

**Manchester City Council
Report for Resolution**

Report to: Executive - 7 March 2018

Subject: The Regeneration of West Gorton – summary of progress to date and the Armitage Nursery and Community Facility

Report of: Strategic Director (Development)

Summary

The purpose of this report is to provide an update to the Executive on progress being made in delivering the comprehensive regeneration of the West Gorton neighbourhood, in a multi-phased programme of activities, which have been approved by previous meetings of the Executive.

Recommendations

The Executive is requested to:

1. Note the progress made to date in delivering the West Gorton Regeneration Programme and specifically the elements delivered since the previous update to the Executive in 2014 – new build housing, the Community Hub, the outcomes of the West Gorton Compulsory Purchase Order 2015 and the Space Project.
 2. Approve the proposed disposal, by way of lease, of the Armitage Nursery and Community Facility to the Diocese of Manchester for use strictly as a nursery and community facility for the benefit to the West Gorton community. The right for the community to access and use the building will be contained in the lease to the Diocese and / or (as appropriate) in a separate agreement.
 3. Delegate authority to the Director of Development and Corporate Estate to finalise the detailed terms of the lease
 4. Authorise the City Solicitor to conclude and complete all documents and agreements necessary to give effect to the recommendations in this Report as to the proposed disposal by way of lease and to finalise and enact the legal documents required to put this resolution into effect.
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Wards Affected: Ardwick

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates	The regeneration of the West Gorton neighbourhood will deliver a range of good quality homes in a variety of types and tenures:

jobs and opportunities	significantly extending housing choice and increasing the prospects of retaining and attracting economically active residents. Significant investment to the West Gorton neighbourhood will be made and substantially improve the environment.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The delivery of the West Gorton Regeneration programme will provide training and employment opportunities for the residents of the area via the establishment of appropriate local labour agreements with the developers concerned.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	New housing, commercial development and the improved environment will be accessible for all sections of the community. A Residents' Steering Group has been involved throughout the delivery of the programme. Improvements will address social exclusion and enhance the quality of life for the residents by improving both the overall social conditions and employment opportunities in the area. In addition, the re-provision of new housing for rent and ownership will provide residents with brand new housing which will be financially accessible. The Armitage Nursery and Community Facility offers a further opportunity to make a lasting difference to the life chances of the very youngest in the community.
A liveable and low carbon city: a destination of choice to live, visit, work	The West Gorton Regeneration Programme will create a socially integrated neighbourhood by improving housing choice, quality and mix, providing modern homes for rent and sale, at a range of values, types and sizes, retaining existing residents and attracting newcomers.
A connected city: world class infrastructure and connectivity to drive growth	The West Gorton regeneration programme is transforming West Gorton making the area a more attractive and sustainable area. Residents benefit from the close proximity and excellent transport links to the City Centre and the employment opportunities it has to offer.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

There are no revenue consequences for the City Council arising from the recommendations in this report.

Financial Consequences – Capital

The recommendations in this report, if approved, will be contained within the capital budget.

Contact Officers:

Name: Eddie Smith
Position: Strategic Director (Development)
Telephone: 0161 234 3030
E-mail: e.smith@manchester.gov.uk

Name: Dominic Hayes
Position: Director of Development and Corporate Estate
Telephone: 0161 234 1292
E-mail: d.hayes@manchester.gov.uk

Name: Ian Slater
Position: Strategic Neighbourhood Lead
Telephone: 0161 234 4582
E-mail: i.slater@manchester.gov.uk

Name: Liz Treacy
Position: City Solicitor
Telephone: 0161 234 3087
E-mail: l.treacy@manchester.gov.uk

Background documents (available for public inspection):

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

1. The Regeneration of West Gorton – Summary of Progress to Date and Proposals for the Delivery of Future Phases of Activity. Report to Executive 15th February 2012
2. The Regeneration of West Gorton – Summary of Progress to date and proposals for the delivery of future phases of activity. Report to Executive 18th June 2014.

