

## **Economy Scrutiny Committee**

### **Minutes of the meeting held on 20 June 2012**

#### **Present:**

Councillor Green – in the Chair  
Councillors Barratt, Chamberlain, Davies, Fender, Hackett, Karney, Pritchard, Richards, Shone (present for items ESC/12/07 onwards), Simcock, Smitheman, Stogia and Walters

Councillor N Murphy, Executive Member for the Environment  
Councillor Leese, Leader of the Council  
Councillor Swannick, Member of the Committee of the Regions, European Union

Mark Atherton, Director of Environment, AGMA  
Dave Coleman, Cooler Projects  
James Farr, New Economy,  
Rupert Greenhalgh, New Economy  
Marc Hudson, Climate Change Monthly  
Andrew McIntosh, GM Core Investment Team  
Lydia Merrill, SERA, the Socialist Environment and Resources Association  
Ann Parkes, Greater Manchester Green Deal Project Manager, AGMA  
Joe Ravetz, Centre for Urban and Regional Ecology, University of Manchester  
Helen Rimmer, Friends of the Earth  
Helen Seagrave, Envirolink

#### **Members of the public present:**

Ali Abbas, Friends of the Earth  
Arwa Abuwara, Manchester Climate Monthly  
Maurice Barnes  
Brian Candeland  
Judith Emanuel  
Chris Hyland  
Hannah Knox, University of Manchester  
Andrew Leask, Trafford Ecohouse  
Laurence Menhinick  
Simon Moule  
Angela Mugan  
Anne Power, Green Party  
Steven Pratt  
Patrick Sudlow  
Jane Ward

#### **Apologies**

Councillor Chappell, Keegan, Ollerhead and Taylor

**ESC/12/06          Minutes**

The minutes of the meeting held on the 23 May 2012 were submitted for consideration. A member asked for his apologies to be included.

### **Decision**

To approve the minutes of the meeting on 23 May 2012 as a correct record of the meeting, subject to the inclusion of Councillor Pritchard's apologies.

## **ESC/12/07            Manchester's Economy in the Context of Environmental Sustainability**

A report of the Deputy Chief Executive (Neighbourhoods) and the Head of Environmental Strategy was submitted to the meeting. The report provided an assessment of the tensions between environmental sustainability and economic growth and provided a model of the sustainable economic growth in Manchester, comparing it with other economic models including 'steady state' economics.

The Head of Environmental Strategy introduced the report and the Committee welcomed Rupert Greenhalgh, of New Economy, to the meeting, who had contributed to the report and presented it to the Committee. He told the Committee that the country faced turbulent economic times and it was important to retain focus on improving environmental sustainability. He emphasised that economic growth should deliver prosperity and social justice, which was particularly important in deprived areas of Manchester. He said that the 'steady state' economic model provided useful lessons and ideas, but applying it to Manchester would result in the city being unable to deliver the prosperity necessary for its residents. In Manchester, it was necessary to focus on increasing the number of jobs available and ensuring that residents had the appropriate skills for those jobs. The role of the Council and its partners in this was continuing to create favourable circumstances in Manchester for enterprise and growth, within the context of increasing the focus on environmental sustainability.

A member reminded the Committee that this item was added to the work programme of the Committee in response to an earlier report on steady state economics. He noted that the Committee had asked the report is written in conjunction with the signatories of an email that was sent to the Chair, but that the report submitted had been written by Council officers alone. The Head of Environmental Strategy confirmed this had been the original intention in producing the report and told the Committee that a meeting had been held to which the signatories of the email were invited to discuss the report and present their views before the report was due to be published. He said that, however, the timescales were too tight to consult effectively with the signatories of the email fully and it was decided that it would be preferable for them to put their views forward to the Committee themselves.

A member noted that the report contained a number of economic models and made the point that the test of models was how they worked in reality. He emphasised that Manchester should be leading the way in finding innovative ways to develop the economy for residents while limiting the impact on the environment and that the long term approach was vital to do this. Mr Greenhalgh agreed, and pointed out that

assessing the impact of policy choices was crucial. Economic policy needed to be cost effective, sustainable and deliver results.

