

**Manchester City Council
Report for Resolution**

Report to: Executive – 7 March 2018
Subject: The Northern Gateway – Progress Update
Report of: The Strategic Director (Development)

Summary

This report provides an update on progress made in preparing a Strategic Regeneration Framework (SRF) and Masterplan for the Northern Gateway development area since the formation of the Northern Gateway Joint Venture in April 2017.

The report provides a further update on proposals to bring forward a first phase of mixed-tenure – including housing for social rent - residential development in Collyhurst, which will be developed and informed alongside a robust process of consultation and engagement with the local community and key stakeholders.

Recommendations

The Executive is recommended to:

1. Note the contents of this report and the progress that is being made in the production of a draft SRF and Masterplan, which will be brought back to Executive in June 2018 ahead of a formal public consultation exercise that will be undertaken over the summer;
 2. Approve the proposal to establish the Collyhurst area as an addition to the North Manchester Housing Affordability Zone originally designated by the Executive at its meeting of 18 October 2017;
 3. Approve the proposal to move forward an initial phase of residential development activity in Collyhurst, including the delivery of new Council owned social housing at the earliest opportunity; and,
 4. Note that officers will consult with Local Ward Members to develop options for the location of this initial phase of development activity in advance of a wider public consultation exercise with local residents and key stakeholders prior to the finalisation of delivery arrangements.
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Wards Affected

Ancoats and Clayton; Cheetham; Harpurhey; Miles Platting and Newton Heath

| Manchester Strategy outcomes | Summary of the contribution to the strategy |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | The Northern Gateway will expand the city centre in a northern direction establishing sustainable mixed-use neighbourhoods including new jobs and employment opportunities. |
| A highly skilled city: world class and home grown talent sustaining the city's economic success | The Northern Gateway will provide direct employment opportunities and also meet the demand for housing from residents who wish to live close to the skilled employment opportunities located in and around the Regional Centre. |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | Development of the Northern Gateway offers the potential to deliver on the objectives of the Manchester Residential Growth Strategy and meet the growing demand for high quality new housing in the city. |
| A liveable and low carbon city: a destination of choice to live, visit, work | The Northern Gateway development opportunities will support the delivery of new residential developments using state of the art technologies and low carbon construction methods. |
| A connected city: world class infrastructure and connectivity to drive growth | The master-planning of new neighbourhoods within the Northern Gateway will include traffic and transport planning ensuring that various modes of transport (car, bus, rail, metrolink, cycle, and walk) are provided for. |

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 immediate revenue consequences at this stage of the process. However, the establishment of the proposed partnership for the Northern Gateway area will result in an increased focus of staffing resources and consequent revenue budgets to drive forward and deliver the significant residential growth and place-making opportunities that the partnership will seek to deliver. Further reports setting out detailed budgetary proposals will be brought to a future meeting of the Executive.

Financial Consequences – Capital

There are no direct capital consequences at this stage. It should be noted that the City Council has submitted a proposal to Government seeking a £10.25m capital contribution to be utilised alongside capital investment capability generated by the Housing Revenue Account to partly fund an initial phase of development activity in

Collyhurst. Once the outcome of this funding submission is known and local consultation exercises have been undertaken a more detailed report will be brought back to the Executive for approval. Detailed funding proposals will also be subject to approval through the Capital Strategy checkpoint process.

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Background documents (available for public inspection):

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

- The Northern Gateway – Driving Forward Residential Growth, 8 March 2017
- Northern Gateway – Driving Forward Residential Growth on the Northern Edge of the City Centre, 9 September 2015
- Manchester Residential Growth Strategy and Action Plan 2016/17, 2 March 2016

