

## **The Executive**

### **Minutes of the meeting held on 3 February 2016**

Present: Councillor– Leese in the Chair

Councillors Andrews, Battle, Chappell, Flanagan, N Murphy, S Murphy, S Newman and Priest

Also present as Members of the Standing Consultative Panel:

Councillors Akbar, Dar, Manco, Stogia and Rahman

#### **Exe/16/011 Minutes**

##### **Decision**

To approve the minutes of the meeting held on 6 January 2016 as a correct record.

#### **Exe/16/012 Lower Irk Valley Development Framework**

In September 2015 we had endorsed a draft Lower Irk Valley Neighbourhood Development Framework as a basis for consultation with local stakeholders and landowners (Minute Exe/15/102). The Chief Executive now submitted a report on the outcome of the consultation. The report proposed that the revised Development Framework be approved.

The area referred to as the Lower Irk Valley was defined as a land area bounded by:

- Redbank / Collingham Street to the north-west of the valley;
- the Redbank Carriage Sidings site to the north of the valley;
- the trans-Pennine rail line and the Manchester Bury Metrolink line to the southeast and north east of the valley that both connect into Victoria Station.

This area was characterised as a relatively underdeveloped and under-utilised area of land close to the city centre. The report explained that the opportunity existed to create a substantial new mixed-use residential and employment area that could help deliver the City's residential and economic growth objectives.

The public consultation on the draft of the development framework had been undertaken between 19 October and 13 November 2015. The report explained the range of events and media that had been used to make stakeholders and residents aware of the proposals. There had been 29 responses from consultees, including six from statutory bodies.

The consultation had generated broad support for the vision and objectives set out in the Framework, and in particular for:

- establishing a framework and core design principles to stimulate residential led regeneration;
- providing a green route into the City Centre, with a series of linked open spaces along the valley;

- good quality and safe pedestrian and cycle linkages through the valley and to adjacent neighbourhoods; and
- retaining and using existing heritage assets where possible such as the arches of existing railway viaducts at Redbank and Dantzic Street.

Respondents had also raised a number of issues that they felt the development proposals should respond to, including:

- dealing with historic industrial uses and land contamination;
- assessment and mitigation of flood risks;
- that developments do not harm local ecology and wildlife;
- undertaking an assessment of public transport requirements and planned provision; and
- proper consideration for existing commercial uses including a relocation strategy if appropriate.

The report also commented that some respondents raised challenges to the suggested retention and re-use of the existing Redbank Railway viaduct, indicating that this would impact on connectivity in this part of the Valley, would impede the redevelopment of adjacent sites, and that the re-use proposals set out in the draft Framework would prove not to be commercially or logistically viable.

The report then set out the responses to the issues that had been raised by the consultees and described the changes that had been made to the draft of the Framework to respond to the outcome of the consultation.

The report then set out the likely means of implementing the Framework. In September 2015 we had also delegated to the Strategic Director (Strategic Development) authority to design and implement a strategy for the identification and appointment of private sector investor or delivery partners to work alongside the Council to deliver the residential development opportunities for the “Northern Gateway” neighbourhoods. The Lower Irk Valley framework area being one of the “Northern Gateway” neighbourhoods (Minute Exe/15/099). That work would seek an investment partner or partners to work with the Council to provide access to finance for the overall development initiative; a development manager to work with the investment partner to support sequencing and plan development; and development partners to take the phased development forward. It was explained that the delivery strategy for Lower Irk Valley Development Framework would therefore be contingent upon the outcome of overall process for the “Northern Gateway”. However, whilst that was underway other and more local work would continue to prepare for the early phases of development activity, including dialogue with existing land-owners and developers, land assembly activities where required, and establishing any key infrastructure requirements.

The assumption stated in the report was that, if necessary, existing Compulsory Purchase powers would have to be used to deliver the Lower Irk Valley development plans. At the meeting the Strategic Director (Strategic Development) explained that he was increasingly confident that, later in 2016, additional Compulsory Purchase powers would be available in relation to development and regeneration projects. He said that if those powers were granted by Parliament then their use should be

considered for this part of the city, to further the delivery of this Development Framework.