A member noted that the report did not mention engaging with residents, saying that this was a crucial aspect of achieving the goals within the Council's policy on environmental sustainability. The Head of Environmental Strategy agreed that it was critical and a key component of the Council's overall environmental strategy, but that the focus of this report was the economic aspect.

The Chair invited representatives of environmental groups to address the Committee. Marc Hudson, Editor of Manchester Climate Monthly, asked the Committee to consider three suggestions when making recommendations:

- That the Executive Member for the Environment is renamed to the Executive Member for the Environment and Climate Change;
- That the other scrutiny committees look at how environmental sustainability and climate change can be prioritised within their remits;
- That the members visit eco projects such as Charlie Baker's house in Chorlton.

Dave Coleman, Director of Cooler Projects, told the Committee that, as a business person, he felt that it was important that policy makers recognised that infinite economic growth in a world of finite resources was not possible.

Joe Ravetz of the Centre for Urban and Regional Economy at the University of Manchester told the Committee about ways in which the theories behind 'steady state' economics can be applied on a local level. For example removing the link between economic growth and the use of resources, particularly use of carbon ('de-coupling') and identifying local businesses and areas of growth where this is possible.

Helen Rimmer, of Friends of the Earth, made three key suggestions:

- That the Council, through its position as a major user of energy and its influence over other organisations, could put pressure on local energy service companies to become greener, for example by decarbonising the energy supply.
- That the Council develops a procurement policy that focuses on sustainability.
- That the Council leads the way in evaluating prosperity by looking beyond Gross Domestic Product (GDP), focusing on carbon, resource use, wellbeing and life expectancy.

Lydia Merrill, of SERA, the Socialist Environment and Resources Association, told the Committee that Manchester has the opportunity to become a centre of learning for environmental sustainability. She urged the Council to engage with schools, further education colleges and universities to encourage them to prioritise carbon reduction and environmental sustainability.

The Committee welcomed Councillor Neil Swannick to the meeting. He told the Committee that the European Union's Committee of the Regions, of which he was member, had received a report from the European Commission called "Beyond GDP" which expressed growing dissatisfaction with GDP as a measure of prosperity. The report suggested that instead of "growth at all costs" or "no growth at all" there should

be a different way to measure prosperity that was not based solely on growth.

**Decision:**

To note the information contained in the report, and defer agreeing recommendations until ESC/12/09, Feedback and Conclusions.

**ESC/12/08            Themes for Environmentally Sustainable  
Economic Development**

A report of the Deputy Chief Executive (Neighbourhoods) and the Head of Environmental Strategy was submitted to the Committee. The report summarised three themes for environmentally sustainable economic development: Green Jobs and Skills, Green Business and Green Investment.

**Decision:**

To adjourn the meeting.

**During the adjournment the members formed three working groups, which were attended by members of the public, to discuss the three themes in more detail.**

**ESC/12/09            Feedback and Conclusions**

Following the reconvening of the meeting, the Chair summarised the proposed recommendations for the Committee to agree, including those that had been suggested in the earlier part of the meeting:

1. To recommend that the Executive Member for Environment considers ways in which the Council's relationships with energy supply companies could be used to reduce carbon use in the Council and the city. To recommend that the Neighbourhoods Scrutiny Committee reviews current proposals and further opportunities in this process.
2. To recommend that the Council's existing sustainable procurement policies are reviewed to with a view to establishing best practice in terms of outcomes for the low carbon economy and environmental sustainability.
3. To request a report on the 'greening' of the Greater Manchester Strategy, including aspects relating to investment in low carbon programmes.
4. To request that New Economy works with Manchester City Council to research and develop additional measures to Gross Value Added (GVA).
5. To request a report on the Manchester Carbon Literacy project and its proposals for the city.
6. To recommend that Manchester City Council acknowledges the finite nature of resources and that this is taken in to consideration in economic decision making.
7. To recommend that Manchester City Council uses its influence and partnerships to continue the development and delivery of strategies and programmes that embed sustainability in schools and further education

