

The Executive

Minutes of the meeting held on 29 June 2016

Present: Councillor– Leese in the Chair
Councillors Andrews, Chappell, Flanagan, N Murphy, S Murphy, S Newman Priest and Rahman

Also present as Members of the Standing Consultative Panel:
Councillors Akbar, Bridges, Dar, Manco, Rowles and Stogia

Exe/16/064 Terror Atrocity at Istanbul Ataturk Airport, and the murder of Jo Cox MP

The Leader paid respect to the many people who had been killed by the attack on Ataturk Airport, Istanbul, and to those who had also died recently in terror and hate attacks elsewhere in the world, including Jo Cox the MP for Batley and Spen. The members and those present at the meeting stood in silence to show their respect for all those victims of terror and hate.

Exe/16/065 Statement on the outcome of the European Union Referendum

The Leader gave a statement on Europe and the outcome of the European Union (EU) referendum, and condemned the racists and xenophobes responsible for the incidents of abusive behaviour that had occurred since the vote to leave the EU. He stated that all people from the EU and beyond living, working or studying in the city were welcome. They make an important contribution to the life of the city, to the economy, to public services, and to the cultural diversity of Manchester. The Council would also do everything it could to ensure 'business as usual' for EU business in the city, and other Manchester business that traded within the EU.

The Leader welcomed the Manchester vote to remain and expressed respect for the decision made by the country as a whole. He stated that if we are to leave the EU the Council should campaign for that exit to have as little impact as possible on the city and for the UK to remain a member of the single market, retaining the free movement of labour that had been so important to the success Manchester. It would be important for Local Government to be represented in the negotiations that would take place.

Decision

To endorse the statement.

Exe/16/066 Minutes

Decision

To approve the minutes of the meeting held on 1 June 2016 as a correct record.

Exe/16/067 Draft Manchester Residential Quality Guidance

In February 2015 we had expressed our desire that development agreements should deliver sustainable quality homes (Minute Exe/15/027). In March 2015 we had requested the creation of a document to set out key principles for design quality and sustainability standards for residential development in the city (Minute Exe/15/049). At that time we had also adopted, on an interim basis, the London Housing Design Guide Space standards as a basis for assessing new residential developments, pending the preparation of specific guidance for Manchester.

The Chief Executive now presented a report putting forward a draft of the “Manchester Residential Quality Guidance”, the document that would underpin the Council’s ambition to create sustainable and popular neighbourhoods where people wanted to live.

The meeting was addressed by Mr S Hodder who had chaired the Sounding Board group that had been established to advise, challenge and guide the development of the Residential Design Guide. He explained that research that had been undertaken by the Royal Institute of British Architects had revealed that many people were dissatisfied with the quality of contemporary housing. He therefore welcomed the Council’s work to develop this guidance. He described how the Sounding Board group had been constituted and the role it had played to challenge and question the drafts of the guidance to ensure that the result would be the best possible guidance available.

Rather than replicate existing policy and regulations, the draft guidance sought to cross reference those policies and regulations that would continue to apply to all new residential development. It aimed to provide the minimum requirements and mandatory standards that all new residential proposals would be required to satisfy or exceed in order to be considered sustainable development. Once the final version was adopted then new development would be expected to comply with the Guidance. Where a proposal would not comply then the only justification for exception would be that the proposed scheme produced exemplary and innovative design or the scheme delivered an overriding public benefit.

We expressed our thanks to all who had contributed to and worked on the creation of this document, that we saw as being very important for the future of the city. We also expressed our gratitude to the members of the Sounding Board who had played a crucial role in its drafting. We agreed that there should now be a period of public consultation before further consideration was given to the proposed guidance.

Decisions

1. To endorse the draft Manchester Residential Quality Guidance as a basis for consultation with local stakeholders, landowners, voluntary, statutory, professional and development related interest groups.

2. To note that the outcomes of consultation and a final version of the Manchester Residential Quality Guidance will be reported to a future meeting.

Exe/16/068 Selective Licensing Pilot - Public Consultation

In January 2015 we had adopted a Market Rental Strategy that had included as a main objective the need to make the private rented sector more professional by improving property and management conditions (Minute Exe/15/006).

