

Economy, Employment and Skills Overview and Scrutiny Committee

Minutes of the meeting held on 17 November 2010

Present:

Councillor Cameron – In the Chair
Councillors Barrett, Bethell, Chamberlain, Commons (present for EES/10/49 – EES/10/51) Green, Richards, Smitheman and Walters

Councillor Royle, Assistant Executive Member for Environment
Councillor Ali, Executive Member for Employment and Skills
Marc Hudson, Editor of Manchester Climate Fortnightly
Andrew Bowman, Manchester Mule

Apologies:

Councillor Swannick

EES/10/46 Urgent Business

Decision:

To note the Chair's decision to receive the report on Creating Jobs in the Low Carbon Economy as urgent business

EES/10/47 Minutes

Decision

To agree the minutes of 20 October 2010 as a correct record.

EES/10/48 Information and Overview Report

A report of the Governance and Scrutiny Support Unit was submitted providing information about the Committee's work programme and relevant issues affecting the Committee's remit. Members were asked to note the responses to the Committee's previous recommendations and agree the draft work programme.

A member referred to the key decision to approve a tender to allow for construction of highway improvements works required as part of Cross City Bus improvements, which was currently on hold pending the outcome of the Comprehensive Spending Review. The Committee agreed to request more detail of the progress with the Cross City Bus Package once the outcome was known.

Decision

1. To note the responses to the Committees previous recommendations.
2. To agree the draft work programme.

3. To request more information on how the Cross City Bus Package will be progressed following the Comprehensive Spending review is known.

EES/10/49 Job Creation in the Low Carbon Economy

The Committee considered a report of the Strategic Director of Neighbourhood Services and the Head of Environmental Strategy, on creating jobs in the Low Carbon Economy. The report provided background to the issues that are driving the creation of a low carbon economy, a summary of what may be meant by “green jobs”, and an overview of some of the plans and programmes in development that can begin to deliver them.

The Head of Environmental Strategy introduced the report, explaining what might be defined as a ‘green job’ in a low carbon economy. This included the creation of new ‘green jobs’ from employment in new renewable technologies, retrofitting buildings, recycling materials or in technologies that use fossil fuels more efficiently, and existing jobs becoming greener through organisations adapting to become low carbon.

Although there is not an established integrated ‘green jobs strategy’ in place, it is an essential component of delivering the long term vision for a low carbon Manchester. Recent agreement by AGMA’s Environment Commission to produce a Greater Manchester Climate Change Strategy by May 2011 constitutes a step in that direction. Several key elements of a ‘green jobs strategy’ have already been put together in the Delivery Plan for the Low Carbon Economic Area (LCEA), which sets out a range of measures on district heating systems, smart grids, microgeneration and retrofitting residential as well as public buildings across Greater Manchester. The Head of Environmental Strategy also described a number of other schemes designed capitalise on the ‘first mover advantage to attract inward investment, developing training and skills opportunities for Manchester residents and developing a low carbon culture in Greater Manchester businesses.

The Committee welcomed Mr Marc Hudson, Editor of Manchester Climate Fortnightly. Mr Hudson commended the Council for its efforts to educate residents about climate change and for making it a priority within the Council’s Climate Change Action Plan. He commented that creating ‘green’ jobs based on the assumption of economic growth is not compatible with tackling climate change in the long term. He added that there has been a number of research studies into maintaining a ‘steady state economy’ in particular work by Professor Kevin Anderson at the Tyndall Centre for Climate Change. He defined a steady state economy as one with stable or mildly fluctuating levels in population and consumption of energy and materials. If Manchester wanted to make the most of the ‘first mover advantage’, the Council should look to carry out further research into this.

Members discussed ‘green jobs’ in Manchester noting that it is not a new concept. A member referred to times when the Council used to make money by producing fertiliser from street sweepings, and asked whether similar schemes had been explored. The Head of Environmental Strategy said that projects such as these were

being explored, for example there is a trial project under way in Greater Manchester converting organic waste into energy

The Committee welcomed the ambitions to secure 'first mover advantage' and attracting low carbon investment. A member sought clarification on whether Manchester is in a position to achieve these ambitions in light of its 13th position ranking of green cities in the UK. The Head of Environmental Strategy noted that Manchester is 13th in the official rankings of green cities in the UK. These rankings are a useful tool in helping us to understand the actions that need to be taken to address the reasons why Manchester is not in a higher position and more work needs to be done with partners across the region to compete with other cities.

The Strategic Director for Neighbourhood Services explained some of the work being undertaken at the City Region level including a recent strategic meeting between senior officers of Greater Manchester with senior officials at several Government Departments including CLG and DECC to discuss how Greater Manchester's schemes could operate in partnership with Government to maximise investment from the private sector to progress these ambitions

In response to a question about the number of jobs that could be created in a low carbon economy, and whether these will be sufficient to maintain full employment, the Head of Environmental Strategy said that new jobs that might be created, but it was not appropriate to consider 'green jobs' as a single solution that would be able, on its own, to create or maintain full employment. Opportunities such as apprenticeship schemes specifically for young people will be developed. It is important that Manchester is in a position to attract investment in manufacturing and new technologies to maximise the number of green jobs available for residents.

