

## **The Executive**

### **Minutes of the meeting held on 2 March 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/16/038 Minutes**

##### **Decision**

To approve the minutes of the meeting held on 17 February 2016 as a correct record.

#### **Exe/16/039 European Union (EU) Referendum – Potential implications for Manchester of the UK leaving the EU**

In September 2014 the Council had requested that we consider an economic impact study to highlight the effects of EU membership on Manchester and the risks of 'Brexit' (Minute CC/15/77). The Chief Executive had prepared and submitted a report to set out the long-term benefits of European Union (EU) membership to the UK, as outlined in research to date; to consider Manchester's current relationship with the EU across a range of subject areas, taking account of both direct transactions and the wider role that membership plays in international relations (e.g. the attraction of foreign investment due to providing a gateway to the EU); and to identify the risks and likely economic implications of leaving the EU for Manchester and Greater Manchester.

The report concluded that whilst a departure from the EU would not prevent Manchester businesses from exporting to the EU, a series of tariffs and barriers to trade could return which would serve to reduce levels of trade relative to the current position, and the UK could become a less attractive place to work and invest. Manchester, with its international gateway role, focus on new economy sectors, attractiveness to young and skilled European workers and assets such as the Airport and international research centres was at some risk. At the very least, an exit could result in slower economic growth of the city economy and the ability of the city to achieve its growth potential in the medium term would be less certain.

We were aware that the Economy Scrutiny Committee had also considered the report at its recent meeting (ESC/16/12). The Committee had endorsed the report's recommendations and called for action to be taken by the Council to communicate with residents and partners, including the airport and the universities, businesses, trade unions and workers, to raise awareness and discuss the possible implications of the UK leaving the EU.

We welcomed the report and the analysis of the potential impacts on Manchester. Noting the views of the Economy Scrutiny Committee, and given the importance to the city of the outcome of the EU Referendum, we agreed that the Council should support the campaign to stay in the EU, and that the Council should support events related to that campaign.

## **Decisions**

1. To note the analysis contained in this report and the fact that the Core Cities Cabinet has resolved to adopt a collective view on this question by agreeing to campaign for the UK to stay in the EU
2. To agree to campaign for the UK to stay in the EU and to support and take part in events that support that campaign.

## **Exe/16/040 City Centre Strategic Plan 2015 – 2018**

In late July 2015 we had considered and endorsed the draft City Centre Strategic Plan, and agreed that it be subject to public consultation (Minute Exe/15/090). A report submitted by the Chief Executive explained the outcome of the consultation and proposed that an amended version of the City Centre Strategic Plan be adopted.

The draft Strategic Plan outlined the position and priorities for 19 of the city centre's neighbourhoods. It described what had been achieved in recent years and the factors that would influence growth and development over the next few years. The plan also identified the key infrastructure investments in transport, digital development and waterways that were going to be crucial to the success of the city centre, underpinning the development in the neighbourhoods.

The plan also looked at predicted future trends in retail, commercial space, leisure, the night-time economy, and car parking. It examined how local residents could be equipped with the qualifications and skills needed to access the employment opportunities being created.

The public consultation on the plan had run from on 4 November 2015 to 12 January 2016. It had generated 76 responses and the report provided a breakdown of the respondents. Most of the responses, 64 of the 76, had been from individuals, the other 12 from groups and organisations. A detailed commentary on the responses was provided, categorising the issues raised under headings of: transport, public space and green infrastructure, housing, schools and nurseries, engagement and involvement processes, amenities and leisure economy, environmental, businesses, additional comments.

The report set out a detailed response to the comments and concerns that had been raised by the consultees, using the same categorisation as had been used in the analysis of the responses.

The draft of the strategy had been amended in response to comments that had been received, and to update the document to include references to developments since

the draft had first been prepared. The neighbourhoods where changes had been made included NOMA, St John's, Corridor Manchester, First Street and Spinningfields. Other changes had been made in relation specific initiatives such as the Peterloo Memorial. To improve the clarity of the final document some sections had been given clearer titles or had been moved to different sections.

We were aware that the draft Strategy had also been considered by the Economy Scrutiny Committee at its recent meeting. We had before us the minute of the committee's consideration of the report and the draft Strategy (ESC/16/14). At its meeting the committee had put forward amendments to the text of the strategy, which had been accepted.