The Deputy Chief Executive (Growth and Neighbourhoods) and the Strategic Director (Development) submitted a joint report that explained how selective licensing was considered to be one of the initiatives that could be utilised to improve property and management conditions. It could help improve the practices of the small number of private landlords that did not treat their tenants with the respect and dignity that they deserved. The Housing Act 2004 gave the Council the power to introduce the licensing of private rented homes within a designated area with the aim of improving the management and condition of those properties.

The report explained that Officers had used knowledge and intelligence of the city to identify those areas that appeared to meet the criteria for a selective licensing area. The criteria included low housing demand linked to property condition and high levels of antisocial behaviour, crime and deprivation. Four potential areas had been identified and were put forward in the report. The report explained the reasons why each of these four had been selected. Maps appended to the report showed the possible boundaries of the areas in Crumpsall, Rusholme, Moston, and Old Moat (Withington). The report sought approval to commence a public consultation exercise to establish whether the declaration of a selective licensing scheme might be required within those identified areas.

The report explained why the intention was for the consultation to be done incrementally so as to focus on one of the four areas at a time. It was hoped that the lessons learned from each stage would improve the process when consulting on the later areas. One of the consultation methods was to be letters to contact residents, landlords letting agents and business. The letters would explain selective licensing, how it could improve the neighbourhood, how it would operate and how they may be affected. Another method was to be drop-in events at local libraries and community centres which would be advertised in the local press and local buildings. The consultation would be undertaken between July and October 2016, with decisions on whether to introduce any selective licensing areas being made about November.

We were aware that the Neighbourhoods and Environment Scrutiny Committee had also considered the report and had supported its recommendations (Minute NES/16/06).

Decisions

1. To approve a consultation with residents, private landlords, businesses and other stakeholders to designate selective licensing schemes within the geographical areas in the report.

2. Subject to the outcome of the consultation, to delegate authority to the Director of Housing and the City Treasurer in consultation with the Deputy Leader with responsibility for Housing and Regeneration and the Executive Member for Finance and Human Resources to approve up to four selective licensing areas identified in the report

Exe/16/069 Hackney Carriage Fare Review July 2016 - July 2017

In March 2014 we had agreed to undertake, in consultation with the Licensing and Appeals Committee, a review of the factors affecting the terms, conditions, costs and income of hackney carriage operators in the city in order to inform decisions on the annual hackney carriage fares review in future years (Minute Exe/14/027). That review had been undertaken, and the Licensing and Appeals Committee had considered the findings in June 2015 (Minute LAP/15/13), making recommendations for the fares for up to 2015/16. In February 2016 the Licensing and Appeals Committee had undertaken the annual review of Hackney Carriage fares for the period July 2016 to July 2017 (Minute LAP/16/9). The Committee's recommendation to us was that no changes should be made to the Hackney Carriage fare for July 2016 to July 2017. We were presented with a copy of the report that the Committee had considered when coming to that decision.

Decision

To agree that at this time no change should be applied to the current hackney carriage fare.

Exe/16/070 Waste Collection and Disposal Savings

A joint report was submitted by the Deputy Chief Executive, (Growth and Neighbourhoods) and the Director of Neighbourhoods putting forward a range of changes to the Council's waste collection arrangements with the intention of making savings to the cost of providing those services.

It was proposed that the current 240 litre bin provided to some households for residual waste be replaced by a 140 litre bin. This was the household bin for non-recycled materials. This proposal would require the replacement of all the current black bins with the smaller versions. All other household bins (the recycling bins) would not be changed and the frequency of collections would be fortnightly as now. The report explained that a residual waste capacity of 70 litres a week should be sufficient for households making proper use of their recycling bins. Analysis of the contents of black residual waste bins across Manchester in both 2011 and 2014 showed that in excess of 50% of the contents should not have been in the black bin but should have been in one of the recycling bins. This indicated that should residual waste capacity could be reduced it would be possible for residents to recycle more and still dispose adequately of their waste.

