



Briefing paper on the “COVID-19 - Forward Recovery Planning” document to be discussed at virtual Executive, 6th May 2020.

Produced, for the benefit of Councillors and citizens, by members of *Climate Emergency Manchester*, *Rising Up! Manchester Families*, and *Steady State Manchester*. It does not necessarily reflect the view of all those organisations.

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Summary

This briefing paper examines the COVID-19 - Forward Recovery Planning document (to be discussed at (Virtual) Executive on Wednesday 6th May, 2020. In the document the Council says its “*forward planning work will focus on planning for the city’s recovery including its economy, residents and communities, as well as the impact on the Council including its services and finances. **This work will be undertaken in a way which fully involves all stakeholders in the city in order to develop the best possible forward plans***” (emphasis added) (p.1).¹

We are delighted at this commitment, and we have produced this briefing paper to be complementary to this effort. The briefing paper, produced over the weekend of 2-3rd May by members of various campaigning organisations, also includes a series of proposals about how the aspiration of full involvement of all stakeholders can be turned into concrete fact.

The present briefing paper makes a **number of recommendations**. The top five are:

1. Reinstate the full Planning and Highways Committee, immediately.
2. Commit to a broad range of consultation methods around both the June/July Budget refresh and the “Our Manchester” refresh
3. Commit to preserving all of the environmental gains in terms of air quality, safety, carbon reductions, rather than “some”
4. In light of the monumental changes ahead, the Local Plan should be started again from scratch, using ideas from the responses to the first consultation (Joint Response, 2020).
5. Prioritise economic developments that harness the staying power of the Foundational Economy together with the transformative potential of low to zero carbon investment.

The complete list of recommendations can be found at the end of this document.

Disclaimer

We are aware that the Council document to which we are responding has been created quickly, in conditions of extreme uncertainty. This briefing paper is intended as one way to encourage and support individual citizens and groups to play a full part in the crucial decisions about the response to COVID-19, since the decisions made in the coming weeks and months will shape the city’s prospects for decades ahead. The questions are by no means an exhaustive list.

¹ **Section 1.4** expands on this - “*This work will be undertaken in a way which fully involves all stakeholders in the city, including our residents, businesses and the voluntary and community and social enterprise sector (VSCE). Only by ensuring that all parts of the city are able to contribute to this work, and be fully involved in responding to the challenges that we are collectively facing will we be able to develop the best solutions for our city in as short a time as possible.*”

Introduction and key recommendations

This report to the virtual Executive meeting of Weds 6th May has clearly been produced in an atmosphere of extreme uncertainty, both to the progression of the COVID-19 health crisis that COVID-19 and the economic implications and consequences. Therefore it is to the credit of the officers that it is of the quality it is, both clearly structured and - unusually - very honest about the uncertainties and challenges that lie ahead.

There is much to praise in the document. Specifically, we welcome:

- the budget refresh announced for June-July.
- the commitment to publicly revisit the 'Our Manchester' strategy in the light of COVID-19.
- The recognition that the recovery is likely (**section 5.4.2**) to be L shaped and that the city council's budgets will be severely compromised by loss of income, including that from the airport (**section 7.4.5**).
- The three phase structure of the response.
- The proposal to develop some specific priority initiatives, insofar as they prioritise zero to low carbon transformation at scale (**section 5.3 para 6**)
- **Section 5.6** identifies the possible need for a partnership approach to a regional financial platform, not restricted to the issuance of credit (to already indebted sectors). This could be a groundbreaking idea, IF it prioritised zero to low carbon transformation (see also the appendix to this briefing paper, which proposes a "warmth offer."

There are understandable gaps and silences, given the circumstances under which the report was written. A semi-prioritised list would include:

- The report is almost entirely silent on the future role of Manchester Airports Group. Recent public statements indicate that the Group is not expecting to release a dividend for the next three years, at least. Given that Manchester City Council had expected £60m per year from its 35.5% stake, this is surely worth a paragraph, rather than a paltry mention within paragraph 7.4.5 (Green, 2020). To the extent that the COVID-19 crisis is a catalyst for changes that were in train already (economic stagnation, climate change and other ecosystem degradation, the hydrocarbons and material crisis based on diminishing energy return on investment - EROI²), it is essential that these deeper threats to Manchester's economic prosperity and population well-being are taken seriously, informing the strategy in a systematic and coherent way.
- There is an implicit expectation that the old model of (economic) growth driven by tourism, leisure and construction will and must 'bounce back'. Given that this belief has been a cornerstone of the city leaders' economic thinking for the past 30 years, this is understandable. However, the opportunity to fundamentally rethink how the city creates

² **Energy return on investment (EROI)**, is the [ratio](https://en.wikipedia.org/wiki/Energy_returned_on_energy_invested) of the amount of usable [energy](https://en.wikipedia.org/wiki/Energy_returned_on_energy_invested) delivered from a particular energy resource to the amount of energy used to obtain that energy resource
https://en.wikipedia.org/wiki/Energy_returned_on_energy_invested

and maintains a socially and ecologically just and sustainable future risks being ignored (see recommendations 3 and 4 above). We do not underestimate the challenges of creating a replacement for the reliance of the city and region on those sectors.

