

**Manchester City Council  
Report for Resolution**

**Report to:** Executive – 2 December 2015

**Subject:** Acquisition of Homes and Communities Agency Assets at Grimshaw Lane

**Report of:** Strategic Director (Strategic Development)

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**Summary**

The Homes and Communities Agency own a number of parcels of development land within East Manchester in and around Grimshaw Lane, also known as 'Weir Pumps', which are of significant importance to the City Council's growth ambitions. The following report details the background to the development area and makes recommendations regarding the acquisition of the vacant land and its future utilisation.

**Recommendations**

The Executive is recommended to:

1. Agree that the acquisition by the Council of the Homes and Communities Agency land at Grimshaw Lane is likely to promote and accelerate economic growth in the city, for the reasons set out in the report.
2. Delegate to the Chief Executive in consultation with the City Treasurer and City Solicitor authority to conclude the acquisition of these sites on the terms set out in Part B of this report.
3. To authorise the Head of Development and the City Solicitor to take such steps as are expedient to give effect to the above recommendations.

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**Wards Affected:**

Miles Platting and Newton Heath

<b>Community Strategy Spine</b>	<b>Summary of the contribution to the strategy</b>
Performance of the economy of the region and sub region	The acquisition of Grimshaw Lane will enable the City Council to promote and accelerate economic growth in the region by increasing its pipeline of development land which can be brought to market primarily for employment uses culminating in the provision of quality business space for employers and, where applicable, the re-provision.

Reaching full potential in education and employment	Progression of the development of Grimshaw Lane will provide suitable space for companies looking to relocate or expand in the vicinity who will provide more job opportunities.
Individual and collective self esteem – mutual respect	
Neighbourhoods of Choice	By securing control of the land the City Council will encourage the provision of high quality business space which will improve the character of the area and assist its broader area's continued transformation as a place to live and work.

### **Environmental and Climate Change Impacts**

The City Council will encourage high sustainability standards through innovative building design and promotion of low energy use which will be tested at planning application stage.

**Full details are in the body of the report, along with any implications for:**

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

### **Financial Consequences – Revenue**

Considered within the Part B of this report

### **Financial Consequences – Capital**

Considered within the Part B of this report

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

None

## **1.0 Introduction**

- 1.1 The Homes and Communities Agency (HCA) retains the freehold interest in approximately 17 acres of developable land which is subdivided into four separate plots located 1.5 miles to the Northeast of Manchester City Centre.
- 1.2 Officers believe the land will form an important role in meeting the City Council's growth aspirations and the following note sets out this rationale.

## **2.0 Background**

- 2.1 The land was originally envisaged to form part of a broader 146 hectare area identified in the New East Manchester (NEM) 2001 Regeneration Framework for the development of the second phase of North Manchester Business Park, now known as Central Business Park. The intention was for the area surrounding Grimshaw Lane to complement the Office focus of Central Business Park by promoting the growth of B2 and B8 uses including food processing, logistics and assembly on the second phase. In 2002, an outline masterplan for the area was prepared with a view to engaging a development partner to deliver over 65,000m<sup>2</sup> of light industrial accommodation across the four sites. This vision was to be driven by the North West Development Agency and subsequently the HCA.
- 2.2 Due in part to high upfront public sector costs the masterplan for the area was not pursued and the land was later marketed by the HCA for employment uses. The City Council later acquired part of the land and in conjunction with funding from the North West Development Agency secured disposal to Fine Lady Bakeries which resulted in the creation of 250 jobs. The balance of the HCA land has since remained vacant

## **3.0 Development Land Pipeline**

- 3.1 Over the last two decades, the City Council has pursued an active programme of development and regeneration within the City which often necessitated the utilisation or disposal of its land assets to unlock private investment and facilitate new development. A consequence of this programme is that the City Council's supply pipeline of available development land is dispersed and diminished.
- 3.2 Having a ready pipeline of development land provides a crucial role in enabling the City Council to exercise control over the development process by providing an opportunity to achieve balance in the way commercial and employment uses are captured and located to deliver the most added value to its growth ambitions.
- 3.3 The recent resurgence in the property market coupled with a growing appreciation of Manchester as a place to live, work and invest has seen a surge of investors and developers securing positions over key schemes. The view from agents is that the market is lacking availability of modern multi-let mixed use estates offering a mix of unit sizes as well as logistics and

warehousing. Many growing and successful occupiers in secondary industrial locations within Manchester are operating out of unsuitable and dated accommodation.