It was also proposed in the report that limits be set for the average residual waste capacity for each household in apartment blocks across the city. The capacity allowed would be comparable to the new 140 litre limit for other households with a new residual waste bin and the three recycling bins. A calculation of how much residual waste would be reasonable to collect from each apartment block would be based the number of apartments and average occupancy rates. Those households with the four bins had an average of 2.69 people per household according to the census, and will have a future residual waste capacity of 70 litres per week. Apartments have an average of 1.62 people per household and student block households overwhelmingly consist of 1 person. Therefore the pro-rata residual capacity for each household or student would be 42 litres a week for apartments and 26 litres a week for student blocks. Building management companies would be advised that the residual waste collections were to be reduced to these limits and it was expected that the building increase recycling levels to keep within the residual waste limit.

The report also explained that the introduction of waste containers for passageways had been done to reduce collection costs and because the wheeled bin collection service in these locations was perceived as problematic. Subsequently, a number of residents had requested that they revert back to wheeled bin collections using the four bins that were provided to other properties. In response to this demand it was explained that the four bin system could be reintroduced where it was clear that residents would take responsibility for presenting and removing their bins on collection day and for recycling effectively. It was recommended that where residents requested having individual bins and 75% of the residents involved utilised the food recycling service for a sustained period then a gradual introduction of recycling bins would take place.

The report also considered the Bring Site service operated by the Council. The original purpose of the Bring Site service was to enable residents to recycle. It had been introduced before the full kerbside recycling service had begun. The introduction of kerbside recycling had therefore limited the practical need for Bring Sites. There had been no recycling collected at these sites since July 2015. All the waste had been treated as residual due to high levels of contamination of the bins. Given that these sites were no longer achieving the purpose they had been introduced for, and were instead used as residual waste facilities, it was proposed that they all be removed.

It was forecast in the report that if the reductions in residual waste and increases in recycling occurred as they had in other authorities that had implemented similar changes then future savings of £2.4m in disposal costs could be achieved each year. The actual savings would depend on the way that the costs of the Greater Manchester Waste Disposal Authority were redistributed across its contributing authorities as the proportion of residual waste contributed by Manchester was reduced.

We were aware that the Neighbourhoods and Environment Scrutiny Committee had also considered the report and had supported its recommendations (Minute NES/16/07).

Decisions

1. To agree the introduction of a 140 litre wheeled bin for residual waste to be collected on a fortnightly basis from August 2016.
2. To agree the phased introduction from February 2017 of a reduction of residual waste capacity for apartment blocks to meet the recycling levels expected from 4 bin households.
3. To agree that residents in terraced housing with container collections can revert to wheeled bin collections should they demonstrate that they will collectively present and remove recycling bins on collection days.
4. To agree the removal of Bring Sites with immediate effect.
5. To note the funding arrangements of the Greater Manchester Waste Disposal Authority and the proposed review of the contract and the inter-authority agreement for Greater Manchester Waste Disposal Authority.

Exe/16/071 Demand and Capacity – Investing to Succeed in Children’s Social Care

A report by the Strategic Director of Children’s Services explained that the Council’s Children’s Services were subject to an Improvement Notice, issued in March 2015, following the publication of the Ofsted Inspection report in September 2014. The Council was therefore required to show significant and sustainable improvement by the time of the next Ofsted inspection. The report summarised the improvements that had been made to the services since the inspection. It then described the challenges that remained and proposed a set of actions to increase and sustain the improvements already made. As part of bringing about the necessary improvements the report proposed a further increase in the funds invested in these services.

The key elements of the strategy for further improvements were:

- reduce and manage the demand on the services by improving social work practice;
- implement manageable workloads for staff with a target of an average of 18 child cases per qualified social work practitioner;
- implement a comprehensive performance and practice management system to improve managerial oversight of social workers case work; and
- achieve and maintain a stable, confident and competent workforce.

The financial implications of these were described. The reduction in average workloads for qualified social work practitioners would require more staff to be recruited. As well as social workers, there would be a need for Team Managers, Locality Managers and more business support staff. The investment that would be needed to fund the employment of these additional staff was forecast at £3.568m in 2016/17, £4.905m in 2017/18, £1.065m in 2018/19, £0.311m in 2019/20 and £0.311m in 2020/21.

We were aware that the Children and Young People Scrutiny Committee had also considered the report and had endorsed its recommendations (Minute CYP/16/14).

