



Executive

Date: Wednesday, 12 December 2018
Time: 10.00 am
Venue: Council Antechamber - Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

Access to the Council Antechamber

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. That lobby can also be reached from the St. Peter's Square entrance and from Library Walk. **There is no public access from the Lloyd Street entrances of the Extension.**

Filming and broadcast of the meeting

Meetings of the Executive are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Membership of the Executive

Councillors

Leese (Chair), Akbar, Bridges, Craig, N Murphy, S Murphy, Ollerhead, Rahman, Stogia and Richards

Membership of the Consultative Panel

Councillors

Karney, Leech, M Sharif Mahamed, Sheikh, Midgley, Ilyas, Taylor and S Judge

The Consultative Panel has a standing invitation to attend meetings of the Executive. The Members of the Panel may speak at these meetings but cannot vote on the decision taken at the meetings.

Agenda

- 1. Appeals**
To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.
- 2. Interests**
To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.
- 3. Minutes**
To approve as a correct record the minutes of the meeting held on 14 November 2018 (enclosed). 5 - 18
- 4. Manchester's Affordable Housing Strategy - Proposed new affordable housing policies for the Council** **All Wards**
19 - 44
The report of the Executive Member for Housing and Regeneration is enclosed.
- 5. Adult Social Care Winter Funding 2018** **All Wards**
45 - 54
The report of the City Treasurer is enclosed.
- 6. Proposed changes to Council charges levied on empty properties** **All Wards**
55 - 66
The report of the City Treasurer is enclosed.
- 7. HS2 Working Draft Environmental Statement (WDES)** **Ardwick;**
Baguley;
Didsbury
East;
Didsbury
West;
Fallowfield;
Longsight;
Northenden;
Piccadilly;
Rusholme;
Withington;
Woodhouse
Park
67 - 100
The report of the Strategic Director (Development) is enclosed.

- 8. Great Northern Warehouse Strategic Regeneration Framework Update**
The report of the Strategic Director (Development) **will follow**.
- 9. Northern Quarter Building Condition Report**
The report of the Strategic Director (Development) **will follow**.
- 10. Global Monitoring and Budget Update** **All Wards**
The report of the City Treasurer **will follow**.
- 11. The Manchester College - City Centre Campus** **Cheetham;
Piccadilly
101 - 110**
The report of the Strategic Director (Development) and the City Treasurer is enclosed.
- 12. Exclusion of the Public**
The officers consider that the following item or items contains exempt information as provided for in the Local Government Access to Information Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The Executive is recommended to agree the necessary resolutions excluding the public from the meeting during consideration of these items. At the time this agenda is published no representations have been that this part of the meeting should be open to the public.
- 13. The Manchester College - City Centre Campus (Part B)** **Cheetham;
Piccadilly
111 - 124**
The report of the Strategic Director (Development) and the City Treasurer is enclosed.
- 14. Our Town Hall Project - Management Contractor Appointment** **Deansgate
125 - 152**
The report of the City Treasurer is for the Executive to note.

Information about the Executive

The Executive is made up of ten Councillors: the Leader and two Deputy Leaders of the Council and seven Executive Members with responsibility for: Children Services; Finance & Human Resources; Adult Services; Schools, Culture & Leisure; Neighbourhoods; Housing & Regeneration; and Environment, Planning & Transport. The Leader of the Council chairs the meetings of the Executive

The Executive has full authority for implementing the Council's Budgetary and Policy Framework, and this means that most of its decisions do not need approval by Council, although they may still be subject to detailed review through the Council's overview and scrutiny procedures.

It is the Council's policy to consult people as fully as possible before making decisions that affect them. Members of the public do not have a right to speak at meetings but may do so if invited by the Chair.

The Council is concerned to ensure that its meetings are as open as possible and confidential business is kept to a strict minimum. When confidential items are involved these are considered at the end of the meeting at which point members of the public and the press are asked to leave.