Questions and Comments

On reading the document, we found many points at which either much greater clarity is needed (sooner rather than later), or else assumptions we feel should be vigorously challenged.

Page 2 The challenge for the recovery phase is how to urgently restart the city's economy to protect the income and livelihoods of people whilst striving to capitalise on **some** of the positive environmental benefits enjoyed during the COVID-19 lockdown period and enable positive behaviour change that endures for the long term. (emphasis added)

Comment: This seems to imply that the City Council is deciding that some positive environmental benefits are disposable. Which ones are to be sacrificed, and who is deciding the criteria? Why can the Council not use this as a challenge and opportunity to capitalise on **all** of the positive environmental benefits?

3.6 A detailed plan and timetable will be developed for the Executive and the Our Manchester Forum to consider which will set out the phased approach to the reset of the Strategy and in particular how to ensure that quality conversations can take place over the coming months which take into account the Government's approach to opening up the economy. It is envisaged that the reset of the Strategy will take six months to complete from the start of engagement to the production of the new draft Strategy, with the final Strategy being approved early in 2021.

Comment: While we welcome this, it would be good to know who is writing this detailed plan, and when it will be released? What - precisely - is meant by "quality conversations" - who is allowed to participate in them? How can the vast expertise in Manchester's business, academia, and civil society sectors be harnessed to this undoubtedly challenging task? Will these conversations be better than the decidedly patchy delivery of the ward based conversations promised from the Climate Declaration, and better than the rather opaque Local Plan consultation (nothing in other languages, no videos etc).

5.2 Given the severity of the crisis, it is prudent to plan for a recovery period of at least three to five years, and to not expect the economy to bounce back rapidly in a 'V-shape'.

Comment: We welcome this realism about the unlikelihood of a V-shaped recovery but suggest that the city will only enable continuing prosperity and wellbeing if it embraces a distinctively different set of metrics, aims and priorities for its economic strategy. Existing models include the well-being economy being adopted by the New Zealand Labour government and the Doughnut economy model being adopted by Amsterdam.

5.3.4 This will involve maintaining the Council's long held commitment to the quality of design and build of new development, the quality of public realm, spaces and amenity, the creation of place, our commitment to delivering a zero carbon city and our appreciation of the impacts of the new economic landscape on the viability of development. **We recognise these commitments will have an impact on development appraisals, for example, in terms of planning gain, where it will be far more likely that any gain would have to be contracted around development outturn rather than captured up front, for example through Section 106 contributions. Maintaining our requirements around the highest quality standards and a zero carbon approach will create long term value, and as such, it will be key to encourage appropriate investment into the city to maintain development momentum.** (emphasis added).

Comment: This is a pragmatic approach and it implies a change in direction to the governance of planning for the city. This suggests the need to strengthen, not reduce the democratic scrutiny of planning decisions (starting with the reinstatement of planning and highways committee) and to strategise in relation to the constraints imposed by the NPPF.

5.3.5 Continue to plan ahead, ensuring that the new Manchester Local Plan is geared around the new economic reality that emerges post COVID-19... continue to evolve new policy frameworks that support growth in the city, and in particular the city centre, which is the key growth pole and economic driver for the city and the city-region

Comment: We welcome the recognition that there will be a new economic reality. However, does that recognition go far enough? As noted above, it may be more helpful to understand Covid19 in terms of its impact on our systems as a catalyst, an accelerator, of trends and processes that were already in train. If so, then the old model of inward investment-led growth and competitive positioning in the national and global economy, is unlikely to continue to deliver prosperity and well-being for Manchester (and to a significant degree it never did this equitably). Therefore, we suggest a re-prioritisation of processes of local wealth generation, drawing on concepts such as the Foundational Economy and Regenerative Economy, and on the methodology of Community Wealth Building (on which, in terms of local procurement, Manchester is already a leader). Ultimately this means embracing the philosophy of sufficiency rather than endless growth, with a major emphasis on sharing the value from this new, constrained economy, equitably.

Therefore, as per our recommendation 4 above, the Local Plan should be started from scratch

5.6 The Banks will have a clearer sight line on this than most - we should be working with them to develop ideas about a sub-regional (or national) platform for recapitalising businesses which, but for the crisis, had strong market prospects and the potential to generate new local employment opportunities

Comment: We question whether the banks really do have a “clearer line of sight” on this question. Relying on banks to be proactive and concerned with social justice seems optimistic. Banks will be looking to write the rules to benefit themselves: post the 2008 GFC they are relatively risk averse, especially when it comes to supporting “out of the box innovation” of the kind Manchester will need to rely on. It would be good to see the Council engaging more broadly. While we don’t necessarily endorse it, of interest is Jim O’Neill’s suggestion, about grants, and debt equity swaps and businesses being able to buy themselves back (Williams, 2020). This perhaps corresponds to the emphasis on “buy-outs not bail-outs” in the recent CLES and Democracy Collaborative joint paper (CLES, 2020b).

5.10 Road use has reduced significantly, although car modal share has recently been increasing, largely at the expense of public transport, which is in part due to passengers’ fears around COVID-19. The challenge is to restore confidence in public transport as economic activity picks up if we are to succeed in preventing further increases in modal shift to the car.

