

**DRAFT GREATER MANCHESTER COMBINED AUTHORITY (GMCA)  
ECONOMY, BUSINESS GROWTH AND SKILLS SCRUTINY COMMITTEE  
HELD ON FRIDAY 8 JUNE 2018 AT the GMCA OFFICES**

**Present:** Councillor Michael Holly (Rochdale) (in the Chair)

Bolton	Councillor Susan Haworth
	Councillor Kevin McKeon (sub)
Bury	Councillor Robert Caserta
	Councillor Mary Whitby
Manchester	Councillor Luke Raikes
Oldham	Councillor Chris Goodwin
	Councillor Hazel Gloster (sub)
Salford	Councillor Kate Lewis
	Councillor Tanya Burch (sub)
Stockport	Councillor Jude Wells
Trafford	Councillor Barry Brotherton
Wigan	Councillor Charles Rigby

**In attendance:**

GMCA	Richard Leese (Portfolio Leader Economic Strategy)
Manchester Airports Group	Tim Hawkins (Chief Strategy Officer, MAG)
GMCA Officers	Simon Nokes (Executive Director Policy & Strategy) Susan Ford (GMCA Statutory Scrutiny Officer) Jenny Hollamby (Governance & Scrutiny)

**E32/18 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Barbara Brownridge (Oldham), Yvonne Cartey (Tameside), Karen Garrido (Salford) and Mark Hunter (Stockport).

**E33/18 MEMBERSHIP FOR THE 2018/19 MUNICIPAL YEAR**

The Committee noted its Membership appointed by the GMCA on 25 May 2018 for the 2018/18 Municipal Year.

**RESOLVED:** That Membership for 2018/19, as agreed by the GMCA at its meeting held on 25 May 2018 be noted.

**E34/18 APPOINTMENT OF CHAIR 2018/19**

The Statutory Scrutiny Officer asked for nominations from Members for the role of Chair for the 2018/19 Municipal Year. Councillor Robert Caserta (Bury) proposed Councillor Michael Holly (Rochdale) and Councillor Charles Rigby (Wigan) seconded the proposal. It was agreed that Councillor Michael Holly (Rochdale) be appointed as Chair of the Economy, Business Growth & Skills Overview and Scrutiny Committee for

the 2018/19 Municipal Year. Councillor Michael Holly took the Chair.

**RESOLVED:** That Councillor Michael Holly (Rochdale) be appointed as Chair of the Committee for the 2018/19 Municipal Year.

**E35/18 APPOINTMENT OF VICE-CHAIR 2018/19**

The Chair asked for nominations for the role of Vice-Chair. Councillor Kate Lewis (Salford) proposed Councillor Karen Garrido (Salford) and Councillor Susan Haworth (Bolton) seconded the proposal. It was agreed that Councillor Karen Garrido be appointed as Vice-Chair for the 2018/19 Municipal Year.

**RESOLVED:** That Councillor Karen Garrido (Salford) be appointed as Vice-Chair of the Committee for the 2018/19 Municipal Year.

**E36/18 MEMBERS' CODE OF CONDUCT AND ANNUAL DECLARATION OF INTEREST FORM**

Members noted the Code of Conduct for their GMCA role. Members were reminded to complete the annual declaration of interest form and return it to the Governance and Scrutiny Officer within 28 days of their appointment onto the Committee.

**RESOLVED:**

1. That Members noted the code of conduct.
2. That Members complete the annual declaration of interest form within 28 days of their appointment onto the Committee.

**E37/18 TERMS OF REFERENCE**

Members noted the terms of reference and agreed the dates and times of future meetings. Members also agreed that future meetings would commence at 2.00 pm.

**E38/18 CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS**

There was no urgent business.

**E39/18 DECLARATIONS OF INTEREST**

Councillor Jude Wells (Stockport) declared a personal interest in Item 10 on Manchester Airport: Economic as her partner being a member of the Consultative Committee, Councillor Luke Raikes (Manchester) also declared an interest as he also sat on the same Committee.

**E40/18 MANCHESTER AIRPORT:ECONOMIC IMPACT AS A SIGNIFICANT ASSET**

Consideration was given to a report that set out how Manchester Airport and the Manchester Airports Group (MAG) supported GM's growth ambitions. The report outlined the economic benefits delivered by Manchester Airport as a strategic asset for GM and the Northern

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Powerhouse, and highlighted Manchester Airport's performance against similar airports. It also set out MAG's longer-term investment plans and how those would continue to support GM's aspirations around internationalisation and economic development.

Tim Hawkins, Chief Strategy Officer, Manchester Airport Group introduced the item and highlighted the following areas:

- Growth in GM had been strong over the last ten years.
- The direct route to Beijing was particularly important as a new route to market.
- The new pier was expected to be completed in April 2019.
- The impact of growth of Manchester Airport would be greater than the Heathrow expansion.
- Access to the airport from districts in the north required improvement.
- The Airport City South site was now fully committed with no spare sites.