We recognised that there had been considerable work put into developing the framework document, and we welcomed the extent of the engagement with the public and stakeholders during the consultation period. We noted the potential that the redeveloped area had to contribute to the green-and-blue environmental infrastructure of the city. Having considered the views expressed by the consultees, and the responses to them as described in the report, we agree to the adoption of the Framework document for the Lower Irk Valley Neighbourhood Development.

### **Decisions**

1. To note the outcomes of the public consultation process which generated comments from stakeholders including local landowners, residents and businesses as well as statutory consultees.
2. To approve the final version of the Lower Irk Valley Neighbourhood Development Framework to guide and co-ordinate the future development of the area, with the intention that it will be a material consideration in the Council's decision making as a Local Planning Authority.
3. To note that the Lower Irk Valley area comprises a key element of the "Northern Gateway" area initiative, through which the City Council is seeking to deliver the residential led regeneration of the adjacent neighbourhoods of the Lower Irk Valley, New Cross and Collyhurst.
4. To note that an exercise is underway to identify and appoint investor partner(s) to work alongside the City to deliver this initiative.
5. To note that to fully deliver the vision and objectives set out in this Framework, the City Council may need to assemble land to facilitate redevelopment activities, and that this activity may ultimately need to be underpinned by the use of Compulsory Purchase Order powers.
6. To request that a further report on the development and implementation of the Delivery Strategy, including land assembly matters, is brought to a future meeting.

### **Exe/16/013 Central Retail Park Development Framework**

In December 2015 we had considered a draft Development Framework for the Central Retail Park site on Great Ancoats Street on the eastern side of the city centre (Minute Exe/15/133). At that time we had endorsed the draft Central Retail Park Development Framework as a basis for consultation with local stakeholders and neighbouring landowners. A report submitted by the Chief Executive informed us of the outcome of the consultation that had then been undertaken. The report recommended that the now revised Development Framework be adopted and a copy of the final version of the Framework was appended to the report.

The report explained that the consultation had been undertaken between 8 December 2015 and 8 January 2016. A range of events and media had been used to make the public and stakeholders aware that the consultation was being undertaken. There had been 20 written responses, although more people had attended the consultation event that had been held.

The responses received had shown broad support for the vision and objectives set out in the Framework; in particular for:

- establishing the core design principles to stimulate redevelopment of the site as both a retail destination and residential area;
- creating the pedestrian route through the site to Cotton Field Park and the New Islington Marina; and
- providing a range of residential unit sizes to respond to demands for family housing;

Respondents had also raised a number of issues that they believed that future development proposals should respond to, including:

- for any new residential development plots to be party to the New Islington Estate service charge regime;
- proper consideration being given to ground-floor commercial uses that would be complementary to the residential environment and be consistent with the principles of the Ancoats and New Islington Development Framework;
- that a more detailed assessment of parking requirements and planned provision was required; and
- that the overall scheme was delivered as quickly as possible.

A councillor for the Ancoats and Clayton ward, Councillor Manco, addressed the meeting. He welcomed the proposals for the redevelopment of the retail park and expressed his hope that an appropriate mix of retailers would be attracted to the redeveloped shops.

The report explained that the concerns and issues that had been raised by consultees would be addressed as part of the commercial discussions that would be required with the site's developer, TH Real Estate, in respect of the existing lease which TH Real Estate have with the City Council. They would also be considered as the specific development proposals were drawn up and planning permissions were sought. Therefore, there had been only minor changes made to original draft Framework before its presentation in its final form in the report.

We agreed that the adoption of the Framework would provide a clear starting point for the redevelopment of the site. The proposals for Central Retail Park were likely to strengthen the perception and amenity value of that section of Great Ancoats Street, and therefore help strengthen the investor perception of this part of the city for both commercial and residential investment. Having considered the views expressed by the consultees, and the responses to them, we approved the final version of the Development Framework.

## **Decisions**

1. To note the comments received by stakeholders including local landowners, residents, businesses as well as statutory consultees.
2. To approve the final version of the Central Retail Park Development Framework to guide and co-ordinate the future development of the site, with the intention that it will be a material consideration in the Council's decision making as a Local Planning Authority.

### **Exe/16/014 Manchester Youth and Play Trust Proposal**

A report submitted by the Director of Education and Skills set out a proposal to support the development of an independent charitable trust, the Manchester Youth and Play Trust, to take the form of a Charitable Incorporated Organisation with Manchester City Council as one of the trustees.