1.0 Introduction

- 1.1 The City Council, working in conjunction with key partners Homes England (formerly the Homes and Communities Agency, HCA) and The Guinness Partnership Ltd (TGPL) has been delivering a multi-phased comprehensive regeneration programme in West Gorton over the last 9 years to provide new and improved housing for existing residents; extend and diversify the range and choice of housing types and tenures to attract new residents; deliver improved and new community facilities and improve the overall environment. This programme was agreed at the December 2009 meeting of the Executive. This report provides an update on progress made since the last report to the Executive in June 2014 in delivering this regeneration initiative.

2.0 Progress Made to Date

- 2.1 Executive Members will recall from the previous report about the West Gorton Regeneration Programme, the following elements of the programme had been completed:

- A Masterplan, Environment and Design Framework and Outline Planning consent in October 2012.
- The transfer of 144 City Council properties to TGPL and a comprehensive programme of internal and external improvement works to bring these properties up to modern standards.
- The construction of 171 new social rented properties by the City Council and a further 41 new homes by TGPL to accommodate the 75% of residents in obsolete homes who chose to remain in West Gorton.
- The demolition of 440 obsolete residential properties including two tower blocks.
- An extension to the Armitage Primary School to provide new teaching and administration facilities.

- 2.2 Since the last update in 2014, the following elements of the regeneration programme have been delivered:

Land Assembly and Compulsory Purchase Order

- 2.3 A number of strategic sites West Gorton that were in third party ownership were acquired by agreement. However, it proved to not be possible to reach agreement with all third party landowners and a decision was taken by the Executive in October 2014 to pursue a Compulsory Purchase Order.
- 2.4 The City of Manchester (West Gorton) Compulsory Purchase Order was made in November 2015. Objections to the Order were made by a small number of third party landowners which lead to a Public Inquiry being held in August 2016. The Order was subsequently confirmed by the Secretary of State in November 2016 and the Order Lands became vested in the City Council in February 2017.

The Space Project

- 2.5 A £10.6m investment was made to redevelopment of parts of the former Fujitsu complex to create a new 360,000 sq ft drama production hub – The Space Project, which opened in 2014. A second phase of development has recently been completed consisting of a 30,000 sq ft stage, support space, workshops and 50,000 sq ft of small business units to house companies who supply goods and services to TV and Productions. The business units are fully let by February 2018 and the new Stage is accommodating its first production who arrived on site in early January 2018. Demolition of the Wenlock Way office complex (former Fujitsu site) will complete in June this year and the land will form part of the Space Studios site for potential further development.
- 2.6 The Space Project's regular programme of on-site production activity has supported at least 250 full time equivalent jobs in production related companies in the first year of operation, with an associated GVA benefit of £9.0m to the Manchester economy. Additionally, 13 jobs on-site through direct employment and amongst tenant businesses have been created with an associated GVA uplift of £0.46m. 3 apprentices plus 16 work experience placements currently provide direct support for the delivery of services and several other apprentices have successfully moved on to full time positions. It is forecast that Phase 2 will support an additional 275 jobs and generate an additional GVA impact of £9.9m.

New build housing for market sale and rent

- 2.7 A two-pronged strategy to deliver new build market housing was taken forward as follows:

Matrix Homes – delivery of 29 homes for sale and market rent

- 2.7.1 Matrix Homes Partnership Limited, is a partnership between the City Council and the Greater Manchester Pension Fund (GMPF), set up in April 2014 to bring forward a new and innovative delivery model for residential development intended to boost the availability of residential homes in the City. 240 high quality, family-friendly, affordable homes for sale and market rent were successfully built across 5 developments in Manchester.
- 2.7.2 One of the five sites was situated in West Gorton off Clowes Street. The homes offer energy-saving features such as solar roof panels, extensive insulation and highly efficient boilers designed to keep running costs at a low and/or manageable amount. Demand for the new homes was strong. All the 10 for sale homes were sold with 7 homes purchased through Help to Buy, an affordable government scheme which offers first time buyers a 20 per cent equity loan. All 19 privately rent homes are fully let and Places for People / Touchstone are responsible for the management of the homes.

Keepmoat Homes - delivery of up to 400 homes for market sale

- 2.7.3 Keepmoat Homes are delivering the substantive element of the new build strategy with up to 400 homes for market sale. The Conditional Sales

Agreement (CSA) which underpins Keepmoat's development provides for a phased development and a cost centre has been established in the Council's accounts where land receipts are paid. The Council, at its absolute discretion, has the flexibility to re-invest these receipts to deliver the overall objectives of the Regeneration Programme.