Joanne Roney OBE
Chief Executive
Level 3, Town Hall Extension,
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Manchester, M60 2LA

Further Information

For help, advice and information about this meeting please contact the Committee Officer:
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This agenda was issued on **Tuesday, 4 December 2018** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Mount Street Elevation), Manchester M60 2LA

Executive

Minutes of the meeting held on Wednesday, 14 November 2018

Present: Councillor Leese (Chair)

Councillors: Akbar, Bridges, Craig, N Murphy, S Murphy, Ollerhead, Rahman, Stogia, and Richards

Also present as Members of the Standing Consultative Panel: Councillors Karney, Leech, M Sharif Mahamed, Sheikh, Midgley, Ilyas, Taylor and S Judge

Exe/18/99 Minutes

The minutes of the meeting on 17 October were confirmed as a correct record.

Exe/18/100 The Factory

In July 2015 support was given to the creation of The Factory, the new arts centre in the city (Minute Exe/15/091). Since then a number of subsequent reports had provided updates on the progress of the project and recommended decisions on external grants, design changes, capital budget increases and related property transitions (Minutes Exe/17/102, Exe/18/043, Exe/18/046, Exe/18/059). Funding for the capital works had been agreed as part of the Council's budget setting in February and March 2018 (Minutes Exe/18/020 and CC/17/22).

A joint report submitted by the Strategic Director (Development) and the City Treasurer explained the progress made with the project. It explained that the detailed design and costings work for the building had now been carried out and the construction costs were now much more certain than they had been when the first estimates were provided in 2015. The overall likely cost of the project had increased to £130.6M, including risk management contingencies. The main reasons for the increase in the projected cost of the construction were set out in the report. The report also described the steps that had been taken to lessen the costs. Options for a smaller or less ambitious building had been investigated and rejected as unfeasible or very poor value. Any significant change in the plans for the building was likely to result in the loss of the Government and Art Council funding, which would make the whole project fail and force the Council to meet the substantial cancellation costs alone.

The report therefore proposed an increase in the Council capital budget for the programme of £18.97M, to be funded by capital receipts from the sale of assets. At a recent meeting the Resources and Governance Scrutiny Committee had also considered this report. That committee had expressed a desire for the increase in the capital budget to be met from prudential borrowing rather than from capital receipts from the sale of assets (Minute RGSC/18/58). The Committee's views on the source

of the funds was considered and supported, subject to the City Treasurer managing the overall resourcing of the capital budget in a way that provides best value to the Council.

With the project constituting a significant investment of public funds, representatives of the government funders continued to maintain oversight in order to review the project's progress. Part of that was annual in-depth 'Gateway Reviews' to provide further assurance over the project's implementation and management. The next Gateway review was to take place between 19 and 21 November 2018. The intention was for that review to provide the necessary assurance for the construction work to get underway.

The work done so far was set out in the report. Progress had been made with the land transitions to assemble the whole site. Site clearance and related pre-construction works were underway to allow the project to commence as soon as possible once the overall funding was in place. Further capital costs of £1.286M had been incurred to acquire both the 999-year lease from the Science and Industry Museum and the freehold interests from Manchester Quays Limited (an Allied London Company). The report recommended that a Capital Budget virement be authorised to provide for those additional costs, and that was supported.

In May 2018 approval was given to provide a loan of £5.1M to Manchester Quays Riverside Limited on market terms, in order to acquire the Riverside site from Castlefield Properties (an ITV subsidiary) (Minute Exe/18/059). Part of the loan was repayable in 2018/19. The balance of £4.3M was repayable on the first anniversary after completion of the Factory or on 10 August 2023, whichever was the sooner. The report therefore recommend a virement of £4.3M from the Sustaining Key Initiatives Capital Budget to cover the balance of the loan. When the balance of the loan was repaid that budget would have the funds returned to it. That proposal was supported.