- curriculum.
8. To recommend that all scrutiny committees consider the climate change implications for their areas of work.
  9. To encourage members to visit Charlie Baker's house in Chorlton and other eco houses open to the public, and to request that details of these are circulated to members of the Committee.
  10. To request that environmental organisations make greater efforts to involve a broader spectrum of Manchester residents in their activities, particularly those from backgrounds and areas who are less likely to be environmentally aware.
  11. To recommend that the Council notes the development of a grassroots report by members of the public on issues discussed during this meeting, and to invite Council officers to contribute.

The Chair of each of the working groups then summarised the discussion held in their working group and the recommendations they were suggesting that the Committee endorse.

Councillor Richards, Chair of Working Group A, which discussed Green Jobs and Skills, informed the Committee that in general, the working group felt the structure of the meeting was slightly too formal and the working group would have benefited from less focus on presentations and more on discussion.. The recommendations of Working Group A were:

1. To note that the presentation on Green Jobs and Skills focused on the green jobs created by environmentally sustainable measures, rather than the broader changes to most jobs that would happen in the future. To recommend that in future, the broader sense is used to ensure that it reflects the impact across the whole economy and jobs market and that this is progressed by the GM Employment and Learning Partnership.
2. To recommend that the Council focuses more on being creative and ambitious in developing strategies to ensure the economy and jobs market become environmentally sustainable, and less on responding to outside policies and pressures. To also recommend that the Council shares the best examples of what has worked and ensure that knowledge learned from these is shared across Greater Manchester.
3. To recommend that the Council works with schools, colleges and adult education providers to ensure their curriculums reflect the need to develop new skills in a lower carbon economy. To ensure that education establishments are making the most of the expertise available along with engaging with groups who are willing to work with them.

Councillor Stogia, Chair of Working Group B, which discussed Green Business, informed the Committee that the recommendations of Working Group B were:

1. To request that Council officers draw up a plan to produce a comprehensive and integrated package for local businesses that sets out what support and funding is available to make businesses more green and to stimulate demand for low carbon goods and services.
2. To support the transition to a local low carbon economy.
3. To request that Council officers explore financial mechanisms aside from grant funding, (for example, the use of financial instruments and EU funding) that are available for green businesses.

The Leader suggested that 1 and 3 of these recommendations would most effective if taken up on a Greater Manchester level, which the Committee agreed.

Councillor Simcock, Chair of Working Group C, which discussed Green Investment, told the Committee that the recommendation of Working Group C was:

1. To recommend to the government that it should review the criteria for assessing funding for infrastructure projects, for example in the Regional Growth Fund, so that they include specific priorities around supporting low carbon industry and creating low carbon jobs. This will stimulate investment in the green agenda and low carbon infrastructure as existing funding criteria and priorities are too focused on short term economic growth.

The Committee agreed to all of the suggested recommendations. Members agreed the meeting had been a successful new approach to investigating a subject in detail. The Committee asked the Executive Member for the Environment to liaise with the press office to produce a press release about the meeting.

**Decision:**

To agree to the recommendations suggested in the meeting as set out above.

**ESC/12/10          Overview Report**

**Decision:**

1. To agree the current work programme.
2. To defer considering the information contained in the Overview Report until the July meeting.

## **Minutes from the Economy Scrutiny Committee: Working Group A**

### **Minutes of the meeting on 20 June 2012**

#### **Present**

Councillor Richards – Chair  
Councillors Hackett, Karney, Pritchard, Shone, Smitheman and Walters

James Farr, New Economy  
Ann Parkes, Greater Manchester Green Deal Project Manager, AGMA

#### Members of the public present:

Judith Emanuel  
Chris Hyland  
Laurence Menhinick  
Simon Moule  
Angela Mugan  
Anne Power, Green Party  
Steven Pratt  
Jane Ward

#### Officers present:

Angela Harrington, Interim Head of Regeneration  
Eleanor Fort, Scrutiny Support Officer

### **ESC-A/12/01            Green Jobs and Skills**

The working group received a presentation on green jobs and skills from James Farr of New Economy and Ann Parkes, the Green Deal Project Manager. The presentation focused on how the economy was developing in terms of environmental sustainability and where new jobs were being created. The presentation also included information on future challenges and the measures that were being adopted to meet them. Ms Parkes focused on the Green Deal, which is a scheme to provide free and discounted adaptations to houses to increase energy efficiency, and the direct impact this has on the local economy.