Decisions

1. To note the progress made to date and approve the proposals set out in the report, subject to the release of the required funds by the Council.
2. To recommend that the Council increase the Children's Investment Fund Reserve by a further £10.16m for the period 2016/17 to 2020/21, to be funded from the Council's reserves. This was to meet the expected additional resourcing requirements for those five years, being:
 - £3.568m in 2016/17,
 - £4.905m in 2017/18,
 - £1.065m in 2018/19,
 - £0.311m in 2019/20,
 - £0.311m in 2020/21.
3. To recommend that the Council delegate authority to the City Treasurer, in consultation with the Executive Member for Finance, to approve the additional draw-down from reserves of £3.568m for 2016/2017, and for future years, ensuring that the £10.16m is not exceeded. The City Treasurer to review an updated business case outlining progress before agreeing any such decision.

Exe/16/072 Locality Plan

In November 2015 the Health and Wellbeing Board agreed that a review would be commissioned of hospital services in Manchester (Minute HWB/15/44). Two reports have been subsequently approved by the Board: the first was an assessment of the benefits of a single hospital service (Minute HWB/16/19); and the second was a report on the governance and organisational arrangements (Minute HWB/16/24).

A report submitted by the Joint Director for Health and Social Care Integration sought our endorsement of the proposal from the Health and Wellbeing Board that Central Manchester Foundation Trust (CMFT), University Hospital of South Manchester (UHSM) and Pennine Acute Trust (PAT) be requested to enter into discussion to consider the creation of a new, single organisation, and to ask them to provide an initial assessment on implementation requirements and timescale for the setting up of a single hospital service for Manchester.

The report outlined the work that the Health and Wellbeing Board had done to examine the advantages and risks associated with creating a single hospital service for the city. Improving co-operation between the three Hospital Trusts currently operating in the city was considered to be essential to help resolve the current difficulties described in the report. The model of separate Trusts delivering similar services in competition with each other had demonstrably failed to deliver improved quality or efficiency. The coming together of acute hospital services into a new organisation would provide the best opportunity for ensuring that all services were raised to the standard of the best.

Decision

To endorse the proposal, supported by the Health and Wellbeing Board, that Central Manchester Foundation Trust (CMFT), University Hospital of South Manchester (UHSM) and Pennine Acute Trust (PAT) be requested to enter into discussion to consider the creation of a new, single organisation and to provide an initial assessment on implementation requirements and timescale.

Exe/16/073 Land at Holy Trinity Primary School and other Voluntary Controlled Schools

Holy Trinity C of E Primary School is a voluntary controlled school located on Capstan Street in the Harpurhey ward. The school is aligned to the Manchester Diocesan Board of Education and provides education to its learners in line with the religious character of the school. The school had operated with a capacity of 1 form of entry (30 places per year group) up until 2013. At that time temporary classrooms were placed on site to meet increased demand for school places. As the primary school-age population had continued to grow it was decided to expand the school to 2 forms of entry throughout (60 places per year group), and make permanent the temporary accommodation. As a consequence, paragraph 2 (1) of Schedule 3 of the School Standards and Framework Act 1998 required the Council to transfer to the school the freehold of the land covered by the new building. The Act required that where a Voluntary Controlled school moves to a new site or on land to facilitate the School expansion, the Local Authority was obliged to provide that the land and any buildings which form part of the school premises to the school. The Council could not lease the land to the school but must transfer it.

The report that had been submitted by the Director of Education and Skills and the Strategic Director (Development) also proposed that the authority to give formal approval to any other future such transfers should be delegated, give that they could not in any case be refused. We agreed to that proposal.

Decisions

1. To approve the transfer of the Council's Freehold title to Voluntary Controlled Schools as and when required under the Schools Standards and Framework Act 1998.
2. To authorise the Council's Freehold title to the land shown edged blue on the plan attached as Appendix B of the report for the expansion of the Holy Trinity C of E Primary School, Capstan Street, Harpurhey.
3. To delegate authority to the Strategic Director (Development) to progress the Freehold transfers.
4. To authorise the City Solicitor to enter in to and agree and complete on behalf of the Council all necessary documentation giving effect to the above.

Exe/16/074 Brownfield Sites Land Register

The Housing and Planning Act 2016 provided the legislative framework for the introduction of land registers and planning “permission in principle”. The Act gave the Secretary of State powers to require a local authority to maintain a publicly available register of land suitable for housing led development. A report submitted by the Chief Executive sought to explain the implications for the city of those powers and proposed a policy framework for determining which sites should be included on a pilot register that was being developed with other Greater Manchester authorities. The intention was for the pilot register to be published very soon.