The report explained that the negotiations in respect of Notice to Proceed were expected to conclude within the next few weeks. That was the formal contractual mechanism which would confirm the commitment to deliver the major construction works. At that point the Management Contractor could be authorised to enter into contracts for the Work Packages to begin construction.

In looking at the future use of the venue as the base for the Manchester International Festival (MIF), the report set out how a year-round engagement programme would be part of MIF19 and would then focus on The Factory, helping to build a community of interest leading up its opening. Once the venue was up and running that programme of significant interactions would continue. The social benefits of both the construction project and of The Factory as a major international arts venue were also detailed.

It was agreed that The Factory is going to accelerate economic growth in the region by playing an integral part in helping Manchester and the North of England enhance and diversify its cultural infrastructure. It will also make a direct contribution to the growth of creative industries, and improve talent retention in the North. The project was now at the point of committing to major construction in early 2019 subject to all the funding being supported by Government and the Council.

Decisions

1. To note progress with the delivery of The Factory, including preparation for the issuing of the Notice to Proceed, which will commence the process to deliver the major construction works; and a significant programme of social value commitments.
2. To recommend to the Council to approve a Capital Budget increase of £18.97M, funded by prudential borrowing subject the requirement for the City Treasurer to manage the overall resourcing of the capital budget in a way that provides best value to the Council. This will increase the total capital budget for the construction of The Factory from £111.65M to £130.62M.
3. To recommend to the Council a Capital Budget virement from the Strategic Acquisitions Capital Budget of £1.286M, to cover additional land assembly costs, associated with the acquisition of and securing timely access to the Factory site.
4. To recommend to the Council a Capital Budget virement of £4.3M from the Sustaining Key Initiatives Capital Budget for the loan facility to Manchester Quays Riverside Limited, on commercial terms.
5. To note that the above recommendation on the loan facility will accommodate the changes to the structure of the loan that was agreed in May 2018 (Minute Exe/18/059) meaning that £4.3m will be repaid after the construction project has completed. The virement will be for the period until the loan is repaid in the form of a capital receipt which will be ringfenced to the Sustaining Key initiatives budget. As such this is a timing issue and not an increase in the cost of the project.
6. To note the progress made by Manchester International Festival to prepare the organisation to operate The Factory, including recruitment, business planning, artistic programme development and social value benefits, in the lead up to MIF19.
7. To note the intention to make the next formal submission of the updated business plan to Arts Council England in December 2019.
8. To note progress in the development of employment, training and education opportunities and creative engagement programmes as part of The Factory's skills development programme.

Exe/18/101 Playing Our Full Part on Climate Change - Updating Manchester's Commitment

The Deputy Chief Executive submitted a report that provided an update on the recent work undertaken by the Tyndall Centre for Climate Research at University of Manchester. The Centre had recommended the establishment of a carbon budget for

the city that would see the city becoming “zero carbon” by 2038, rather the existing 2050 target.

The Centre’s definition of “zero carbon” related to the carbon dioxide emission from the city’s energy system: the gas, electricity and liquid fuels used to power and heat homes and businesses and to transport people around the city. Emissions from flights from Manchester Airport were not included in the definition of zero carbon as the Centre allocated aviation emissions to a UK-wide aviation carbon budget and not to specific local authority areas.

The report explained that in responding to the Tyndall Centre’s work, the Manchester Climate Change Board had developed an outline proposal setting out how all partners and residents in the city might play their full part in achieving this ambition. A copy of that proposal was appended to the report. To become a “zero carbon” city by 2038, it had been assumed that all sectors would need to reduce carbon emissions by at least 95% from current levels, with the residual 5% being reduced over the period 2038 to 2100.

The report examined the Council’s role in providing leadership on climate change in the city, as well as the Council’s own contribution to the “zero carbon” targets through the reduction of energy consumption in buildings, street lighting, fleet operations and other services.

It was noted that a recent meeting the Neighbourhoods and Environment Scrutiny Committee had also considered this report and had endorsed its recommendations (Minute NES/18/49).