1.0 Introduction and background

- 1.1 The Northern Gateway comprises a 155 Hectare land area made up of the adjacent neighbourhoods of New Cross, the Lower Irk Valley and Collyhurst. Extending from NOMA, on the northern edge of the City Centre, the area is bisected by the main arterial route of Rochdale Road and is bounded by Oldham Road and the trans-pennine rail line to the east, and the Redbank area to the west. A location plan showing the Northern Gateway boundary is attached as Appendix 1.
- 1.2 In March 2017 the Executive granted Delegated Authority to senior officers to conclude the appointment of a major investor / delivery partner to work alongside the City Council in delivering the residential led regeneration of this part of the City. This appointment was the conclusion of an international marketing process that the City Council had commenced in April 2016.
- 1.3 The identified partner was the Far Eastern Consortium International Limited (FEC) a Hong Kong Stock Exchange listed international development company, who had submitted the most advantageous financial offer for a number of initial land interests being made available for development, and had demonstrated through the bidding process the expertise and financial capacity required for the nature of this initiative. Accordingly, Northern Gateway Operations Limited, a Joint Venture partnership between Manchester City Council and FECIL, was formally entered into on 26 April 2017.
- 1.4 The key early activity of the Partnership has been to commence the preparation of a Strategic Regeneration Framework (SRF) and Masterplan for the Northern Gateway area which will inform and guide overall development activity in the area but also underpin the Partnership's Strategic Business Plan. At the same time, consideration has been given to bringing forward a first phase of residential development within the Collyhurst area, which could be delivered in the short-term (2-3 year) period.
- 1.5 It is anticipated that a draft SRF will be published and brought to the Executive in June 2018 with a recommendation to carry out public consultation over the summer with a view to returning to Executive seeking formal approval and adoption by October 2018.
- 1.6 This report provides a progress update on the preparation of the Northern Gateway Masterplan and SRF and a proposal for bringing forward a first phase of development in Collyhurst.

2.0 Scale of the Northern Gateway Opportunity

- 2.1 The Northern Gateway area contains significant amounts of vacant and underutilised land and provides the opportunity to deliver approximately 15,000 new homes over a ten to fifteen year period. If this is successfully exploited will make the single largest contribution to the City's Residential Growth Strategy.

- 2.2 As such it has the potential to be one of the biggest regeneration initiatives in the UK and will be the most ambitious project that the City Council has undertaken since the regeneration of East Manchester, kick-started by the Commonwealth Games in 2002.
- 2.3 The initiative will seek to bring about the comprehensive regeneration of the area – providing much needed new homes within the City, supported by ancillary commercial development and with the relevant investment required in social and community infrastructure, including education, health and retail facilities, transport improvements and new green spaces.

3.0 Challenges and Opportunities

- 3.1 The Northern Gateway area provides significant challenges as well as great opportunities. The New Cross and Lower Irk Valley neighbourhoods are characterised by a fractured post-industrial urban form and underutilised and brownfield land and the latter dominated by a poorly laid out Council Housing Estate requiring extensive improvement and remodelling.
- 3.2 The area does, however, include the Irk River Valley and great proximity to the Regional Centre, providing a unique opportunity to create new neighbourhoods linked to the City Centre through a City River Park and other green routes – connecting NOMA, Angel Meadow, Sandhills, Collyhurst Village Park and Queens. Ultimately, the interventions in the Northern Gateway will lead towards the realisation of green, riverside route that links the City Centre to Heaton Park.

4.0 Developing a Vision for the Northern Gateway

- 4.1 In Autumn 2017 the Joint Venture Partnership commissioned a multi-disciplinary team of suitability experienced and qualified masterplanners, designers and engineers to lead the development of a Northern Gateway SRF and Masterplan. This document will provide a vision and framework to guide development in this location over the next 10-15 years.
- 4.2 Key Elements of the Emerging Vision for the Northern Gateway are as follows:-

The Creation of Vibrant and Distinctive Linked Neighbourhoods

- 4.3 A key principle of the emerging vision will be how the Northern Gateway will seek to knit together this part of the City into the City Centre through the identification and definition of a number of distinct neighbourhoods which will offer good quality housing in a range of typologies and tenures, new community facilities, parks, open spaces and high quality public realm. These neighbourhoods will relate to existing communities in Collyhurst as well as the creation of new neighbourhoods in the Lower Irk Valley and the New Cross areas of the Northern Gateway area. The intention is that neighbourhoods will act as exemplars in terms of design and sustainability, contributing to the Council's ambitions to grow as a City but reduce carbon emissions.

The Creation of a City River Park and linked Green Spaces

- 4.4 The proximity of these neighbourhoods to the city centre together with the opportunities for off-road routes provided by the River Irk Corridor, highlight the potential to introduce a number of key interventions that can be delivered as part of the masterplan to encourage a high proportion of journeys to be made by walking, cycling and public transport. The River Valley provides a unique opportunity for the development of a linear City River Park and green routes connecting from NOMA and Angel Meadow on the edge of the City Centre through to Queen's Park to the north (and ultimately onwards towards Heaton Park), with links running through Sandhills to Collyhurst Village Park.