- 2.7.4 To date, Keepmoat Homes has built and sold over 190 new homes in West Gorton across the first and second phases of development in the neighbourhood. Over 50% of customers have come from within Manchester and around 2/3 from Greater Manchester as a whole. Approximately 80% of customers are first time buyers, with about 50% overall making use of the government's Help to Buy scheme. The development has been a phenomenal success and demand has consistently outstripped supply since starting on site in April 2015. The development is over 18 months ahead of programme and Keepmoat and the City Council are currently in negotiations with regard to making an early start on the third and final phase of the programme.

New Community Hub

- 2.8 A key element of the West Gorton Regeneration Masterplan was to replace the poor quality buildings that housed the community's facilities with a new purpose-built Community Hub at the junction of Hyde Road and Clowes Street. Development began in August 2016 and was completed in June 2017. The West Gorton Medical Centre and pharmacy moved in and opened for business on 28 July 2017 and One Stop opened their new store on 23rd September. The hub was formally opened by Andy Burnham on 16th November 2017.

3.0 Delivering the Remaining Elements of the Regeneration Programme.

- 3.1 The remaining elements of the regeneration programme to be delivered are as follows:
- Complete the development of a new community park and other areas of public open space in line with the Masterplan recommendations;
 - Undertake Highway improvements as identified through the Outline Planning Application and development programme for the Masterplan;
 - Bring forward the development of a 30 (full time equivalent) place nursery and combined community facility to replace the one about to be demolished as part of the redevelopment of the former Fujitsu site.

The Community Park and Public Open Space

- 3.2 The revised Masterplan and Outline Planning Application include provision for the delivery of a new Community park and other open space improvements.
- 3.3 Manchester City Council and partners have secured European Commission Horizon 2020 funding (the largest ever European funding programme for research and innovation) for the 'GROWGREEN' project, to demonstrate how Nature Based Solutions (NBS) can be used to respond to a wide range of

challenges in urban areas including flood risk, air quality, biodiversity, health, social inclusion, and others. Along with Valencia (Spain), Wroclaw (Poland) and Wuhan (China), Manchester is participating as a 'frontrunner' city, with each city committed to delivering a demonstration project.

- 3.4 The budget (which will be paid in euros so is subject to fluctuations in the exchange rate) for the Community Park and open space improvements including all construction works, fees, disbursements and other costs is as follows is:

€125,000 revenue: design work

€1,400,000 capital: NBS construction and management works.

TOTAL = €1,525,000

- 3.5 West Gorton has been selected as the location for Manchester's demonstration project, based on the need to address a range of existing challenges and fit with the West Gorton regeneration programme timescales. West Gorton therefore presents a unique opportunity to deliver an exemplar regeneration project, with high quality, innovative and multi-functional NBS and green infrastructure as an embedded and critically important component. It should provide a catalyst for the delivery of the wider Manchester Green and Blue Infrastructure Strategy 2015-25, and a model that can be replicated within Manchester, Greater Manchester, and other cities across Europe.
- 3.6 The West Gorton project partners are Manchester City Council, the Guinness Partnership Ltd and the University of Manchester. Groundwork have been appointed to lead the community and stakeholder consultation in West Gorton. They will ensure that the community's needs and aspirations for the open spaces in the neighbourhood are identified. They will also, through engaging with the community, raise awareness about the challenges of climate change and inspire the community to take pride in and ownership of the green spaces. BDP are the landscape architects appointed to the project. Using feedback from the community consultation process, they will develop a green infrastructure plan for the neighbourhood which, after further consultation with local people, will be developed into detailed designs.
- 3.7 The University of Manchester will monitor and evaluate the impact of the green infrastructure on the community and the neighbourhood. The focus will be on the following outcomes:
- Reducing flood risk by better management of surface water runoff
 - Improving the health and well-being of local people by encouraging active lifestyles through walking, taking exercise and being outdoors
 - Strengthening the cohesion and resilience of the community by building on existing groups and activities
 - Improving air quality, reducing noise pollution and enhancing biodiversity.
- 3.8 Measurement and monitoring by the University will use a variety of methods such as air quality sensors, measuring surface water runoff, monitoring the use of the park and other open spaces, as well as through resident surveys.