At the meeting the members of the Manchester Climate Change Board were thanked for the work they had put into the development of the “Playing Our Full Part” document, as were the other partners that had supported this work of the Board.

Decisions

1. To adopt the Tyndall Centre’s proposed targets and definition of zero carbon on behalf of the city.
2. To commit to developing a draft action plan by March 2019 and a final detailed plan by March 2020 setting out how the city will ensure that it stays within the proposed carbon budget.
3. To recognise that by taking urgent action to become a zero carbon city, starting in 2018, we will achieve more benefits for Manchester’s residents and businesses up to 2025 and beyond.
4. To agree to work with partners to ensure that Manchester accelerates its efforts to encourage all residents, businesses and other stakeholders to take action on climate change.

Exe/18/102 Sprinkler and Fire Safety Works Update

In December 2017, as part of the consideration of the implications for Manchester of the Grenfell Tower fire on 14 June 2017, approval was given for the installation of sprinklers within Council-owned tower blocks following consultation with residents, at an estimated cost of £10.5 million (Minute Exe/17/153). The Strategic Director (Development) now submitted a report to set out progress made since then, and to seek the necessary budget and other approvals required for that work, and other related fire safety improvements projects to go ahead.

The consultations with residents had shown significant support for the installation of sprinklers in their flats. However, a number of residents were opposed to the proposal and did not want one. It was agreed that at this stage no one would be forced to have one if they objected, but that one would then be fitted whenever that flat was next vacated. Based on the assessments that had been undertaken the cost of the installation of sprinklers in all the buildings within the scope of this work was still within the £10.5M capital budget approved in December 2017, and confirmed in the 2018/19 budget set by the Council in March 2018. The installation of sprinklers in the flats of leaseholders was also to be provided, as well as those of the tenants that paid rent. A budget virement to cover the estimated cost of £240K of providing sprinklers to leaseholders was therefore approved.

The report also examined the work that had been done on Type 4 Fire Risk Assessments to the resident's towers and flats. Those assessments had identified some work that needed to be done, and it was estimated that the cost of that would exceed the £4M that had been provided for in the 2018/19 budget set by the Council at the start of 2018. The report therefore sought support for an increase of £1.2M in the capital budget to take the total to £5.2M. The proposal was supported.

Whilst the Council's Housing Revenue Account would accommodate the on-going maintenance costs of sprinkler systems, leaseholders would need to pay an annual fee to cover their flat, with that initially being an average of £163 for each flat.

It was noted that a recent meeting the Neighbourhoods and Environment Scrutiny Committee had also considered this report and had endorsed its recommendations (Minute NESC/18/48).

Thanks were expressed for the help of Northwards Housing and the Greater Manchester Fire and Rescue Service for the support they had provided with the investigations, with the consultations with residents, and the development of the proposals being put forward in the report.

Decisions

1. To note the progress made since December 2017.
2. To note that the consultation undertaken demonstrated significant support for sprinklers but also that a minority of residents are strongly opposed.