The Act had also introduced the concept of “permission in principle” into law. Permission in principle being a process for granting permission for the principles of a development such as type (e.g. housing) and scale (e.g. number of units). Full planning permission could then be achieved at a later date through the approval of an application for technical details consent. Permission in principle was to be granted through allocations in local plans, through registers or through applications to the local planning authority. Brownfield registers were to be a means for granting “permission in principle” for new homes on suitable brownfield sites.

The government had introduced these registers to progress its commitment of having planning permission or permission in principle in place for 90% of suitable brownfield land by 2020.

The report explained that the draft brownfield register being developed had to be completed by the end of June. Pilot authorities were not expected to grant permission in principle as part of this drafting work. The project was instead focused on publishing a list of sites and on understanding any policy or technical issues that arose from doing so. Appended to the report were details of the way in which the pilot register and the permission in principle process were intended to work.

The report expressed concern that unless carefully managed the introduction of the new government policies could have the effect of limiting the Council’s ability to ensure the quality and mix of new housing development was appropriate to local needs. As development sites in Manchester were overwhelmingly brownfield, it was felt to be essential that the Council be able to manage development across the large parts of the city where the majority of development sites were brownfield.

To address this concern a policy framework had been developed setting out how sites would be evaluated. This draft framework proposed that all brownfield sites likely to be developed for housing within 10 years (from the point of assessment) were to be considered suitable for inclusion on the Brownfield Register Pilot, with the exception of:

- major mixed use sites including those that will be brought forward via development frameworks and considered separately;
- large residential-led sites for which innovative and high quality urban design would be needed to achieve the Council’s regeneration aims;
- other design sensitive sites where density, mix of use and quality of design would be fundamental to achieving successful development outcomes. This would include all sites within:

- the extended City Centre (covered by City Centre and City Centre fringe in the Local Plan);
- District Centres; and
- 800m of a Metrolink stop.

The report set out the governance arrangements for the operation of the Brownfield Register. It proposed that the day to day operation of the register should be given over to the Residential Growth Board, an officer level Board. Any amendments to the register would be reported to the Manchester Place Board and Executive approval sought as required, and at least on an annual basis.

The report also stressed the importance of the Council being able to continue to promote an appropriate balance of residential, commercial and other uses across the city and the ability to exercise appropriate control on the type and quality of residential development proposals.

Decisions

1. To note the potential implications of the provisions of the Housing and Planning Act 2016 for the Council's established approach to delivering balanced growth.
2. To approve the proposed policy framework for determining which sites to include on the brownfield register set out in section 3 of the report.
3. To approve the governance arrangements proposed for maintaining the statutory brownfield register set out at section 4 of the report.
4. To approve the publication of the brownfield register pilot in line with the proposed policy framework.

Exe/16/075 Capital Programmes Proposed Increases

A report concerning requests to increase the capital programme was submitted. We agreed to recommend that the Council approve two changes, and we approved a further two changes under delegated powers. Taken together, these four changes would increase the capital budget by £9.202m (£1.002m in 2016/17 and £8.2m in 2017/18).

Decisions

To recommend the Council to approve:

1. Environment and Operations Programme - Replacement Purchase of New Android devices. To increase the capital budget by £88k in 2016/17, funded by the use of the Parking Reserve.
2. Northwards Capital Programme - Retained Housing Reallocation. A budget virement of £4,918k from the Retained Stock programme budget to the

Northwards Capital Programme budget across the financial years 2016/17 to 2018/19.

Using delegated powers, to approve:

3. Private Sector Housing Programme - Housing Investment Fund (HIF) Phase 2. To increase the capital budget by £914k in 2016/17, funded by the use of external contributions of £798k and capital receipts of £116k.
4. Asset Management Programme 2017/18. To increase the capital budget by £8,200k in 2017/18, funded by the use of capital receipts.