- 3.9 Consultation with the community will began in February 2018. The design of the park and open spaces will run through until summer 2018. Also during the spring and summer, plans for the long term management and maintenance of the park and open spaces will be determined. The final designs for the park and open spaces will be brought to the Executive for approval in the autumn.

Highways Improvements

- 3.10 A programme of highways works is being delivered by Keepmoat as part of their development of new homes for market sale. All roads within the development will be subject to 20mph speed restrictions with the roads and parking areas being of a design to encourage low vehicular speeds and to raise awareness of the presence of other more vulnerable road users most notably pedestrians. Traffic calming measures will be put in place and a review of Traffic Regulation Orders in areas of the neighbourhood where highways have been remodelled is being undertaken.
- 3.11 Sustainable transport is being promoted with the objective of reducing the number of car journeys through the neighbourhood and by safeguarding access to and making the fullest use of public transport. A choice of direct, safe and attractive routes between where people live and where they need to travel in their day-to-day life have been created to encourage the opportunity to walk whatever the journey purpose and also to help to create more active streets and a more vibrant neighbourhood.

The Armitage Nursery and Community Facility

- 3.12 The regeneration programme delivering the physical transformation of West Gorton is operating within one of the most deprived neighbourhoods in the UK. The two lower super output areas (LOSAs) covering West Gorton are ranked within the top 3% most deprived areas in the UK. A need for 2 year old nursery provision has been identified as only around 10% of children starting school in the West Gorton area are meeting age related expectations and are 'school ready' – a very low baseline. The capital receipt from the sale of land to Keepmoat (see section 2.7.3 of this report) provided an opportunity to make a lasting difference to the life chances of the very youngest in the community. A proposal to develop a nursery also presented the opportunity to combine the space with community use.
- 3.13 The West Gorton Community Partnership had use of space on the ground floor of the Wenlock Way tower (the former Fujitsu works). The space was well used for a variety of community activities but the decommissioning of the tower in the summer of 2016 meant that not all the groups and activities were able to be relocated and some simply ended. The impact of the loss of dedicated space on the community has been significant.
- 3.14 The Armitage Primary School offered to take on the management and maintenance of a building on a vacant plot of land within the school grounds if it could be part funded by some of the capital receipts from the West Gorton

regeneration programme. The proposal was strongly supported by community representatives from the Community Partnership, residents groups and by the West Gorton Residents Steering Group.

- 3.15 The City Council's Capital Programmes Group commissioned a feasibility study to determine the most cost effective way of delivering a building. The outcome was to develop a 2 storey building of a pre-fabricated, modular and highly environmentally sustainable design. Capital approval for the project was obtained in October 2017 under Capex code 489 and recorded on the Key Decisions Register (meeting the criteria in being over £1/2m and being funded from the Council's own resources). The approved budget for the development of the building is £1.43m.
- 3.16 The building will provide a 30 place two year old nursery with childcare and play scheme facilities and a community facility with a multi-use space, an office, PC room, kitchen and ancillary space. The development will be over two floors, with the nursery facility on the ground floor and the community space on the second floor. The total building footprint is 357 sqm². The nursery will have external soft play area. The nursery and community areas will be entirely separate with safeguarding issues addressed by the design of the building and the access and security arrangements that will be in place. Access to the nursery and community areas will be controlled by a fob system and, managed by the school and linked to the fire alarm system.
- 3.17 Once the building works are complete, the management and maintenance of the Armitage Nursery and Community Facility, including running costs such as insurance, cleaning and maintenance will be the responsibility of the school. It is expected that the increased revenue costs in managing and maintaining the building will be met from the income in fees and funding generated by the nursery. These arrangements will be set out in the lease of the building between the Council and the Diocese (headline terms are set out in 3.18 below). To protect the parties, a handover protocol will be agreed to ensure that the lease is entered into on sign-off of practical completion of the construction and, as appropriate, fit-out works. Plans and illustrations of the building are shown in Appendix 1 attached.
- 3.18 Armitage Primary School is a voluntary controlled Church of England School. In order to formalise the agreed management and maintenance arrangements for the Armitage Nursery and Community Facility the City Council will grant a lease of the building and the land on which it stands to the Diocese of Manchester. The lease will be drawn on broadly similar terms to the Academy leases, which comprise 125 year full repairing and insuring terms and will contain a strict user clause setting out that the building and site can only be used for a nursery, and in this instance a community facility for use by the West Gorton Community. The right for the Community to access and use the building will be captured within the lease, however the details of how this is managed and operated is likely to be set out in a separate agreement, which the Council will have the right to approve. The lease will contain a specific break clause in favour of the Council which will reserve the right for the Council to terminate the lease if the primary use of the relevant area ceases to