3. To note the support for sprinklers from Greater Manchester Fire and Rescue Service and National Fire Chiefs Council. The Prime Minister has also recently endorsed retrospective fitting of sprinklers to publicly-owned tower blocks.
4. To proceed with fitting sprinklers while giving residents the ability to decline having sprinklers installed in their flat as long as they have first been given the opportunity to understand the benefits and risks.
5. To note that the overall budget for sprinkler installation across 35 tower blocks remains £10.5m.
6. To note that these systems will have a 30-year life with on-going costs being met within the Housing Revenue Account (HRA) through the rephrasing of the Public Sector Capital Programme.
7. To agree that the initial installation of sprinklers be offered to leaseholders free of charge at an estimated cost of £240k (to include Miles Platting and Brunswick PFI leaseholders) from the Council's General Fund Housing Private Sector Capital Programme. Noting that this will be in addition to the £10.5m budget in (5) above and therefore to approve an increase of £240k to the Private Sector Housing capital budget. Noting that leaseholders would be required to meet the estimated £167 annual repair and maintenance costs.
8. To note that the fire safety works recommended by the fire risk assessor, Savills, are mandatory and that the budget approved in February 2018 did not include the tower blocks managed by PFI contractors in Miles Platting and Brunswick and Woodward Court.
9. To recommend to Council that the budget for fire safety works be increased from £4.0m to £5.2m, being an increase of £1.2m to the Public Sector Capital Programme funded from revenue contributions from the HRA.
10. To note that the contracts for sprinklers and fire safety works (plus the other works included in those contracts) include contingency but otherwise place cost risk on the Council, with Northwards Housing managing these contracts on the Council's behalf to mitigate against further costs. Further costs are, however, possible as the sample surveys undertaken may not have identified the full extent of works.
11. To approve the revenue costs associated with maintaining sprinkler systems as set out in the report.
12. Where access is denied by tenants or leaseholders to implement fire safety works, to delegate to the City Solicitor the authority to take legal action where required, in consultation with the City Treasurer, the Director of Housing and Residential Growth, the Executive Member for Housing and Regeneration and the Executive Member for Finance and Human Resources.

A report concerning requests to increase the capital programme was submitted. We agreed to recommend three changes to the Council, and to make a further two changes under delegated powers. These five changes would increase the capital budget by £1.729m, financed by the use of reserves, borrowing, capital receipts and monies in the Capital Fund.

Decisions

1. To recommend to the Council these changes to the Council's capital programme:
 - a) Neighbourhoods – Smart Litter Bins. A capital budget increase of £0.258m in 2018/19, funded by borrowing of £0.208m and reserves of £0.050m.
 - b) ICT – Data Centre Network Design and Implementation. A capital allocation and transfer of £3.108m, £2.964m in 2018/19 and £0.144m in 2019/20 to be met from the ICT Investment Plan budget, funded by borrowing.
 - c) Public Sector Housing – Northwards Replacement of Prepayment meters in High Rise Blocks. A capital allocation and transfer of £0.752m, £0.058m in 2018/19 and £0.694m in 2019/20 to be met from the Northwards unallocated budget, funded by capital receipts.
2. To approve the following changes to the City Council's capital programme:
 - d) ICT – Legal Case Management System. A virement from the capital budget to revenue of £0.320m in 2018/19, funded via Capital Fund.
 - e) Strategic Development – One Central Park. A capital budget increase of £1.791m in 2018/19 to be funded from borrowing on a spend-to-save basis.

Exe/18/104 Manchester Science Park (MSP) Strategic Regeneration Framework Update

The Science Park was formed by the City Council and the Victoria University of Manchester in 1978 to capture benefits that could be gained through the creativity and knowledge available at the universities. The first building was completed in 1984 followed by a second in 1989. Since then it had expended and developed and was now home to a range of domestic and international companies operating in a range of business sectors. In March 2014 we had welcomed the preparation of a draft Regeneration Framework for Manchester Science Park (MSP) and asked the Chief Executive to undertake a public consultation exercise on that draft (Minute Exe/14/032). In September 2014 we had considered the responses to those consultations and approved the adoption of the Framework as a material planning consideration for new development proposals within the Park.

A report was now submitted by the Strategic Director (Development) to introduce proposals for revisions to the 2014 Framework. The purpose of this new draft Framework was to set out a refreshed strategy which recognised that there was increasing pressure for additional floorspace to support the growth in science-based economic activity. It was explained that there needed to be an ambitious expansion of MSP in order to ensure that the unique opportunity to capture this activity was not lost. The draft Framework set out the importance of the MSP as one of a limited number of sites in close proximity to the universities and hospital.

The new draft proposed an initial phase of development from 2019 to 2021 that would result in:

- an extension to the existing Greenheys' building, to provide circa 60,000 sq. ft. of commercial floor space;
- a new 5 / 6 storey building located adjacent to the Greenheys' building, providing circa 100,000 sq. ft. of flexible commercial floor space and facilities for collaborative working on the site currently occupied by the BASE Building; and
- public realm improvements facilitated by the closure of the northern end of Pencroft Way, which would enable the provision of new and enhanced areas of public realm within MSP.