Exe/16/076 National Living Wage and Adult Social Care Provision

A report by the Strategic Director, Adult Social Care explained the predicted impact of the current funding agreements and the impact of National Minimum Wage on Adult Social Care Provision. The National Living Wage had been introduced in April 2016 with significant consequences arising for the care sector in Manchester. A high proportion of costs involved in these services was staff wages. The National Living Wage now provided adults over the age of 25 with an hourly rate of £7.20. Prior to April 2016 the great majority of people working in this sector were being paid the National Minimum Wage hourly rate of £6.70.

The report explained that for the fees paid by the Council to providers of social care services in the city it would be necessary to look at the impact of the National Living Wage on a provider by provider and contract by contract basis. Providers that had already approached the council about their contracts had made available their finance reports and business plans so they could be scrutinised. Negotiations were to take place to gain an understanding of their financial position and other emerging pressures that the providers were now facing. Officers would seek to ensure that value for money principles were included in the negotiations and there would be a robust assessment and analysis before any new fees be paid.

The approach to be used in assessing the case for increasing fees paid was set out in the report. Where a provider stated a contract would not be sufficient to meet the requirements of the National Living Wage they would be asked to submit a business case with sufficient detail to allow a proper assessment to be made of what an appropriate new fee should be. It was proposed, and we agreed, that the authority to set new fees and contract values should be delegated to the City Treasurer.

Decisions

1. To note the report.
2. To delegate authority to the City Treasurer in consultation with the Executive Member for Finance, Executive Member for Adults Health and Wellbeing and the Strategic Director, Adult Social Care to finalise and agree the remaining contract values for 2016/17 following the consultation and review process outlined in the report.

Exe/16/077 Mental Health Transaction

A report by Strategic Director, Adult Social Care explained how there had in recent years been a number of reviews into the services provided by Manchester Mental Health and Social Care Trust (MMHSCT) and that the conclusion of those reviews was the Trust was no longer financially sustainable. Steps were therefore being taken to transfer the services currently provided by the Trust to a specialist Mental Health Foundation Trust with Greater Manchester as its geographic extent. This transfer would be achieved by a competitive selection process managed by the Trust Development Authority. It was expected that the new provider trust would have been selected by August 2016.

The report explained the implications of the transfer for mental health services in the city, and how this related to the wider health and social care ambitions for the city as set out in the Locality Plan and the GM Mental Health Strategy. The financial implications for the Council were also described. The Council provided some of the funding for mental health services in the city and these arrangements would need to be transferred to the new Trust that was to take over. We agreed that the Strategic Director, Adult Social Care be granted authority to agree the terms of the transfer of the current arrangements to the new provider.

Decisions

1. To note the report.
2. To delegate authority to the Strategic Director, Adult Social Care in consultation with the Executive Member for Adults Health and Wellbeing, the City Treasurer and City Solicitor to finalise and agree the terms of the transfer of the current arrangements with MMHSCT to the new provider once the outcome of the selection process is known.
3. To authorise the City Solicitor to enter into or execute any legal agreements or documents required to facilitate the transfer process.

Exe/16/078 The Manchester Ice Dome

The Strategic Director (Development) reported that Ice Dome Limited had approached the Council to utilise a City Council owned asset to develop a "Manchester Ice Dome" facility with a view to bringing ice based sports back to Manchester. One of the main parties behind Ice Dome Limited was also the Managing Director of Manchester Phoenix ice hockey teams that played their home matches at the Deeside Leisure Centre in North Wales.

The asset under consideration was the former Hall and Rogers building at the junction of Ashton New Road and Hillkirk Street. This had been acquired by the City Council in 2014. Ice Dome Limited's intention was to redevelop this building to be the home of Manchester Phoenix Premiership and Junior teams as well as the disabled

sledge team. The venue would also provide a central hub for the synchronised skating teams and British Ice Dance. It would become a centre of excellence for the National Ice Skating Association of Great Britain (NISA). The facility would also be open to the community and school groups for recreational ice skating and lessons and would host various community fundraising events through its affiliation with the Manchester Phoenix Community Sports Foundation.

The proposal would not require financial support from the Council. The building in its current state could not attract a rental premium. Ice Dome Limited proposed to invest £2.5 million to bring the derelict building back to beneficial use. However, they also understood that the building would only be a temporary home for the Manchester Ice Dome as the Council would eventually require the site for future development. Ice Dome Limited were of the view that this city based location would act as a springboard for a brand new facility that they intended to develop as the permanent home of the Manchester Ice Dome for the next 25 years and beyond. The report explained that the development of the facility would also be subject to Ice Dome Limited obtaining the necessary planning consents.