The report described how the Council had reviewed and developed its approach to first providing, and then commissioning, youth and play services in the city. The last significant review had been approved by us in February 2014 (Minute Exe/14/018).

At present the council was commissioning a programme of universal and targeted activities and services to the needs of young people aged 13-19. Each area of the city had a Local Youth Offer delivered by a wide range of voluntary and community sector providers. At present the Youth Fund was providing funding for 86 projects delivered by 44 providers. For Play Services, the programme currently being commissioned included year-round and holiday play schemes for 5-14 year olds, also delivered in city neighbourhoods by a wide range of providers. The MCC Play Fund was funding 12 providers delivering 25 year-round projects and 20 providers delivering 36 holiday play schemes. All the current Youth and Play funding arrangements were due to end on or before 31 March 2016.

In 2014 the council had been selected to receive limited support from the Delivering Differently for Young People (DDYP) initiative, led by the Cabinet Office. The Cabinet Office had appointed consultants to carry out a review of existing models, an options appraisal regarding potential future models, and to also develop and propose transition and implementation plans. One of the conclusions of that work had been that the Council should consider supporting the establishment of an independent and charitable city-wide Youth and Play Trust. There had then followed a period of public consultation on that general proposal, from 30 September 2015 to 13 November 2015. The report described how the consultation had been undertaken and the outcome of it, and the issues that had been raised by the consultees.

The report explained that since that consultation period there had been further work to develop more detailed business and transition plans that took into account the feedback from the consultation and findings of the DDYP work. It described the outcome of that work and the steps that could now be taken to establish a trust; and for the Council to then commission youth and play services from the trust. The risks of this were also explained in the report and the transitional arrangements for the Council and existing service providers were described.

We noted that a similar report describing these proposals had been considered by the Young People and Children Scrutiny Committee late in 2015 (Minute YPC/15/77).

We supported the proposals and agreed to delegate authority to the Director of Education and Skills to undertake the actions necessary to support the establishment of a trust.

## **Decisions**

1. To agree to support the development of an independent, charitable Youth and Play Trust for Manchester, (to take the form of a Charitable Incorporated Organisation with the City Council as Charitable Trustee and a Voting Member), through which the Local Authority would be able to commission neighbourhood based youth and play services.
2. To delegate authority to the Director of Education and Skills, in consultation with the Executive Member for Culture and Leisure, to negotiate terms and extend current funding arrangements with the Youth and Play Fund providers for up to 12 months where they have evidenced satisfactory performance against the agreed criteria.
3. To delegate authority to the Director of Education and Skills, in consultation with the Executive Member for Culture and Leisure, to negotiate and agree transitional Hub arrangements with the MMPH, WCHG and Factory Youth Zone until 31 March 2017 in relation to the three large centres, with the continuation of a rigorous performance management process which includes strategic leadership roles, universal and targeted service delivery.
4. To delegate authority to the Director of Education and Skills, in consultation with the Executive Member for Culture and Leisure, to negotiate and agree extensions to the Strategic Lead role with Voluntary Youth Manchester and Greater Manchester Youth Network in relation to the East and South area Youth Partnerships.

## **Exe/16/015 Devolution Update**

A report submitted by the Chief Executive summarised the additional freedoms and flexibilities awarded to Greater Manchester as part of a further Devolution Agreement, announced by the government as part of the Spending Review on 25 November 2015. This agreement reaffirmed the government's commitment to maximising devolution to Greater Manchester and also identified a number of areas for further joint work including, housing, energy, employment support, apprenticeships and energy. A work programme was appended to the report. That summarised the key tasks to be undertaken to progress those areas of work, prior to the development of a wider implementation plan which will cover all aspects of the devolution settlement to date. We were aware of the demands that would be placed on the Council staff as they contributed to this implementation plan, and noted the risk management arrangements that were described at the meeting.

## Decision

To note the further devolution to Greater Manchester announced in the 2015 Spending Review and the significant contribution this will make to delivering the city's strategic objectives.

### **Exe/16/016 Housing Investment Fund (Matrix Homes) – Phase 2**

In 2012 we had supported the development of an innovative housing delivery model (Minute Exe/12/010). The model was the combination of publicly owned land assets with development finance from an institutional investor, in this case the Greater Manchester Pension Fund. In December 2013 we had approved the disposal of five sites in the city for housing development using this model, and the investment of loan finance for the partnership (Minute Exe/13/181). The effect of those decisions had been the creation of Matrix Homes, the joint venture partnership between the Council and the Greater Manchester Pension Fund. Set up in April 2014, Matrix Homes was bringing forward the development of 240 homes for sale and for market rent, investing £24m across the five sites in the city.