It was forecast that this development of an additional 160,000 sq. ft. at MSP was expected to deliver up to 1,300 FTE jobs.

Further phases of the development were likely to include:

- flexible commercial laboratory and workspace, with a range of floorplates;
- a multi storey car park located off Charles Halle Road;
- Pavilion Building located within the heart of the park, providing additional food and beverage amenity for customers and local residents;
- infrastructure and public realm; including new public spaces, servicing facilities and cycle parking; and
- purpose-built student accommodation on the vacant McDougall Centre site. The site has the capacity to accommodate buildings of between 6 and 10 storeys.

It was explained that the intention was for there to be a period of public consultation on the proposals in the draft Framework.

We supported the proposals described in the report and agreed that they would help to drive forward the city's competitive offer as a principal destination for inward investment and employment in key growth sectors, and contribute substantially to the further expansion and diversification of the city's economic base.

Decisions

1. To endorse in principle the updated regeneration framework for Manchester Science Park.
2. To request the Strategic Director undertake a public consultation exercise on the framework with local stakeholders and report on the outcome of the consultation.

Exe/18/105 Oxford Road Corridor Strategic Regeneration Framework Guidance

In June 2017 we had endorsed in principle the draft Strategic Spatial Framework for the Oxford Road Corridor and requested that the Chief Executive undertake public consultation on the draft (Minute Exe/17/082). In March 2018 we had considered the outcome of the consultations that had been undertaken and had endorsed and approved the principles in the Corridor Manchester Strategic Spatial Framework (Minute Exe/18/030).

The Strategic Director (Development) now submitted a further report that sought approval for public consultation on a new Strategic Regeneration Framework Guidance (SRFG) for the Oxford Road Corridor area. The purpose of this draft framework was to help to guide the development of four specific sites in a consistent way that recognised the Oxford Road Corridor's physical and locational characteristics.

The report explained that this proposed SRFG was being brought forward by the Oxford Road Corridor Partners in relation to four development sites that were part of the overall Oxford Road Corridor Strategy: Upper Brook Street; the Former Elizabeth Gaskell Campus; Wilmott Street (the former Salvation Army site); and Birchall Way. The report set out a description of the development proposals for each of these sites.

The Upper Brook Street (UBS) site was identified within the Oxford Road Corridor Strategic Spatial Framework as a "future development opportunity", with scope for increased density, providing mixed commercial uses. The site is adjacent to an area of the University of Manchester estate identified as a Science, Research and Innovation cluster (including the National Graphene Institute and Sir Henry Royce Institute) and the North Campus development area.

The former Elizabeth Gaskell Campus site was identified within the Oxford Road Corridor Strategic Spatial Framework as a "Transformational Strategic Investment Site" and part of the existing and emerging cluster of Health, Innovation and Well-being, including at Citylabs. It is located immediately adjacent to the existing Manchester University NHS Foundation Trust, at the southern edge of the Oxford Road Corridor.

The Wilmott Street (former Salvation Army) site was identified within the Oxford Road Corridor Strategic Spatial Framework as a "Transformational Strategic Investment Site". It is part of an existing and emerging cluster of creative, cultural and mixed-use development within the First Street regeneration area.

The Birchall Way site was identified in the Oxford Road Corridor Strategic Spatial Framework as a "future development opportunity", and part of an existing and emerging cluster of education uses, including health education and student living. The site is located in Hulme ward, adjacent to Princess Road and is a key route between Manchester Metropolitan University's Oxford Road Estate and the Birley Fields Campus.

The intention was to consult on the proposed Strategic Regeneration Framework Guidance so that it could, in the future, provide site-specific urban design, place-making and development principles, and planning guidance, to enable positive regeneration of these sites. That was agreed.