Maximising the use of Heritage and Natural Assets

- 4.5 At the heart of delivering the vision there will be, as a fundamental principle, a robust approach to place-making to ensure the area is vibrant and distinctive and, more importantly, creates a place where people want to live. Within the geography there are some unique assets that are seen as key to establishing a distinct sense of place. This includes a strong emphasis on the importance of the River Irk corridor as well as the existing railway viaducts and other heritage assets, taking into account the varied topography of the site.
- 4.6 In addition to the focus on existing assets that will characterise the sense of place and successful regeneration of the area, key strategic infrastructure interventions have also been identified through the emerging Masterplan.

Public Transport Improvements

- 4.7 A key objective in delivering the Northern Gateway will be to ensure the provision of excellent transport connectivity through and across the area – north/south and east/west – to connect residents to employment opportunities not only in the City Centre but to other key employment centres across the Greater Manchester conurbation. A number of strategic transport solutions are being explored with Transport for Greater Manchester (TfGM) as part of a proactive approach to effectively and efficiently moving people at the core of the conurbation. New prioritised bus routes could alleviate pressure on existing arterial roads,

Community and Social Infrastructure

- 4.8 The delivery of large numbers of new homes and the implications of this on social infrastructure are now being stress tested, alongside population/demographic projections, to determine the level of additional community facilities needed to support the consequent levels of population growth that may be possible. Discussions are progressing with various stakeholders (Education, Health and Sports and Leisure) to support this analysis. Works are also progressing to determine the level of critical infrastructure needed to support development and population growth including technical modelling to understand implications for the highways network, utilities, power and other services. Discussions are ongoing with various

stakeholders (United Utilities, Environment Agency, Electricity North West, TFGM and digital communications providers).

5.0 Place-Making and Investment Requirements

- 5.1 The Northern Gateway Initiative will require extensive “Place-Making” interventions. Significant investment will be required to deliver: the proposed City River Park and linked green spaces; robust flood mitigation measures; new and improved public transport connections; new and improved highways and public realm; new education and health facilities to meet the needs of a growing population; and new retail facilities and leisure amenities. As stated above, investment will also be required to ensure the provision of affordable housing.
- 5.2 The City Council and FEC are committed to making major investment into the area. However, given the scale of the initiative and the contribution that it could make to the residential growth agenda set out in the Greater Manchester Strategy: Our People Our Place, it will be important that the Northern Gateway area also is a focal point for investment in housing and infrastructure that flows through the Greater Manchester Combined Authority or directly via central Government and its agencies.
- 5.3 It should also be noted that all development activity undertaken within the area will be expected to contribute to the place-making agenda set out in this report and that will be established via the SRF. The City Council will be seeking significant Section 106 contributions through the planning process that will be directed towards place-making activities and the provision of affordable housing.

6.0 Development of the SRF and Public Consultation

- 6.1 The Northern Gateway Strategic Regeneration Framework (SRF) document will provide the long-term stewardship of the Northern Gateway. This document will be adopted by the Council and will form a material consideration as part of the planning process. The SRF document will provide a robust and practical tool for delivery of the Northern Gateway to ensure development is in accordance with a clear vision and place-making and regeneration principles.
- 6.2 A draft SRF document will be provided to the Executive meeting on 27 June 2018. Subject to endorsement, the draft document will then form the basis for a programme of public consultation over the summer, which will include input from local residents and community groups, local businesses and landowners, the wider development community and all relevant statutory bodies.
- 6.3 Following and informed by this consultation exercise, a final version of the SRF will be brought back to the Executive for formal approval and adoption in the autumn. Once adopted the Northern Gateway SRF will supersede the existing New Cross and Lower Irk Valley Neighbourhood Development Frameworks and the Collyhurst Spatial Masterplan and act as a material

consideration in the Local Planning Authority's evaluation of all planning applications submitted within the area.

