanent employment opportunities.

Members asked for clarity about the figures for intended job growth. It was noted that the 11,600 figure was for Airport Zone and the 16,000 figure was the overall target for the Enterprise Zone. Members were also informed that the original figure in the bid to government, for 7600 jobs created by March 2015 had been revised as approval had only been received in January 2012. 2,500 jobs had been achieved over 5 years, and opportunities had been identified which were expected to achieve the 16,000 jobs total within the next 10-15 years.

A Member noted the case studies outlined in the report and queried whether Daytech was an advanced manufacturing business. Members would be provided with more information about this company.

A Member highlighted the issue of air quality around the Airport and asked whether local residents or the MP for Wythenshawe had raised any concerns. Members’ attention was drawn to the significant environmental programme which the Airport had in place which included; monitoring air quality, working with airlines to meet air quality targets and the fact that as airlines invested in more modern fleets air quality improves and reduces emissions. Airport City was also noted as being a smart location with the ability to monitor air quality through sensors around the development. It was also emphasised that the air quality problem around Manchester Airport was caused predominantly by surface traffic and not aeroplanes and that a GM air quality strategy was being developed. Public transport was noted as being one way to tackle air quality and a conversation had taken place with the Secretary of State for Transport about the importance of electrification to reduce diesel train emissions. Potential issues around future capacity at Manchester Airport were also highlighted to Members.

A Member noted that it was crucial that the impact of digitalisation on jobs and work/life skills was considered and commented that it was important to consider the potential learning available, from companies like Amazon, about digitalisation. Members were informed of discussions which had taken place with Amazon regarding this and evidence which indicated that automation didn’t reduce the number of jobs but rather changed the nature of jobs to higher-value, more-skilled roles. It was also noted that a concern for Greater Manchester was the potential mismatch between jobs created and Greater Manchester residents having the relevant skills to fulfil these jobs.
The scale and opportunity which the logistics centre presented was noted. The corresponding need for increased connectivity across Greater Manchester as a whole and across the North was also stressed. The environmental impact of surface freight and increasing alternative modes of transport for moving freight were also noted. It was noted that the draft strategic Transport for the North Plan should also address the issue of freight transport and look at multi modal options.

The number of jobs created for unemployed people in Greater Manchester outlined in the report was 200 and it was asked whether this had met expectations in terms of the number of jobs created. Further it was noted that the Ordsall Chord route would increase direct connections from Rochdale-Manchester Airport, and potentially open up more opportunities to Rochdale residents. Members were informed that one of the planning conditions for Amazon was to work with the Growth Company in relation to jobs and skills which was highlighted as being unique to Greater Manchester.

A Member asked to what extent multi-storey carparks had been designed to anticipate future moves away from petrol/diesel to electric vehicles. It was noted that designs for these had not begun but that as these started future proofing these would be considered. The importance to paying attention to the green economy was also stressed. Conversations have taken place with companies regarding lesson the environmental impact of developments such as the use of solar power.

A Member asked whether there was any intention to reconsider the introduction of congestion charging. It was confirmed that this was not under consideration.

RESOLVED:

1. To note the update on the GM Airport and Enterprise Zone;
2. To receive further information about other employment opportunities created by Amazon; and
3. To receive further information about the company Daytech.

E32/17 WORK PROGRAMME FOR ECONOMY, BUSINESS GROWTH & SKILLS OVERVIEW AND SCRUTINY COMMITTEE

The Committee received an updated work programme following comments and suggestions made at the last meeting. Members were asked to review their agenda for January. The current agenda had three items related to skills and employment and had agreed at their last meeting to considered the GMCA’s digital strategy. The GMCA’s skills team have requested that the Committee review the GMCA’s investment of the Skills Capital element of GM’s Local Growth Fund allocation prior to the GMCA’s decision at the end of January.

Members discussed the work programme and agreed that there should be a maximum of three substantive agenda items at meetings of the Committee.

Members were informed that the government was due to publish a new careers strategy shortly and that this would provide important context for GM’s work on careers.
Following further discussion it was agreed that the Committee’s January agenda would include; GM Digital Strategy, Skills Capital and the Careers and Enterprise Network. Low Skills and Long Term Unemployed including older workers would be deferred to a later date.

Members were made aware that the Corporate Issues and Reform Overview and Scrutiny Committee had started to look at school readiness. Members of this Committee were asked to contact the Statutory Scrutiny Officer if they would like to be involved in this work, due to the cross cutting nature of the school readiness theme.

It was proposed to Members that they may wish to consider the item of Fair Economy and Fair Wages under a rapid review task and finish group to ensure this was incorporated into the work of the Committee. The Committee agreed to this proposal and it was requested that any Members interested in Chairing this group contacted the Statutory Scrutiny Officer. It was also agreed to consider the GM Employer Charter within the task and finish group’s remit.

A Member also requested that an agenda item was added to the work programme regarding the wider economic performance of Manchester Airport as a key economic driver for the region and challenges and performance to date. Alongside this it was suggested that a visit to the Airport could be arranged as part of this item. Committee Members were asked to note that Manchester Airport was a commercial company and that some of the information requested may be of a commercially sensitive nature.

RESOLVED:

1. That officers update the work programme in light of comments made at the meeting;
2. To inform the Statutory Scrutiny Officer if they would like to be involved with the Fair Economy/Fair Wages small working group; and
3. To receive a copy of the S48 Cultural Grants report which was submitted to the GMCA.