Decisions

1. To endorse in principle the Strategic Regeneration Framework Guidance for the Oxford Road Corridor area.
2. To request the Strategic Director undertake a public consultation exercise on the framework with local stakeholders and report on the outcome of the consultation.

Exe/18/106 First Street Development Framework Update 2018 Consultation

In July 2012 we had considered and endorsed the revised and updated First Street Development Framework (Minute Exe/12/082). In November 2015 we had adopted an updated and revised version of the Framework, having first considered the views put forward during consultation on a draft of that document (Minute Exe/15/125). In July 2018 a further update to the Framework had been brought forward and we had agreed that there should again be a period of public consultation on the proposed revisions (Minute Exe/18/075).

A report now submitted by the Strategic Director (Development) set out the outcome of the consultation. The report proposed a number of revisions to the draft Framework to take into account the views expressed by consultees and sought approval for that revised version to be adopted by the Council.

Consultation letters had been sent out to 318 local residents, landowners and stakeholders informing them about the public consultation and how to participate. The draft Framework had also been made available on the Council's website, and comments were invited. The consultation had been open for six weeks and had closed on 8 October. In that time five responses had been received: three from landowners, one from a local business, and one from a councillor, on behalf of the three Councillors, for the Deansgate Ward.

Four of the responses had been wholly supportive of the updated Framework and the report examined in detail the issues that had been raised by the ward councillors, and responded to each of them. A number of revisions to the draft document were put forward and those were agreed.

Decisions

1. To note the outcome of the public consultation on the draft updated Development Framework for First Street.

2. To approve the updated 2018 First Street Development Framework and request that the Planning and Highways Committee take the Framework into account as a material consideration when considering planning applications for the First Street area.

Exe/18/107 Great Ducie Street Strategic Regeneration Framework

The Great Ducie Street Strategic Regeneration Framework (SRF) area is positioned to the north of the city centre, extending northwards from Manchester's Inner Ring Road adjacent to the Manchester Arena. It encompasses but does not include the former Boddington's Brewery Site, which itself has a regeneration framework that was endorsed in June 2015. The site lies in close proximity to a number of key city centre strategic regeneration initiatives, including NOMA, Northern Gateway, New Victoria and the Medieval Quarter. The area is a commercially led district, and has traditionally been a focal point for textiles businesses, wholesalers and distributors. The legitimate textile and wholesale businesses are concentrated within the Warehousing District to the north. Currently some of the properties are in decline.

In February 2018 we had endorsed in principle an updated regeneration framework for the Great Ducie Street SRF area and requested that there be public consultation on the draft regeneration framework (Minute Exe/18/024).

The Strategic Director (Development) now submitted a report on the outcome of the consultation, describing the issues that consultees had raised and the Council's proposed response to those. Consultation letters had been sent out to 1,946 local residents, businesses, and stakeholders, informing them about the public consultation, how to engage in it. The SRF had also been made available on the Council's website, where comments were invited. The consultation was open for six weeks and closed on 17 September 2018.

In total 12 responses were received: 2 from Cheetham Ward Councillors; 1 from a business owner; 6 from landowners; and 3 from statutory agencies.

The report examined the issues that had been raised by the consultees under the headings of: general support, flood risk and water management, public realm, development uses and mix, development height and density, phasing and delivery, infrastructure, the draft SRF Document itself, and area context. The Council's analysis and response on each of these was explained and a number of revisions to the draft SRF document were proposed in the report to respond to the matters that had been raised.

A further late representation was reported orally at the meeting, submitted by the owner of the Downtex Mill site. The owner hoped that the SRF would increase indicative building heights for the Mill site to between 11 and 20 stories. They also challenged the proposal for the retention of the Mill as a creative centre within the framework area and as a site providing townscape value. They proposed that the SRF should not require the retention of the building but make provision for its demolition or comprehensive redevelopment, avoiding conflicts between the

regeneration objectives for the site and achieving a new riverside frontage. They put forward that the retention of the building would be contrary to national policy.