be for educational purposes. The inclusion of such a restrictive user clause, coupled with the tenant obligations and the break provisions result in a lease that has a nominal market rent. Consequently the lease will be granted at a peppercorn rent without review. As is usual the Council will retain the right to approve proposed structural alterations and any redevelopment proposals throughout the term of the lease.

- 3.19 Planning consent for the development of the Armitage Nursery and Community Facility was obtained in February 2018. The development will start on site in March 2018 and it is expected to be completed in summer 2018 in readiness for the nursery to open at the start of the new school year in September 2018.

4.0 Concluding Remarks

- 4.1 In 2009 when the regeneration masterplan was agreed, West Gorton was an area that had fallen into significant decline and was characterised by high levels of worklessness, deprivation and ill-health. Despite very challenging economic circumstances and severe reductions in the availability of public funding, West Gorton has become a place residents are proud of and one where people choose as a place to live and work. The demand for the new Keepmoat homes in the area has been phenomenal and high volume of sales has meant that the development programme is some 12 months ahead of schedule. The three quarters of residents who were displaced by the demolition of obsolete properties and chose to remain in West Gorton have had their lives transformed through their attractive, spacious and energy efficient new homes. The new and improved public facilities – enhanced primary school, new medical centre with pharmacy and shop along with the new Community Park and wider improvements to the public realm will all play their part in transforming the appearance and image of West Gorton. The community continues to sit at the heart of the regeneration programme and the new nursery and community facility will promote community cohesion and help address the impacts of poverty, deprivation and the inequalities of the very young from poor backgrounds.
- 4.2 However, West Gorton's location being surrounded on all four sides by major rail and arterial road routes, also the very close proximity of commercial and industrial uses means that the area suffers from poor air quality, noise pollution, a lack of biodiversity and a high proportion of residents have long term health conditions. The regeneration masterplan set out to create a more balanced, stable and prosperous community and to develop an attractive neighbourhood with high-quality public facilities. These objectives are being met but further work will be required to reduce the environmental impacts of West Gorton's location and to address the poor operational management of some neighbouring industrial and commercial uses.
- 4.3 Detailed recommendations appear at the front of this Report.

5.0 Contributing to the Manchester Strategy

(a) A thriving and sustainable city

- 5.1 The regeneration of the West Gorton neighbourhood will deliver a range of good quality homes in a variety of types and tenures: significantly extending housing choice and increasing the prospects of retaining and attracting economically active residents, helping to build a sense of place and positioning West Gorton as a neighbourhood of choice. The regeneration programme will attract significant investment to the West Gorton neighbourhood and substantially improve the environment. The remodelling of the neighbourhood will increase permeability and reduce crime, making the estate a more attractive and sustainable area for residents to live.

(b) A highly skilled city

- 5.2 The delivery of the West Gorton Regeneration programme will provide training and employment opportunities for the residents of the area via the establishment of appropriate local labour agreements with the developers concerned.

(c) A progressive and equitable city

- 5.3 New housing, commercial development and the improved environment created by the regeneration programme will be accessible for all sections of the community. A Residents' Steering Group has been involved throughout and will continue to be provided with further opportunities to engage directly with and influence the delivery of the programme on an ongoing basis. Improvements will address social exclusion and enhance the quality of life for the residents by improving both the overall social conditions and employment opportunities in the area. In addition, the re-provision of new housing for rent and ownership will provide residents with brand new housing which will be financially accessible. The Armitage Nursery and Community Facility offers a further opportunity to make a lasting difference to the life chances of the very youngest in the community.