Members were asked to be mindful of commercial sensitives when asking questions. In discussion, the main areas covered were:

- The Chair welcomed the detail of the report and noted the scale of the Airport's growth opportunities of the Airport, and the work had taken place on the Enterprise Zone.
- Discussions took place about Air Passenger Duty (APD). Lobbying efforts have been focussed on securing an 'APD holiday' on new long haul routes or the implementation of an introductory rate. It was hoped that such an approach would incentivise commercial opportunities, increase the tax base and could be easily implemented.
- Was Manchester Airport an anchor institution in relation to inclusive growth in the city region? The Committee were assured that MAG was committed to responsible development and reported on Corporate Social Responsibility (CSR) measures in their annual report. These included measures on social, environmental and economic employment across the region and would be shared with Members.
- Members requested more information regarding how it was intended to increase apprenticeship numbers. The Committee were informed that that MAG's approach had focused on providing good quality apprenticeships with an emphasis on technological skills. Workforce training was also discussed and the work MAG did towards workforce training and developing employees' skills, for example in customer service and security roles, was highlighted. There had also been problems with accessing the apprenticeship levy. MAG additionally emphasised that they were committed to carrying out more work in this area.
- Members noted that the report stated 30% of the workforce volunteered and asked whether this percentage could be attributed to MAG initiatives or whether this reflected employees who volunteered

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anyway. It was clarified that this percentage was a MAG target and was included in the measures in their Annual CSR Report. It was also noted that MAG worked with other companies on site to encourage employees to volunteer.

- A Member raised Chinese Investment, as referenced in paragraph 4.2 of the report, and questioned whether there were any concerns associated with this. Members were informed that relevant risk management procedures were followed and that Chinese investment represented a relatively small percentage of the total being invested in the Airport and within the city region.
- Members requested more information in relation to MAG's work to award contracts locally. MAG had set a target of 75% spend on the Manchester Airport Transformation Programme being awarded to suppliers within 30 miles of the airport and this was being met. This was monitored with contractors and had formed part of the procurement process and contract award.
- Members queried whether MAG had analysts for assessing the Airport's impact on climate change. Members were informed that this was outsourced to external companies. MAG also have set clear targets for reducing carbon emissions and worked with external auditors to verify these figures. The MAG CSR lead was active in a UK Industry Partnership called Sustainable Aviation. This brings together relevant partners to identify opportunities to reduce overall carbon emissions in the long term. Increasing fuel efficiencies of planes and improvements in airfield management could also assist with emission reductions.
- Members supported improving access to Manchester Airport from across the conurbation.
- A Member asked whether information was available on which GM areas were accessing employment and procurement opportunities within the airport. It was confirmed that this data was available and would be circulated to the Committee.
- Members noted the Airport's Enterprise Zone status and it was asked what work took place with local universities in relation to this. It was noted that companies within the Enterprise Zone worked with universities according to their business requirements. Additionally MAG had recently commissioned a research from Manchester Metropolitan University around attitudes towards and societal impacts on aircraft noise.
- Members asked what was meant by bilateral aviation agreements. It was explained that these were agreements between countries which allowed access to aviation space and for airlines to fly to countries. A large proportion of these agreements were determined through EU agreements and would need to be renegotiated following the UK leaving the EU. Discussions were ongoing currently around this. The

Committee would be notified if their support was needed for the lobbying of government.

- Members raised potential issues about competing internationally with other airports following Brexit. The potential of the Manchester Airport transformation programme was highlighted in relation to this as was the discussions taking place around the reform of APD to enable the UK to compete at an international level.

### RESOLVED:

1. That the report be noted.
2. That it be agreed that the MAG Annual Report, which highlighted their Corporate Social Responsibility (CSR) work, be circulated to Members of the Committee.
3. That it be agreed that information on GM areas accessing employment, apprentices and procurement opportunities at the Airport be circulated to the Committee.
4. That the Committee supported MAG in its lobbying to government around high-speed rail connectivity into the airport (HS2 and Northern Powerhouse rail) and aviation policy issues, including air passenger duty (APD) and bilateral aviation agreements.

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### LOW PAY IN GM

Members considered a report, introduced by the GMCA's Chief Economist, Alan Harding, which provided a summary of the analysis of low pay in GM and some of the GMCA's policy responses to low pay.

- It was noted that the task and finish group was going to focus its efforts on the GMCA's employers' charter and how this could drive social value. A report would be provided at a future meeting when more in-depth work had been undertaken.
- How could the data collected at district level support reporting on an inclusive economy? Change would be measured and recorded in the State of Greater Manchester Report using a whole range of measures, acknowledging the limits of GVA as a measure. The productivity puzzle would be considered. Measures were being defined that districts supported.
- Development of the workforce in local authorities was a district responsibility and would impact on inclusivity. Members were encouraged to find out about ethical procurement in their own districts.
- A Member asked that references to the living wage also make reference to the foundation wage.
- A Member asked how low pay and low productivity could be improved. Investment and output did have a relationship, but there were sector specific challenges with improving productivity of the service sector. There was also a positive relationship with improved productivity following investment in education and skills.