Comment: The awareness that car use may increase post-lockdown is welcome. The Council needs to be far more bold and creative in its thinking around active travel - be it walking, cycling or perhaps even preparing provision for e-bikes and electric scooters.

Moving to a more polycentric model for the city and region, as tentatively implied by certain of the proposed objectives in the Local Plan issues document, would reduce the need to travel for work and other functions. This is a longer term strategy, but there is a chance to avoid the pernicious lock-in effects of sticking with an overemphasis on employment development in a restricted range of “hubs”. We would also like to see an initiative to reduce the impact of “final mile” deliveries, through encouragement of greener transport (e.g. e-cargo bikes and e-vans) and reduction of duplication. That would involve the council’s place-shaping role in fostering a partnership with delivery firms and other stakeholders.

6.7 The food response has now reached over 11,000 residents with approximately three-quarters requiring ongoing support through the COVID-19 crisis.

Comment: While the emergency food provisions and response have been vital in the short term, we need a much more ambitious approach in the long term. Food security is set to become an increasingly pressing problem, one which may not happen slowly but instead occurring in sudden shocks, whether caused by increasingly unreliable and extreme weather, disease, border issues or other. We must plan ahead and look to urban food production as a key aspect of resilience.

7.2.3 Governance for BST PIP will continue to be through a core city wide group of key partners and the Our Manchester Investment Board (OMIB)."

Comment: With regards to the OMIB - The public information is scant on this board - http://www.manchesterpartnership.org.uk/info/4/our_manchester_investment_board

Who is on it? How are they appointed? How are they dis-appointed? Can members of the public attend meetings as observers? Are minutes published? Et cetera.

7.3.2 c) More agile and effective decision making and bringing the learning into the development of our accountability framework

Comment: In light of the decision to keep the Planning and Highways Committee suspended until November, this is a curious statement.

7.4.7 As well as the revenue budget, the impact on the Housing Revenue Account (HRA) and its 30 year business plan and planned investments in additional social housing, zero carbon works and the essential repairs and maintenance will need to be considered. Changes to the HRA will affect both revenue and capital investment decisions.

Comment: Given the implications both for carbon reduction but also social justice, a report to Executive, and the relevant scrutiny committee(s) on this, should be actioned as a matter of urgency.

Full list of Recommendations

Manchester City Council should :

- **Prioritise economic developments that harness the staying power of the Foundational Economy together with the transformative potential of low to zero carbon investment.** As an example we suggest consideration of a partnership initiative on domestic heating emissions (see Appendix). Another potential area could be on repair and refurbishment centres for domestic and other goods. Initiatives of this sort reduce the impact of drops in income, require a technical upskilling of the population, and improve the resilience of the city to supply chain shocks.
- **Immediately reinstate the Planning and Highways Committee.** The decisions taken last week, in addition to being questionable on a number grounds, risk losing public credibility and unnecessarily exposing officers (Griffiths and Robson, 2020).
- **Commit that any/all future consultations are conducted in multiple formats (other languages, videos, etc).** Explanation of rationale.
- **See COVID-19 as a chance to come to a NEW normal.** Explanation of rationale
- **Ensure the Zero Carbon Coordination Group** is able to respond/input into COVID-19 response process, formally (too easy for it to and the zero carbon imperative be relegated to a footnote, an item at the end of a shopping list.
- **Ensure July's Budget refresh** makes plans/assumptions for not relying on future airport dividends as a source of income for core council services.
- The **production and presentation of a Report about the HRA** to Executive and to the relevant scrutiny committees.
- Ensure that the Local Plan currently out for consultation includes COVID-19 in its analysis and planning. In our joint response to the consultation we highlighted the many fundamental problems of the Local Plan, that it is markedly similar to the 2012 Core Strategy and fails to include analysis or response to the many significant political, economic and scientific developments of the last eight years. In light of the monumental changes ahead, **the Local Plan should be started again from scratch**, using ideas from the responses to the first consultation (Joint Response, 2020).

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Appendix: Developing a “warmth offer”

This could be done very pragmatically but adequate to the scale of the challenge, by building on "what Manchester does so well": establish a partnership. This would mean going in with one or more of the energy companies to establish a domestic "heat and light offer". Contracts would be to maintain space heating in a finite number of rooms at the level of say 18.5 deg C, for X hours in the winter months. This would be done a) in the conventional way, by supply of energy, and b) by supply of firstly insulation refits, going for the low hanging fruit first. That would mean the energy company supplied less energy, so saving on its wholesale costs and ultimately releasing money back into the carbon reduction scheme. c) with this, there needs to be a rolling programme of boiler replacement - starting with the most inefficient and going straight to non-gas alternatives (air source heat pumps and electric heating). The scheme would need investment, and a clear financial model/vehicle probably in the form of a rotating loan fund, recharged by a share of energy savings and possibly a levy on asset price increases. It could be multiply-primed by say energy company investments, grant funding and local investment, particularly from the Pension Fund. There's a lot to this, but it is the kind of initiative that Manchester could get behind.