## **Decisions**

1. To note the comments received from residents, businesses and city centre stakeholders on the Strategic Plan and the responses to the comments.
2. To note and endorse the extended boundary of the city centre on which the Strategic Plan is based, included as an annex to the City Centre Strategic Plan 2015-2018.
3. To endorse the amendments to the City Centre Strategic Plan 2015-2018, set out as conclusions in the report.
4. To accept and approve the amendment to the City Centre Strategic Plan 2015-2018 put forward by the Economy Scrutiny Committee (Minute ESC/16/14).
5. To approve the publication of the final document.

### **Exe/16/041 Manchester Move (Social Housing Lettings System) Collaboration Agreement and Services Agreement**

The Housing Act 1996 required the Council to have an allocation scheme for assessing and prioritising applications for social housing. The Council current scheme had been adopted in March 2010 (Minute Exe/10/35).

In Manchester the allocations procedure was managed through the Choice Based Lettings (CBL) system known as "Manchester Move": the common housing register shared with the 19 largest Registered Providers (RP's) in the city. Manchester Move is an Internet web-based, self-service portal. It was used for around 90% of all the social lettings made in Manchester, and of that number about 90% were prioritised and let in accordance with the Council's Allocation Scheme. The remainder were being let directly by the RP's in accordance with their allocation criteria.

A report submitted by the Strategic Director (Strategic Development) proposed the introduction of a Collaboration Agreement and of a Services Agreement for the operation of the Manchester Move Social Housing Allocation System. When in place, these agreements would bring about a greater degree of shared risk and shared

funding with the Council's Registered Housing Provider partners. It was also hoped that the new governance arrangements arising out of these agreements would allow the Manchester Move partners to develop a more strategic role, to inform and advise the city's Strategic Housing Board and Manchester Housing Providers Partnership, whilst still continuing to deliver a high-quality social housing allocation scheme.

The Collaboration Agreement was to define the roles and contributions of each of the parties involved in the shared operation of the allocations system. The Service Agreement was to be between the Council and Northwards Housing to formalise the services to be provided by Northwards Housing in discharging the Council's statutory responsibilities under Part VI of the Housing Act 1996. The Council would pay a fee to Northwards Housing for it to undertake this function on the Council's behalf.

As well as the approval of the Council, the Collaboration Agreement would require the approval of the boards of management of each of the participating RP's, and also of Northwards Housing. The report explained that each of the participating RP's was obtaining the necessary approval from their boards. It was anticipated they would all be in place by the end of March 2016, so the new governance arrangements were expected to be in place for April 2016.

We welcomed and supported these proposals agreeing that they should strengthen the governance of Manchester Move and allow the development of a more strategic role.

## **Decisions**

1. To approve the Manchester Move Collaboration Agreement.
2. To approve the Manchester Move Services Agreement between the City Council and Northwards Housing.
3. To authorise the Assistant Chief Executive (Growth), and the City Treasurer, in consultation with the Deputy Leader with responsibility for Housing, to approve any future amendments to the Collaboration Agreement and Services Agreement.
4. To authorise the City Solicitor to complete the legal documentation on behalf of the Council.

## **Exe/16/042 Manchester City Council's Ethical Procurement Policy**

In October 2015 the Finance Scrutiny Committee had established a Task and Finish Group to investigate Ethical Procurement by the Council (Minute FSC/15/61). The Group had met to develop a draft Ethical Policy for the Council, and at its recent meeting the Scrutiny Committee had recommended its adoption (Minute FSC/16/11). A report by the City Treasurer put forward a copy of the draft Policy.

We expressed our thanks to the members of the Task and Finish Group for the work they had done in considering the issues involved in ethical procurement and the

development of the draft policy. We also thanked the officers of the Procurement Team who had provided valuable support to the Task and Finish Group.

### **Decision**

To adopt the Ethical Procurement Policy as appended to the report.

### **Exe/16/043 Manchester Residential Growth Strategy 2016/17 Action Plan**

In November 2015 we had endorsed a draft Manchester Residential Growth Strategy and agreed that there should be public consultation on the draft (Minute Exe/15/123). The Strategic Director (Strategic Development) submitted a report putting forward for approval a revised version of the Strategy, and also the approval of an action plan to begin the implementation of the strategy. A copy of the revised Manchester Residential Growth Strategy was appended to the report.