- Regarding the low skilled, were there opportunities to improve workers' skill levels? Research showed that for people who were in and out of work, 35% of them stayed in low paid work. Workers had to move jobs to improve pay and training. There were statutory training entitlements to support the acquisition of level 2 qualifications in English and maths. There were loans available to support training, but these loans needed to be more flexible to make them more attractive.

**RESOLVED:** That the report be noted and that this work informs the work of the task and finish group on 'a fair economy and fair wages'.

### **E42/18 SKILLS AND EMPLOYMENT**

Members considered three skills and employment reports as follows:

#### **a) Devolution of the Adult Education Budget (AEB)**

A report was considered that informed Members of the progress of the Adult Education Budget devolution to GM. Attached to the report was a copy of the latest report, which was presented to the GMCA, for information.

In discussion, the main points referred to were noted as follows:

- Chief Executives of districts had delegated power to provide consent.
- Concerns were raised about the financial risks to the GMCA. Discussions were on-going with government and the memorandum of understanding (MoU) would be shared with Members. Treasury could not provide reassurance about the financial risks at this point.
- Appendix B of the report may form part of the MoU. Any problems would be reported back to the Committee.
- Members were concerned about the European Social Fund being available. It would not be available when the UK left the European Union (EU). It was envisaged that a similar fund would be available. Statutory functions were not dependent on the fund.
- A Member asked about colleges and governance. It was advised that there would be no change. Colleges would have contracts with the GMCA and Department for education (DfE).
- Members wanted to know about the impact of learners from outside GM studying in GM colleges. The Committee were assured that it was not envisaged that this would be a problem and that officers were looking at arrangements with individual colleges.
- In terms of the aims of education, there was no mention of learning

for pleasure. The purpose of the adult education budget was to provide training that employers wanted. It was about high level skills, which was a statutory requirement.

**RESOLVED:**

That the report be noted and that it be noted that local authorities would be required to provide consent within a very short timescale following receipt of the final Order in June 2018.

**b) Amendment to Skills Funding**

Members considered a report that provided an update about the youth contract expansion and GM apprenticeship grant for employer's projects. The projects had now concluded. However, they had all been delivered the budget, therefore funding was available for GM to continue to provide support to young people. Agreement had been reached with government, which allowed for the continuation of these funding strands to be kept and delivered by the GMCA. The report had been agreed with the GMCA Skills & Employment Portfolio Lead, and subject to approval by the GMCA, set out the detail of the available funds, grant conditions attached to them and recommendations for future use of the funds in line with the GM strategy priorities 2 and 3, and the GM work and skills priorities.

Members asked a range of questions, which were noted as follows:

- Members supported the use of the remaining budget for continued project activity. The team was working with all 10 districts and Leaders regarding the budget.
- A Member asked why the programmes were under budget. It was explained that funds were saved because of recruiting a smaller number high level apprenticeships which were more costly to deliver. However, overall targets for numbers of apprentices had been met.

**RESOLVED:**

That the report be noted and the proposals for future spend be supported as detailed in the report.

**c) LGF Application – Skills Capital**

Consideration was given to a report that updated Members on the latest position of the Skills Capital Funding and also presented the outcome of the appraisal of both Bury college and Tameside college's round 1 full detailed applications. The appraisal process had been carried out by GMCA staff, with subsequent meeting with the individual colleges.

It was agreed that a report on the bidding process and outcome would be received at a future meeting.

**RESOLVED:**

That the report be noted.

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**WORK PROGRAMME**

A report was presented that set out the Committee's work programme for

Members to develop, review and agree.

It was agreed that a 30 minute session would be held prior to the next meeting on 13 July 2018 to allow Members to focus on the work programme.

Members expressed interest in the following areas:

- Internationalisation.
- Brexit.
- Work of the Growth Hub.
- Local enterprise partnerships (LEPs).
- Graphene Institute (as a GM asset to be utilised).
- The Mayor being invited to attend a future meeting
- Fawcett Society to be invited to a meeting on women's employability.
- Work and health (November 2018).
- LGF Application – Skills Capital (bidding process and outcome report)

The Statutory Scrutiny Officer agreed to update the work programme accordingly.

**RESOLVED:** That the Statutory Scrutiny Officer update the work programme as outlined above.

## **E44/18 MINUTES OF THE LAST MEETING HELD ON 13 APRIL 2018**

The minutes of the last meeting dated 13 April 2018 were submitted for approval.

**RESOLVED:** That the minutes of the meeting held on 13 April 2018 be approved as a correct record.

## **E45/18 DATE AND TIME OF NEXT MEETING**

It was noted that the next meeting would take place on Friday 13 July 2018 at 2.00 pm, Boardroom GMCA, Churchgate House, 56 Oxford Street, Manchester M1 6EU.

## **E46/18 PROGRAMME OF MEETINGS**

**RESOLVED:** That the programme of meetings for 2018-19 be approved as follows:

<b>2018</b>		<b>2019</b>	
13 July	2.00pm	11 January	2.00pm
17 August	2.00pm	8 February	2.00pm
14 September	2.00pm	15 March	2.00pm
12 October	2.00pm	12 April	2.00pm
16 November	2.00pm	17 May	2.00pm
7 December	2.00pm	14 June	2.00pm
		12 July	2.00pm