We agreed that granting a short term lease that would permit works to the building at the lessee's cost to bring it back into use represented a low risk for the Council. The benefits arising from this would include new jobs in East Manchester, tidying up a derelict site, complementing the existing recreational facilities in East Manchester and providing community benefits, particularly to young people.

Decisions

1. To approve the proposal to develop the Manchester Ice Dome as an interim use on the site of the former Hall & Rogers building at the junction of Ashton New Road and Hillkirk Street.
2. To authorise the Chief Executive, City Treasurer and City Solicitor, in consultation with the Leader and Executive Member for Human Resources, to agree the Business Plan.
3. To delegate authority to the Chief Executive, City Treasurer and City Solicitor in consultation with the Strategic Director (Development) to negotiate and approve the final terms of the agreements necessary (including agreeing the BP) to implement the proposals.
4. To authorise the City Solicitor to enter into and agree and complete on behalf of the Council all necessary documentation giving effect to the above.

Exe/16/079 The Development of the City Council's Digital Asset Base

In December 2014 we consider proposals to enhance the city's position as a centre of excellence for creative digital industries. We had authorised that feasibility assessment be undertaken on the One Central Park (OCP) site to assess its potential to contribute to the facilities offered by the Council. At that time we had also agreed to the setting up of a holding company that would take over the operation of

the Council's assets that could include the SHARP Project, the SPACE Project and OCP (Minute Exe/14/136 and Exe/14/141). In March 2016 we had agreed proposals for the significant expansion of the SPACE Project (Exe/16/044).

The Strategic Director (Development) now submitted a report to provide an update on the development of the City Council's Digital Asset Base. It also set out proposals for further investment into these three assets, in particular The SHARP Project and OCP.

The finding of the feasibility assessment of OCP were set out in the report. The key issues were:

- lack of networking and business interaction space with some areas in an unkempt condition and so unsuitable;
- lack of focussed management that was able to drive forward the business and utilise other opportunities to generate revenue and job opportunities;
- the reception area did not facilitate tenant interaction or provide commercial opportunities;
- the inadequate management, lack of branding, poor space utilisation and access control arrangements to the car park and three office wings were all constraints;
- the audio-visual lecture theatres were under-utilised and poorly designed;
- building services and energy performance were not appropriate for multi-occupancy use of the site;
- under-provision and poorly managed car parking arrangements; and
- poor connectivity to local transportation facilities including the local Metrolink stop.

The conclusion was that in its current condition OCP was an unattractive proposition to the digital market being targeted, that it could not charge a full commercial market rent, had no ability to charge for additional facilities, nor create new services and facilities to deliver additional revenue streams, and had unusable or low quality space that recovered no income. Therefore it was proposed that there be investment to transform OCP into a building that was fit for purpose and would serve the needs of the digital services market, able to adopt the underlying principle of the SHARP Project business model. The works to be undertaken were detailed in the report and the costs of the proposed works were estimated as £5.3m.

Further development of the SHARP project was also addressed in the report. It was explained that the anticipated use of the part of the facility known as 'Black' had not materialised. Therefore consideration had instead been given to developing this area into business accommodation to provide space for companies looking to grow and move on from the converted shipping containers at the SHARP project site. Presently there was no scope to meet such demand and so business ready to grown beyond the confines of a container had to look elsewhere for a new home. The budget estimate for the feasibility study and detailed appraisal of options for the site was £125,000. This would be funded from approved carry forward surplus from 15/16 relating to the three digital assets which had already been approved as part of the 2016/17 budget.

For the SPACE Project the report explained that negotiation were underway with a potentially significant anchor tenant who was considering leasing 10,200 sq ft on commercial terms for a 15 year lease. The intention of the potential tenant was for the project to include the tenant's required fit-out works within the construction of the development scheme that was approved in March 2016. Those fit-out works would be in addition to the current project scope and so not included in the budget. In order to accommodate these additional works, where it was possible and appropriate to do so within the main project, it was proposed that an additional Capital budget be put in place. This would be funded through prudential borrowing, with tenants to repay the capital and interest during occupation through an increased initial rent to be captured in the tenants Lease agreement. To allow this proposal to go forward a capital budget of up to £1.4m was requested to allow the fitting-out of up to 40,000 sq ft of space, with the actual expenditure to be dependent on individual tenant requirements, but not to exceed this total figure. We supported this proposal.