7.0 Housing Affordability and Social Value

- 7.1 The intention is to create neighbourhoods that will meet the modern housing needs of existing and new residents. This means a mix of housing types and a variety of tenures - apartments and family housing; homes for open market sale and rent, homes for affordable owner occupation and affordable rent. The initiative will be also seeking to maximise local benefit – through the creation of direct employment and training opportunities in development schemes, but also via the use of local supply chains.
- 7.2 It is proposed that the Collyhurst area is added to the North Manchester Affordability Zone that was established in the Housing Affordability Plan approved by the Executive on 18 October 2017. This would provide a focus for the targeting of funding to deliver new social housing, and a range of financial products that would facilitate access to owner occupation or affordable rent to residents on or below the Manchester average income.

8.0 Delivery of a First Phase of Development in Collyhurst

- 8.1 The Executive will be aware of the Council's long-standing desire to deliver transformative regeneration of the Collyhurst area and of the history of previous initiatives that were curtailed as a result of public sector austerity policies implemented by recent Governments.
- 8.2 Collyhurst residents have been waiting for estate remodelling and improvement since the mid 2000's when the area was subject to a PFI bid, which was terminated by Government in 2010. While the City Council has been able to undertake improvements to existing homes; demolish properties that were either obsolete, under-utilised or poorly laid out to create early win development opportunities, as well as improving Collyhurst Park and building new roads to improve estate accessibility, no new house building at scale has been delivered. An initial phase of delivery of the Northern Gateway initiative will therefore be focused on Collyhurst with the first new housing to be provided being new Council social housing; as part of a mixed scheme that will also deliver housing for open market sale.
- 8.3 It was agreed at a briefing session with Local Ward Members that the Council, and the Investment Partner, FEC, would explore two locations for the delivery of this initial phase; Collyhurst Village and South Collyhurst. Delivery options for these two areas are being prepared which will then be subject to detailed consultation with Local Ward Members and the local community. Subject to the agreement of a preferred location and, furthermore, to identifying a satisfactory funding package and delivery model, Officers will explore the viability of a larger phase of development within Collyhurst which would include homes for market sale and additional forms of tenure such as shared ownership. To aid this initiative the City Council has submitted a proposal for £10.25m of supporting funding to Central Government for funding via the

Estates Transformation Programme. Although subject to a number of delays an announcement on this submission is expected imminently.

8.4 Full details on this initial phase of delivery including the commitment of the capital budget required will be brought to a future meeting of the Executive, once the public consultation process has been concluded and the outcome of the funding submission to Central Government is known.

8.5 The Council and its Northern Gateway partners are committed to ongoing stakeholder engagement and public consultation throughout the lifetime of this initiative. Key statutory stakeholders are actively engaged in the development process of the SRF and a period of localised consultation and engagement with the local community in Collyhurst is underway and will continue both as part of the development of the SRF leading up to June and as part of the preparation of detailed plans for the first phase of delivery.

9.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

9.1 The Northern Gateway will expand the city centre in a northern direction establishing sustainable mixed-use neighbourhoods including new jobs and employment opportunities.

(b) A highly skilled city

9.2 The Northern Gateway will provide direct employment opportunities and also meet the demand for housing from residents who wish to live close to the skilled employment opportunities located in and around the Regional Centre.

(c) A progressive and equitable city

9.3 Development of the Northern Gateway offers the potential to deliver on the objectives of the Manchester Residential Growth Strategy and meet the growing demand for high quality new housing in the city.

(d) A liveable and low carbon city

9.4 The Northern Gateway development opportunities will support the delivery of new residential developments using state of the art technologies and low carbon construction methods.

(e) A connected city

9.5 The master-planning of new neighbourhoods within the Northern Gateway will include traffic and transport planning ensuring that various modes of transport (car, bus, rail, metrolink, cycle, and walk) are provided for.

10.0 Key Policies and Considerations

(a) Equal Opportunities

- 10.1 A key aim of the Northern Gateway is to deliver residential led development providing a significant number of high quality homes and alongside commercial development. This will both meet increasing levels of demand for housing within the regional hub and create new city centre employment opportunities.