#### **4.0 Relocation Strategy**

- 4.1 The June 2013 Residential Growth Prospectus set out Manchester's ambitions to meet the housing supply issues to support the City's continued rapid growth and expansion. Manchester Place, the collaboration between Manchester City Council and the HCA has been formed to assist delivery of this objective.
- 4.2 To realise the objectives of Manchester Place and to create the platform to deliver significant levels of new housing in the identified Priority Investment Area's (PIA's) a extensive programme of land assembly and infrastructure investment will be required which will necessitate the re-organisation of land uses and the movement or relocation of certain uses or business to appropriate areas within the greater conurbation. A consequence of the growing urbanisation of these areas is the potential disruption and displacement of certain industrial or commercial employers. Many of these companies play a crucial role as employers and contributors to the local economy and as such their retention and relocation to quality space which is fit for purpose is critical.
- 4.3 To achieve these aims whilst mitigating damage to established businesses the City Council must work with landowners, funders, developers and employers to provide a diverse range of suitable accommodation. This will necessitate provision of land for businesses for self design and build arrangements alongside vacant industrial units of different sizes, both new build and existing for those with less bespoke requirements. The range of businesses will drive a diversity of requirements which will be predicated on broad range of differing factors. The types of companies will encompass a range of uses from light to heavy industry as well as commercial office premises.
- 4.4 Companies will also have varying size requirements and geographical preferences such as proximity to the city centre, adjacency to transport links as well as preferences on the proximity to their competitors, customers and suppliers. A cogent relocation strategy must therefore provide a diverse land supply with a suitable offering which meets their business needs.
- 4.5 Officers have undertaken a preliminary review which has revealed a shortage of suitable development land or available buildings which can deliver this strategy. As such Officers are of the view that a programme of selective land assembly is required to provide an adequate platform for relocations.
- 4.6 When considered in the context of future land requirements, the land at Grimshaw Lane provides a rare opportunity to acquire a substantial parcel of vacant land within the City's boundary which is suitable for the clustering of commercial uses and large scale employers predominantly Industrial in character. These uses would complement the existing uses in the area which include Seamark, Kingfisher Foods, Fine Lady Bakeries, and Alloy Bodies.

The land will also complement existing ownerships at Grimshaw Lane Depot and Lord North Street.

- 4.7 Acquisition of the land will provide the City Council with control over the supply of land in the area, the timing of its delivery to market and the manner with which its development is procured to ensure this is correctly used to capture and facilitate the relocation requirements from emerging development areas elsewhere within the City.

## **5.0 Concluding Remarks**

- 5.1 The City Council is pursuing a significant programme of development throughout key areas in the City. Control of the land at Grimshaw Lane will provide the City Council with additional resource to capture or relocate employment uses at the appropriate time and as required to support its growth ambitions and regeneration strategy.

## **6.0 Recommendations**

- 6.1 Detailed recommendations appear at the front of this report.

## **7.0 Contributing to the Community Strategy**

(a) Performance of the economy of the region and sub region

- 7.1 The acquisition of Grimshaw Lane will enable the City Council to promote and accelerate economic growth in the region by attracting inward investment culminating in the provision of high quality business space for employers and employees, by encouraging the conglomeration of similar business and further establishing the scheme as a key business location.

(b) Reaching full potential in education and employment

- 7.2 Progression of the development of Grimshaw Lane will provide suitable space for companies looking to relocate or expand in the vicinity who will provide more job opportunities in a location that is easily accessible to all Manchester residents.

(c) Individual and collective self esteem – mutual respect

7.3 None

(d) Neighbourhoods of Choice

- 7.4 The provision of additional high quality business space alongside well maintained public realm will improve the character of the area and assist its continued transformation as a place to live and work.

## **8.0 Key Policies and Considerations**

### (a) Equal Opportunities

- 8.1 A key outcome will be to capture significant employment opportunities and ensure that Manchester residents have the opportunity to compete for the jobs that are created.

### (b) Risk Management

- 8.2 Officers will play an active role in co-coordinating and overseeing development of the land with a brief to ensure the high demand for relocation space is captured in a commercially coherent manner which adds value to the City's growth ambitions.

### (c) Legal Considerations

- 8.3 The City Solicitor will prepare and complete the necessary property and commercial documentation required to effect the transaction.