(d) A liveable and low carbon city

- 5.4 The West Gorton Regeneration Programme will create a socially integrated neighbourhood by improving housing choice, quality and mix, providing modern homes for rent and sale, at a range of values, types and sizes, retaining existing residents and attracting newcomers. The project will help build a sense of place and unique identity for West Gorton and will make a positive contribution to the urban fabric of the City.

(e) A connected city

- 5.6 The West Gorton regeneration programme is transforming West Gorton making the area a more attractive and sustainable area. Residents benefit from the close proximity and excellent transport links to the City Centre and the employment opportunities it has to offer.

6.0 Key Polices and Considerations

(a) Equal Opportunities

6.1 None directly

(b) Risk Management

6.2 The risks associated with the project will be managed by the Strategic Development and Housing Teams using the Manchester Method Project Management methodology. The risk log is reviewed and updated regularly.

(c) Legal Considerations

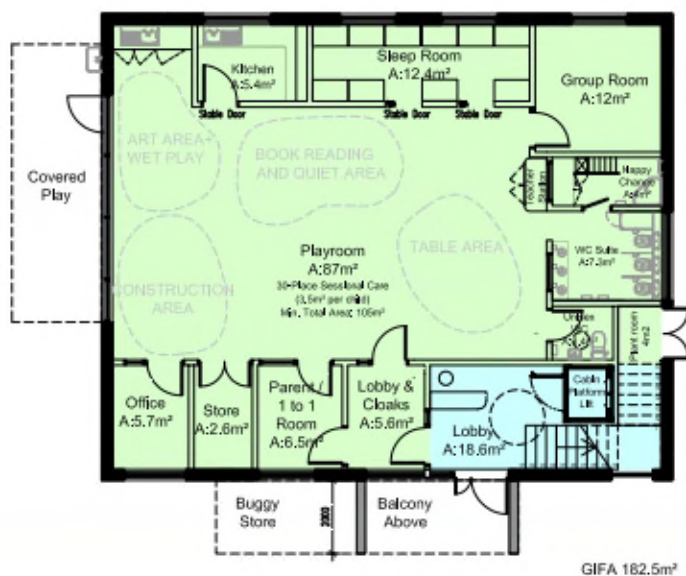
6.3 A representative from the City Solicitor has advised on legal aspects of the regeneration programme to date.

Appendix 1 Plans and Illustrations of the Armitage Nursery and Community Facility

A. Artists impression of the front exterior of the building

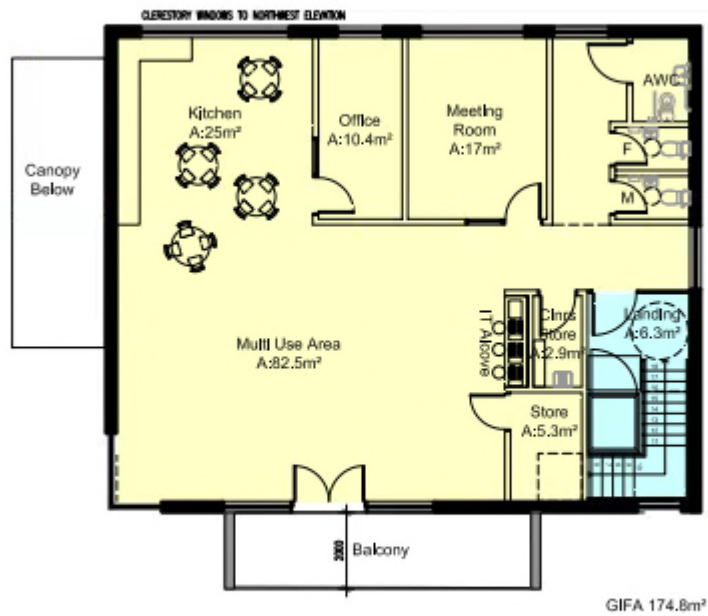


B. Ground floor (nursery) layout



Two Storey - Proposed Ground Floor Layout

C First floor Community layout



Two Storey - Proposed First Floor Layout