Registered Housing Providers had been consulted collectively through the Manchester Housing Providers Partnership. The response of Providers had been that the Strategy was comprehensive and appropriate in setting out the priorities for the City. More specific comments had related to the need to review or replace existing homes which were uneconomic to repair or where layout was poor; the need to integrate new homes into existing neighbourhoods better; and the need to better meet the housing aspirations and support of the increasing number of older people in the City.

The Action Plan had been developed to ensure effective delivery of the Residential Growth Strategy. A copy was appended to the report. This set out the key high-level actions to be addressed, particularly over the next 12 months. It was the intention that the Action Plan be reviewed and updated annually.

### **Decisions**

1. To note the results of the consultation and approve the final Manchester Residential Growth Strategy that was an annex to the report.
2. To approve the Manchester Residential Growth Strategy 2016/17 Action Plan that was an annex to the report.

### **Exe/16/044 Expansion of the SPACE Project**

The Space Project opened in 2014 on the site of the Fujitsu works complex on Wenlock Way, West Gorton. It now provided a purpose built TV production facility for the north of England. In December 2014 we agreed proposals to provide additional stage and ancillary space to accommodate more television and other screen based media productions at the Space Project (Minutes Exe/14/136 and Exe/14/141).

In October 2015 we had considered and endorsed the development of plans to expand the project, providing funding of £450,000 to develop a business case for

Phase 2 of the project and to undertake more detailed design and costings works (Minute Exe/15/112). The Strategic Director (Strategic Development) now submitted a report describing the business case that had been developed since those decisions in 2015.

The compelling case for further expansion of the SPACE project was set out in the report. It was forecast that Phase 2 would support an additional 275 jobs (145 jobs supported by production activity in the stage and support space and 130 jobs accommodated within the business units) and generate an additional GVA impact of £9.9m.

For this Phase 2 of the project, it was now being proposed to develop nearly 86,000 sq ft of new buildings for production and related support activities, including a 30,000 sq ft stage, 6,396 sq ft of production support space, 40,000 sq ft of business units for supply chain businesses and a 10,000 sq ft flexible workshop space. A Masterplan had been developed following site investigations, early consultation with Planning, the development of a business case and detailed cost analysis which has been undertaken by independent cost consultants, using detailed cost information from the delivery of Phase 1 and the latest market information.

The capital cost for delivering Phase 2, the remediation works and site abnormalities was estimated at £14m. These costs were based on current market information, including inflation and were considered robust for the present stage of design, having been reviewed by independent cost consultants. The costs included the site preparation works and the construction of the stage, support space, business units and external works with other associated fees.

The report also described how future phases of The SPACE Project beyond Phase 2 would look to utilise the site which currently houses the Wenlock Way Tower, the former R&D block, the former Executive suite and the former Canteen block. The development of this site as a future phase could deliver a further 50,000 sq ft of new buildings for production and related support activities. It would involve the demolition of the office tower block, the funding for which would come from the Council's own Asset Management Programme.

## **Decisions**

1. To recommend that the Council approve an increase to the Capital Budget of £14m, including a Capital Investment of circa £8m funded from prudential borrowing, and circa £6m from the Capital Fund.
2. To note the progress to date in the development of The SPACE Project.
3. To note the work undertaken to date to develop the business case and detailed cost analysis for the proposals described in the report.
4. To note the plans for Phase 2, as set out in the report, to expand the existing facilities on the SPACE Project Campus.

5. To note the contribution of the project to delivering the Digital Manchester Strategy and expanding the Digital Sector in Greater Manchester.
6. To note the economic, social and physical benefits that will arise from this project.
7. To note the recommendations with regards to the commercial considerations in another item of business for this meeting (Minute Exe/16/049 below).
8. To note that the Tower demolition will be funded from the Asset Management Programme for circa £1.5m.

### **Exe/16/045 Project Forward – Digital Incubator**

Project Forward was the local name given to the Government initiative to support the development of innovative businesses across the North of England. This was to be achieved through investment in technology incubators in Leeds, Manchester and Sheffield, which would nurture start-ups, foster collaboration, and provide mentoring, learning and business support.