The working group and members of the public discussed the following matters:

- That many low paid people did not qualify for free adaptations through the Green Deal, even though they could not afford them;
- That the division between the economy as a whole and green jobs was misleading one, as in the future all jobs would need to take into account environmental sustainability;
- That the Council only had limited powers and what was needed was extensive improvement to technology and infrastructure;
- That the definition of 'green jobs' in the presentation was too narrow in that it included jobs that were being created through green industries alone. It was also noted that it did not include jobs in the nuclear sector;

- The number of houses that would be improved through the Green Deal over the next 3 years. The presentation stated that this would be 15,000, although Ms Parkes clarified that this was the minimum number and in order to meet the Council's aims in the Climate Change Strategy, 600,000 houses would need to be improved;
- The need to educate people at an early age about green jobs and the need to develop skills that will be required in the jobs;
- That the presentation gave the impression that the Council and its partners in the city approached the matter of green jobs in response to government policy, and that instead there was a need to come up with innovative, locally based ways of approaching the issues raised. In addition, that there needed to be more learning from past practices and successes;
- The need to ensure that schemes and developments benefit local communities, not just companies;
- That there was a need to redesign how work and employment is organised to avoid the current circumstances of many people working very long hours and many other people not working at all;
- The ways in which Manchester was responding to the need for new skills in green jobs, which include schemes to engage young people such as the Siemens green technology hub.

## **Decision**

The working group made the following recommendations:

1. To note that the presentation on Green Jobs and Skills focused on the green jobs created by environmentally sustainable measures, rather than the broader changes to most jobs that would happen in the future. To recommend that in future, the broader sense is used to ensure that it reflects the impact across the whole economy and jobs market and that this is progressed by the Greater Manchester Employment and Learning Partnership.
2. To recommend that the Council focuses more on being creative and ambitious in developing strategies to ensure the economy and jobs market become environmentally sustainable, and less on responding to outside policies and pressures. To also recommend that the Council shares the best examples of what has worked and ensure that knowledge learned from these is shared across Greater Manchester.
3. To recommend that the Council works with schools, colleges and adult education providers to ensure their curriculums reflect the need to develop new skills in a lower carbon economy. To ensure that education establishments are making the most of the expertise available along with engaging with groups who are willing to work with them.



## **Minutes from the Economy Scrutiny Committee: Working Group B**

### **Minutes of the meeting on 20 June 2012**

#### **Present**

Councillor Stogia - Chair  
Councillor Davies  
Helen Seagrove, Envirolink

#### Members of the public present:

Patrick Sudlow  
Maurice Barnes  
Andrew Leask, Trafford Ecohouse

#### Officers present:

Michael O'Doherty, Head of Climate Change, Buildings and Energy  
Donna Barnes, Scrutiny Support Officer

### **ESC-B/12/01            Green Business**

The group received a presentation by Helen Seagrove of Envirolink on Green Business which provided information on the environmental sustainability of all businesses, low carbon and environmental sector and current support available.

#### The presentation provided an overview of:

- Opportunities for businesses in Manchester to reduce the impact on the environment and save money;
- The current low-carbon and environmental sector in Manchester;
- Support measures available to small and medium enterprises and low carbon businesses;
- The strategic focus of the Council.

The group then engaged in a discussion which centred around what the Council should be doing to support the transition to a low carbon economy (in terms of its own policies and strategies) and potential links with other initiatives and agendas.