On the setting up of a holding company for the future operation of the assets the report explained that the company was to be known as Manchester Creative Digital Assets Ltd. A budget of £30,000 was needed to fund establishment costs of the company. We agreed to the release of these funds from the Capital Fund.

Decisions

1. To recommend that the Council approve a Capital Budget increase of £6.7m, relating to the refurbishment of OCP (£5.3m) and the tenants fit-out of phase 2 The SPACE Project (£1.4m), funded from prudential borrowing, the cost of which will be funded from increased rental income.
2. To note the progress to date in the development of the City Council's Digital Asset Base and the indicative proposals in relation to OCP that seek to enhance the facility and ensure it will continue to contribute to the continued growth of the city's digital sector.
3. To agree the proposals for feasibility work and a detailed appraisal in relation to The SHARP Project as set out in section 3 of the report, to be funded from the approved carry forward of 2015/16 surpluses.
4. To note that a further report would be submitted following the progression of feasibility and detailed appraisal in relation to The SHARP Project seeking approval for a capital budget to deliver the works, subject to a more detailed cost exercise and development of a robust investment case.
5. To delegate authority to the City Treasurer and the Chief Executive, in consultation with the Leader and the Executive Member for Finance and Human Resources to approve spending of £1.4m for fit-out costs at the SPACE Project, subject to them considering a business case evidencing sufficient additional income is available to fund the cost of prudential borrowing.
6. To note progress on establishing the holding company.

7. To approve a capital budget increase of £30,000 as a provision to cover the costs of establishing the holding company, funded by the Capital Fund.

Exe/16/080 Consent to Greater Manchester Combined Authority Orders

A report from the City Solicitor provided an update on the current legal and governance arrangements for GMCA following the implementation of the Cities and Local Government Act in March 2016. The Act was enabling legislation and so conferring the specific CA and Mayoral powers required Orders in Parliament. All such Orders would require the consent of all of the districts as well as GMCA. The Act also provided the legislative framework to address other issues, particularly in relation to the detail of governance such as the delegation of functions and role of committees. Orders and regulatory amendments relating to constitutional or electoral issues had to be in place by November 2016. Others would need be in place by February 2017 at the latest to allow sufficient time for Mayoral candidates to be fully aware of the powers of the elected Mayor and to prepare a manifesto. We agreed to delegate authority to the Chief Executive to give the Council's consent to Orders required to implement the GM devolution arrangements.

The report set out the powers and functions to be transferred to the GMCA or the Mayor. It also described the possible overview and scrutiny arrangements for the CA.

Decisions

1. To note that the Cities and Local Government Act is now in place and note the next steps required for implementation of the Greater Manchester devolution deals.
2. To delegate authority to the Chief Executive in consultation with the Leader of the Council to consent to the terms of all Orders required to implement the current devolution deals.

Exe/16/081 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 27 May 2016.

Exe/16/082 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 27 May 2016.

Exe/16/083 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/16/084 The Manchester Ice Dome (Public Excluded)

A report by the Strategic Director (Development) out the proposed lease terms for the Manchester Ice Dome proposal that had been put forward by Manchester Ice Dome (Minute Exe/16/078 above). We agreed that the terms put forward were likely to secure the promotion or improvement of the economic, social or environmental wellbeing of the area. We noted that the terms were supported by a Business Plan.

Decisions

1. To approve the proposed lease terms.
2. To delegate authority to the City Treasurer to approve the terms of the funding arrangements including the provision of satisfactory evidence to demonstrate that the tenant has secured all necessary funding to complete the refurbishment and fit out of the building.

Exe/16/085 The Development of the City Council's Digital Asset Base (Public Excluded)

A report submitted by the Strategic Director (Development) set out the commercial rationale for funding the investment in One Central Park and summarised the business case for the proposals (Minute Exe/16/079 above).

Decision

To approve the commercial rationale for the delivery of One Central Park as covered in the report.