A report by the Chief Executive and the City Treasurer explained that the capital funding for this initiative was to be provided by The Department for Culture, Media and Sport and the sum allocated to Manchester was £4 million. This would be paid directly to the Council. The purposes of the grant were defined as being to help delivery partners to secure and refurbish a property in the city centre to establish new facilities providing workspace, business incubation and other services for entrepreneurs and small and medium-sized businesses (SMEs) who rely on, and innovate in, digital technologies and their applications.

The report described how Council officers and the project sponsors were developing a document to articulate the vision for how the objectives for the scheme would be delivered. This vision was to form the basis of a procurement exercise to be undertaken to secure a delivery partner for the project.

### **Decisions**

1. To increase the Capital Budget by £4m in 2016/17, due to the award of grant funding from the Department for Culture, Media and Sport (DCMS).
2. To note the purposes for which this grant will be used.
3. To delegate authority to the City Treasurer in consultation with the Executive Member for Finance and Human Resources to determine the ultimate accounting and funding treatment between capital and revenue funding.
4. To request a further report outlining the proposals to appoint a delivery partner once the procurement exercise has been undertaken.

### **Exe/16/046 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 29 January 2016.

### **Exe/16/047 Decisions of the joint meeting of the Association of Greater Manchester Authorities Executive Board and the Greater Manchester Combined Authority**

#### **Decision**

To receive the Decision Notice of the joint meeting of the Greater Manchester Combined Authority and the AGMA Executive Board on 29 January 2016.

### **Exe/16/048 Exclusion of the Public**

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

#### **Decision**

To exclude the public during consideration of the following items 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/16/049 Expansion of the SPACE Project (Public Excluded)**

A report submitted by the Strategic Director (Strategic Development) set out the financial and commercial rationale for the proposed expansion of the SPACE project and summarised the business case behind the proposals.

#### **Decisions**

1. To note the latest progress of The SPACE Project.
2. To note the commercial rationale for the delivery of Phase 2 of the project.

### **Exe/16/050 Acquisition of Land at New Elm Road, Manchester (Public Excluded)**

An opportunity had arisen for the Council to utilise equity funding from the Homes and Communities Agency (HCA) to acquire a strategically important plot of land



located in the Castlefield area of the City Centre, lying immediately to the south of the St Johns regeneration area and to the west of Potato Wharf.

A report by the Strategic Director (Strategic Development) detailed the terms of the acquisition and described how the acquisition would support the Council's wider regeneration aspirations for delivering high quality residential-led development, building on the investment to be brought forward by the Council and its partners in this area of the City Centre.

## Decisions

1. To note the report.
2. To agree to progress a refresh of the Water Street Strategic Regeneration Framework which was to be brought back to a future meeting.
3. To delegate authority to the Chief Executive and to the City Treasurer in consultation with the Leader and the Executive Member for Finance and Human Resources to finalise a funding agreement with the HCA on the main terms outlined in the report which were to cover the entire acquisition costs associated with the surrender of the existing lease.
4. To delegate authority to the City Treasurer to determine the accounting treatment of the funding agreement including, as appropriate, the requisite budget increases to enable the HCA funding to be defrayed by the Council.
5. To approve the surrender of the lease on the main terms outlined in the report.
6. To approve the lease-back of the 'green land' to the current lessee to facilitate the redevelopment of this land on main terms outlined in the report.
7. To approve the grant of a short-term land option in favour of the current lessee over the 'blue land' on main terms outlined in the report.
8. To delegate authority to the Head of Development in consultation with the Chief Executive, the City Treasurer, the Strategic Director (Strategic Development), the Executive Member for Finance and Human Resources and the Deputy Leader with responsibility for housing and regeneration to finalise the detailed terms of the transactions.
9. To delegate authority to the City Solicitor to complete the contractual documentation to give affect to these decisions.
10. To recommend that the Council increases the budget in the sum of the funding agreement with the HCA to cover the land acquisition costs to a maximum of £8.5M.
11. To note that on surrender of the lease the Council was to become the Landlord of the existing occupational tenants operating from the site.