Although members welcomed the potential for a low carbon economy to create jobs, some members felt that achieving this ambition required a wider culture change to encourage residents to embrace green lifestyles to maximise these benefits. A member referred to Denmark as an example of good practice. The Head of Environmental Strategy confirmed that this was a necessary element of ensuring a low carbon economy is successful and specific schemes are in place to increase skills and training about the environment. Manchester's 'A Certain Future' Climate change Action Plan' placed a strong emphasis on encouraging people to adopt green lifestyles. He added that there is a target to provide one day's training or learning for every student in Manchester, which will also promote green lifestyles.

In discussion of the Coalition Government's approach to skills and training, a member queried whether this would have an impact on the LCEA Delivery Plan which set out to co-ordinate and focus training and skills activities by setting frameworks for the commissioning of skills funding for adults and 16-19 year olds building stronger links between different types of training. The Head of Environmental Strategy said that the Government approach is focused on a market-based approach and some of the LCEA actions will need revisiting. The Regeneration manager (Employment and Skills) said that the Government's Skills Strategy had been published that morning and details of its impact were not yet known. Members agreed to add the Government Skills Strategy to the work programme for a future meeting of the Committee.

A member asked whether the concept of the 'steady state economy' and its possible implications would be explored any further. The Head of Environmental Strategy said that a large amount of research was already available on this and officers could put together a summary of this information for members. The Committee agreed to incorporate this into the work programme for a future meeting

Decision:

1. To request a further report to a future meeting of the Committee on the Government Skills Strategy and the implications for training and development provision in Manchester.
2. To ask the Head of Environmental Strategy to provide members with a summary of the research on a 'Steady State Economy' to a future meeting of the Committee.

**EES/10/50 Promoting and Encouraging High Tech Industries
and Research and Development in Specialist
Industries**

The Committee considered a report of the Assistant Chief Executive (Regeneration), which informed members on current activity around the promotion, and development of high-tech industries in Manchester and how this is contributing to the skills and employment of Manchester residents.

The Principal Economic Development Officer told members that a number of key initiatives are currently being undertaken across the city, focused on driving the development of high tech, high growth companies, sector specific research & development, and the development of skills and employment opportunities. Manchester's strength in this sector is highlighted by a number of initiatives including the Manchester Corridor, the Sharp Project, University of Manchester Incubation Company (UMIC) and the Innospace Incubation, Manchester Metropolitan University. The report highlighted some other potential initiatives, barriers to developing high tech industries and Manchester's position to develop a stronger high tech economy.

A member asked whether the £1.4billion Regional Growth Fund was still available in light of the Comprehensive Spending Review. The Principal Economic Development Officer told members that the fund is still available and is aimed at promoting private sector growth in the English regions.

A member asked for further information about specific companies that have benefited from the incubation facilities, how successful they have been and detail about where further investment is needed. He was particularly interested in finding out more about chip design and manufacturing companies in Manchester. The Principal Economic Development Officer replied that whilst he did not know the specifics around the chip manufacturing sector in Manchester, the physical manufacture of commodities such as chips is increasingly being off-shored to lower cost economies. However, he was keen to stress that the high-value, high-tech aspect of the manufacturing process - the research & development and design of these products - was something that the city was focused on retaining.. More information about this

will be reported back to the Committee via the Information and Overview Report.

Members asked about support after incubation and about the work being done to retain high tech industries in the city after this period. The Regeneration Manager (Employment and Skills) explained that the incubation companies support new start up businesses in the first three years of operation. More work has been done to support businesses after this stage, such as developing clusters or hubs of specialised industries with a particular view to retaining knowledge in the city region. She gave the example of the development of a medical science cluster based around the University Hospital South Manchester (UHSM). UHSM, in partnership with the City Council, has been exploring how best to maximise the economic potential of their assets in West Wythenshawe. Aligned to the West Wythenshawe Local Plan, partners are undertaking initial feasibility work on the viability of developing a high-tech medical science cluster in the area. A member referred to a proposed development near Manchester Airport as another example.

The Committee stressed the importance of long term retention of academic talent and high tech industries in the city. A member asked how Manchester residents would be able to benefit from employment and progression opportunities provided in this sector. The Regeneration Manager (Employment and Skills) referred to the Manchester Corridor as an example of how employment opportunities for local residents are being integrated into project priorities. Doing this for smaller companies is more difficult but apprenticeships and progress of Manchester residents is being monitored.

Decision:

1. To note the report
2. To ask the Principal Economic Development Officer to provide members with specific information about companies that have benefited from the incubation facilities, how successful they have been and if they are still located in Manchester

EES/10/51 Work and Skills Partnership Risk Register

The Committee considered a report of the Regeneration Manager (Employment and Skills), which set out the revised risk register of the Work and Skills Thematic Partnership. The report explained the structure of the Partnership, its key priorities, the key risks that may hamper the delivery of thematic objectives, and the actions in place to mitigate those risks.

The Chair informed members that the Overview and Scrutiny Coordinating Group has asked all overview and scrutiny committees to look at the risk registers of the thematic groups that they are aligned with, in order to select items for the Committee's work programme.

A member suggested looking at the proposed Employer Engagement Strategy, which will coordinate to co-ordinate employer engagement activities across the Council and its Partners to create a coherent offer to employers and maximise benefit in terms of vacancies generated and employers taking up skills and business support

opportunities. Engaging with employers is a key priority especially in terms of the Government Work Programme. The Committee agreed to look at this next year.

Decision:

1. To note the report
2. To agree to add an item to the work programme in the next municipal year to look at the Employer Engagement Strategy.