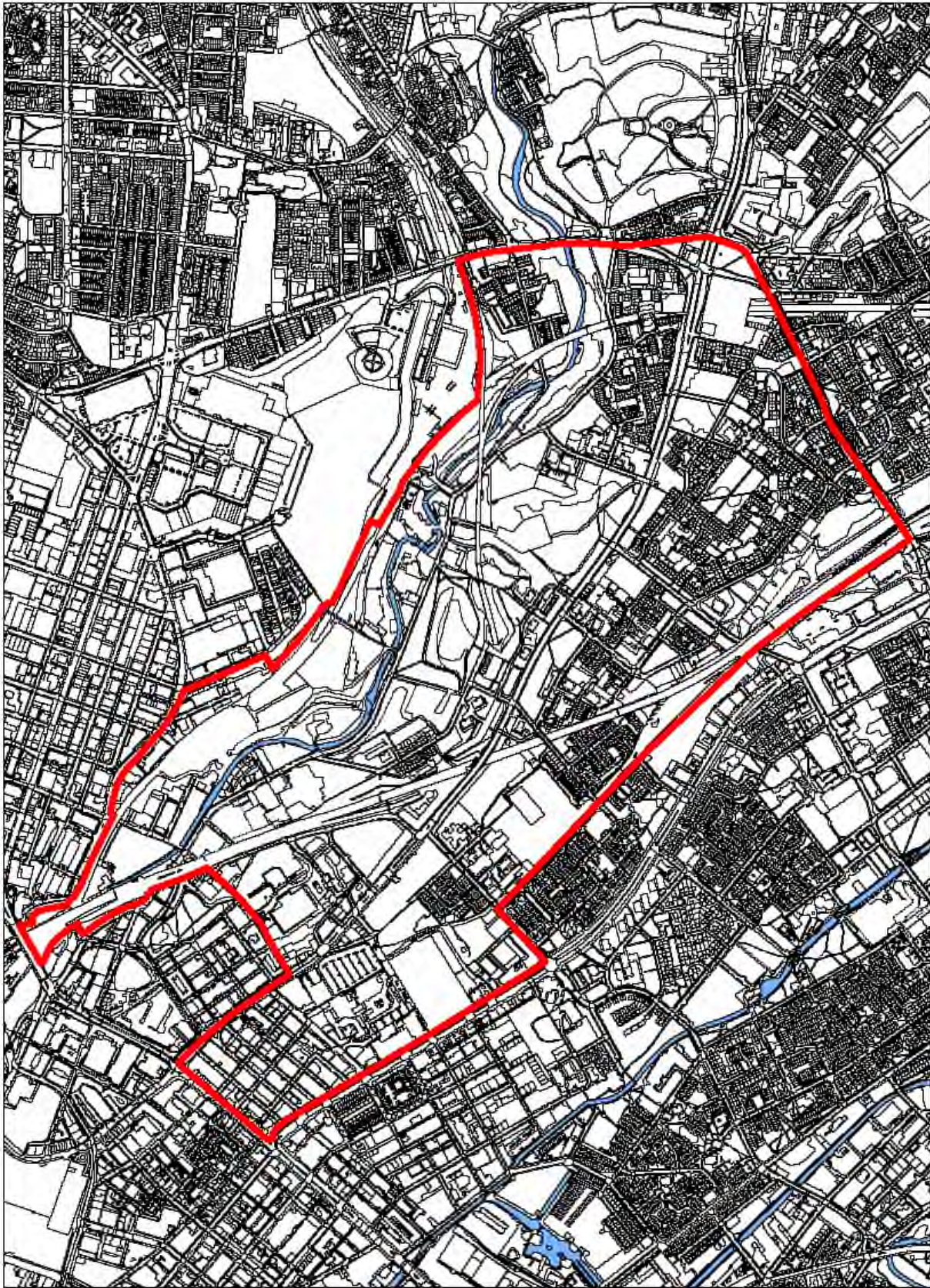
(b) Risk Management

- 10.2 The risks associated with the project will be managed by the Strategic Development Team using the Manchester Method Project Management methodology. Risks will be escalated and decisions made in accordance within the agreed governance structure.

(c) Legal Considerations

- 10.3 The marketing and selection of an investment partner has been carried out with advice and support from representatives of the City Solicitor and external legal professionals acting on behalf of the City Council. All future activity, including the development of the SRF and the implementation of initial phases of delivery in Collyhurst will include full input and support from representatives of the City Solicitor, augmented by external legal advice as and when necessary.

Appendix 1: Northern Gateway Boundary



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