A report submitted jointly by the Strategic Director (Strategic Development) and the City Treasurer detailed the success of the first phase of the operation of the Housing Investment Fund. Of the 240 homes built, 121 had been offered for sale and 98 were already sold. The remaining 119 units were for rent and 109 already had tenants. Just over half of the for-sale properties had been purchased with assistance from the Government's Help to Buy scheme, aimed at supporting first time buyers. Another benefit of the first phase of this investment had been the provision of construction employment and training opportunities to local residents.

With the success of the model on the first five sites, proposal for a second phase had been developed and these had identified a number of other council-owned sites with the potential for residential development. Further feasibility work was being undertaken to identify the constraints and viability of these sites for development. The total potential of these sites was a further 327 homes. The sites were:

- 50 homes - Coverdale Crescent, Ardwick, Manchester, M124BJ
- 31 homes - Downing Street, Ardwick, Manchester, M13 9XJ
- 74 homes - Hinchley Road, Higher Blackley, Manchester, M9 7FG
- 72 homes - Miles Platting, Oldham Road / Varley Street, Manchester, M40 8BS
- 100 homes - Peacock Centre and adjacent land, Gorton, Manchester, M18 8AX

and maps showing the location and extent of the five sites were appended to the report. We agreed to the disposal of these five sites so that they could be utilised for housing development in phase two of this delivery mechanism.

The report explained that market testing had been undertaken with a number of large-scale investors on the basis of an equity partnership model to build homes for sale and market rent. That had concluded that the Greater Manchester Pension Fund continued to be the preferred investment partner for the Council. We supported the conclusions of that analysis, and the continuation of the existing joint venture with the

Fund, or the creation of a new delivery company for this second phase, whichever the City Solicitor deemed as the most appropriate way to proceed.

### **Decisions**

1. To note the progress made to date and the successful delivery of the first phase of the HIF project.
2. To approve the selection of the Greater Manchester Pension Fund as the preferred investment partner to develop a second phase of the Housing Investment Fund project.
3. To approve, either the further development of the existing joint venture Matrix Homes Limited Partnership; or delegate authority to the City Solicitor to develop a second joint venture with the Greater Manchester Pension Fund (under the Matrix Homes branding).
4. To approve the disposal of the five sites to the joint venture structure at Market Value and delegate authority to the Head of Development to finalise the terms.
5. To delegate authority to the City Treasurer, City Solicitor, Director of Housing and the Head of Development, in consultation with the Executive Member for Finance and the Deputy Leader with responsibility for Housing, to agree the terms of the new investment with the Greater Manchester Pension Fund and to take all necessary legal, financial and operational steps to implement a phase 2 of the Housing Investment Fund.

### **Exe/16/017 Playing Pitches Investment Plan 2016-17**

In September 2015 we had endorsed the vision and strategy for Manchester's Playing Pitches (Minute Exe/15/096). At that time we noted that the development or disposal of assets would be subject to the development of a clear business case, impact assessment and a funding application where appropriate.

The Deputy Chief Executive (Growth and Neighbourhoods) now submitted a report making specific proposals within the scope of that strategy: Football Hubs (grass roots football facilities); and University of Manchester (UOM) Armitage Community Sports Pitches. This report sought approval to the principle of the Football Hubs Strategy and approval of a capital contribution from the Council to the UOM Armitage Community Sports Pitch Project.

We had previously considered and supported the redevelopment proposals of the University of Manchester (Minute Exe/14/135). Included within the University's proposals for the Fallowfield Campus was the enhancement of the University's community sports facilities at the Armitage Centre. This would be achieved by the creation of new Artificial Grass Pitches (AGP's) to replace existing grass pitches. The details of the enhancements were set out in the report, including a transfer of the full Community Hockey Programme from Belle Vue Leisure Centre to the Armitage Community Sports Pitches.