#### The working group discussed the following topics:

- measures to promote a low carbon economy through economic development activities
- existing financial support for green businesses and the challenges ahead
- alternative sustainable funding arrangements
- the extent to which the Council's procurement process may be amended to stimulate demand and encourage local suppliers

#### **Decision**

1. To request that Council officers draw up a plan to produce a comprehensive and integrated package for local businesses that sets out

what support and funding is available to make businesses more green and to stimulate demand for low carbon goods and services.

2. To support the transition to a local low carbon economy
3. To request that Council officers explore financial mechanisms aside from grant funding, (for example, the use of financial instruments and EU funding) that are available for green businesses.

## **Minutes from the Economy Scrutiny Committee: Working Group C**

### **Minutes of the meeting on 20 June 2012**

#### **Present**

Councillor Simcock - Chair

Councillors Barrett, Chamberlain and Fender.

Mark Atherton, Greater Manchester Director of Environment, Environment Commission

Andrew McIntosh, Greater Manchester Core Investment Team

#### Members of the public present:

Brian Candeland

Ali Abbas, Friends of the Earth

Hannah Knox, University of Manchester

Arwa Abuwara, Manchester Climate Monthly

#### Officers present:

Carolyn Whewell, Scrutiny Support Officer

### **ESC-C/12/01 Green Investment**

The group received a presentation on low carbon infrastructure investment from Mark Atherton, Director of the Environment for the Greater Manchester Environment Commission and Andrew McIntosh from the Greater Manchester Core Investment Team.

The presentation informed the group about the two major green strategies, the Climate Change Action Plan and the Greater Manchester Energy Plan. It outlined some of the key low carbon projects that had been invested in across Greater Manchester such as the “get me toasty” campaign, social housing retrofit programme and low carbon transport. It also described the ‘City Deal’, part of which would fund a 50/50 joint venture company to develop a portfolio of investment opportunities such as retrofitting public buildings and heat networks. It would also create a low carbon hub to develop pilot projects focused on reducing carbon emissions and promoting energy efficiency in homes and businesses across Greater Manchester. The presenters emphasised the importance of investing in low carbon projects to create jobs in the future.

Following the presentation, the group discussed the following topics:

**Bringing manufacturing back to the UK** – the group discussed green projects which have resulted in products being imported from other areas of the country or from overseas. A member referred to recent projects to fit solar panels to social housing where the panels were imported from China. The group looked at the potential for creating jobs through investing in manufacturing products or replacement parts in Greater Manchester. The Director of Environment emphasised the importance of investing the manufacture of products where the UK was leading technological development, for example off shore wind turbines.

**Stimulating innovation** – the group discussed the importance of investing in new emerging technologies to develop the next generation of green technology. The group agreed that it was important to maximise existing academic expertise in universities develop new technologies. They also considered it important to invest in smaller projects and not for profit businesses to develop new green products. The Director of Environment said that the low carbon hub would look at investing in developing ideas from smaller companies and not for profit businesses.

**Investment criteria** – the group discussed the mechanisms in place for linking low carbon infrastructure projects in Manchester with other areas of the north west, and the associated benefits of seeking funding for infrastructure projects at a regional level, for example through the Regional Growth Fund. The Director of Environment said that the Local Enterprise Partnership would co-ordinate joint working and applications for funding projects. The group noted that most targets for funding projects were based around creating economic growth, with little or no priority given to the green agenda. One of the biggest challenges to stimulate investment was to demonstrate that the low carbon industries were as good at creating jobs as other areas. The transition to a low carbon economy required a long term focus. The group agreed that a wider culture change, led by central government would be needed to promote investment in the low carbon infrastructure. To do this, the government would need to change the criteria for assessing funding for projects to include specific priorities around supporting low carbon industry and creating low carbon jobs. The group agreed to recommend that the Economy Scrutiny Committee follow this up.

### **Decision**

To recommend to the government that it should review the criteria for assessing funding for infrastructure projects, for example in the Regional Growth Fund, so that they include specific priorities around supporting low carbon industry and low carbon jobs. This will stimulate investment in the green agenda and the low carbon infrastructure as existing funding criteria and priorities are too focused on short term economic growth.