The total capital cost of the Armitage Community Sports Pitches proposals was £2,751,332. The proposal was for the Council to make a capital grant payment of £560,560 towards the total cost of the scheme, to be funded through borrowing against the Eastlands Reserve, utilising funding generated from the Etihad Stadium rental agreement. This investment by the Council would meet the cost of one replacement hockey pitch. The report explained that Sport England had given their agreement to this use of part of the stadium rental income, and had confirmed that they were supportive of this investment by the Council. A separate investment had also been secured from Sport England to fund the second replacement hockey pitch.

For grassroots football facilities, the report described work that had been undertaken with the Football Association (FA) to develop a radical yet realistic approach to facility provision and the structure of play for football across the City. That work had concluded that there was significant demand for grassroots level football, and that demand would continue in the future. A significant part of that demand would be met by three strategically located football-hub sites, one in north, one in central and one in south Manchester. However, grass pitches and existing 3G all weather pitches would remain a key component of local football delivery network. Appended to the report was a schedule of the FA's requirements and specifications for a football-hub site. We supported the proposed strategy of developing these three football-hub sites in the city.

The analysis of possible locations for hubs in the city had so far concluded that Hough End Playing Fields was the preferred location for the hub for the central area of Manchester. This outcome had been endorsed by the FA, Manchester FA and by Sport England. The site had been assessed as the best to achieve the strategic objectives of the Council, the FA and Sport England. Work was ongoing to identify the best hub locations for north and for south Manchester.

Capital costs for hub facilities being developed in other cities had indicated a cost of between £3m-£5m per hub. The report explained that the FA had advised the Council that it would make a contribution of about two thirds of the total capital costs for each site. Work to establish a projected total capital costs for the Hough End Playing Fields site was underway as was the identification of the required match funding form the Council. We were told that a site-specific business cases was to be presented to us later in 2016 for consideration and approval.

## **Decisions**

1. To approve a £560,560 capital investment into the re-provision strategy for the Belle Vue Leisure Centre Community Hockey Pitches as part of the wider University of Manchester - Armitage Community Sports Pitch project, funded through borrowing against the Stadium Rental Agreement.
2. To delegate authority to the Deputy Chief Executive (Growth and Neighbourhoods) and City Solicitor, in consultation with the Executive Member for Culture and Leisure, to execute amendments to the agreement with Sport England to enable the proposed Armitage Sports pitches and any other sports facilities (as required from time to time) to be added to the agreed schedule of

facilities, which can utilise funding generated from the Stadium Rental Agreement.

3. To approve the strategy to establish three Manchester Football Hubs in North, Central and South Manchester, approving Hough End Playing Fields (Central) as the first hub site. Also to note officers will develop detailed business cases and the locations during 2016 for all three sites which will be the subject of separate reports to the Executive.

### **Exe/16/018 Decisions of the Greater Manchester Combined Authority**

#### **Decision**

To receive and note the Decision Notice of the meeting of the Greater Manchester Combined Authority on 18 December 2015.

### **Exe/16/019 Decisions of the joint meeting of the Association of Greater Manchester Authorities Executive Board and the Greater Manchester Combined Authority**

#### **Decision**

To receive and note the Decision Notice of the joint meeting of the Greater Manchester Combined Authority and the AGMA Executive Board on 18 December 2015.

### **Exe/16/020 Exclusion of the Public**

A recommendation was made that the public be excluded during consideration of the next item of business.

#### **Decision**

To exclude the public during consideration of the following item which involved consideration of exempt information relating to the financial or business affairs of particular persons and public interest in maintaining the exemption outweighs the public interest in disclosing the information.

### **Exe/16/021 Heron House (Public Excluded)**

The Strategic Director (Strategic Development) submitted a report on the Council's position regarding its freehold and leasehold interests in Heron House, an office building on Albert Square opposite the Town Hall. Heron House had been constructed in 1980 as a project to develop office space. It comprised five floors of offices plus ground floor retail units. The Council had granted a long lease on the

building, with the Council taking an under-lease of fewer years. The Council had 18 years left on this under-lease. The report described the current occupation and use of the building and set out the business case for a capital investment by the Council to refurbish it so as to ensure that it would continue to attract commercial occupants for the remainder of this lease period.

We noted that the proposals in this report had also been considered at a recent meeting of the Finance Scrutiny Committee, where the committee had endorsed the report's recommendations (Minute FSC/16/08).

### **Decision**

To approve an increase in the Capital budget by £12m to be funded by borrowing in order to undertake a refurbishment of Heron House.