Having noted the views expressed by the consultee it was nevertheless agreed that the building was able to make an important contribution as a creative centre within the area, and that the proposals for it in the revised SRF document should not be further amended.

Having considered the views expressed by the consultees, including the late representation submitted at the meeting, it was agreed that the revised SRF document be adopted.

Decisions

1. To note the comments received on the Strategic Regeneration Framework and the response to these comments.
2. To agree the proposed amendments to the Strategic Regeneration Framework arising from the comments received.
3. To approve the Great Ducie Street Strategic Regeneration Framework, with the intention that it will become a material consideration in the Council's decision making as the Local Planning Authority.

Exe/18/108 Funding towards City Centre Free Bus (Metroshuttle) Costs

A report from the City Treasurer and the City Solicitor explained that Metroshuttle is the free-to-user city centre bus network that had operated in the city city centre since September 2002. In that time it has proved to be a popular addition to the city centre's transport network and has been copied both within Greater Manchester and by other cities. In the last year it had carried 1.33 million passengers.

The previous contract for the operation of the service had operated for eight years and, due to its popularity, has been extended a number of times during that period. Transport for Greater Manchester have now undertaken a procurement exercise for the contract's renewal.

The report described the future plans for the routes and the vehicle fleet, including the introduction of more low-emissions vehicles. It also detailed the contract renewal process and sought approval for the City Council continued annual financial contribution to Transport for Greater Manchester towards the total costs of the City Centre Free Bus service. That proposal was agreed.

Decisions

1. To endorse the proposed continuation of the Metroshuttle bus service as described in the report and the Council making an annual contribution of £882k to the costs of the service.

2. To delegate authority to the City Treasurer and City Solicitor, in consultation with the Executive Member for the Finance and Human Resources, to finalise and agree the detailed terms of the funding agreement with Transport for Greater Manchester (TFGM).
3. To authorise the City Solicitor to enter into, and agree and complete on behalf of the Council all the necessary legal documentation giving effect to the above.

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**Manchester City Council
Report for Resolution**

Report to: Economy Scrutiny - 5 December 2018
Executive - 12 December 2018

Subject: Delivering Manchester's Affordable Housing Strategy –
Proposed new affordable housing policies for the Council

Report of: Executive Member for Housing and Regeneration

Summary

This report sets out proposed new affordable housing policies for the Council

Recommendations

Economy Scrutiny Committee is invited to comment on the affordable housing policy proposals as set out in section 5 of the report.

The Executive is recommended to:

1. Endorse the affordable housing policy proposals as set out in section 5 of the report; and
 2. Note that officers will consider the financial and legal consequences of these policy proposals and report back to Executive in early 2019
-

Wards Affected: All

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	This refreshed approach to affordability will ensure Manchester has the right mix of housing that is affordable across a range of tenure and income levels to support a functioning Manchester and sub regional economy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The new and existing homes will be well connected to employment opportunities and schools
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Increasing the supply of good quality affordable homes for sale and rent will provide the opportunity for Manchester residents to raise their individual and collective aspirations

A liveable and low carbon city: a destination of choice to live, visit, work	The right mix of quality energy efficient housing is needed to support growth and ensure that our growing population can live and work in the city and enjoy a good quality of life.
A connected city: world class infrastructure and connectivity to drive growth	This approach recognises the importance a balanced housing offer plays within a well connected city and the neighbourhoods within it. It seeks to create neighbourhoods where residents will choose to live and their housing needs and aspirations are met

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

As the attached report contains policy proposals there are no specific revenue consequences as a result of this report. Officers will consider the financial implications of the policy proposals and report back to Executive in early 2019. In doing so officers will be particularly mindful of the rules and restrictions around the operation of the Council's Housing Revenue Account.

Financial Consequences – Capital

As the attached report contains policy proposals there are no specific revenue consequences as a result of this report. Officers will consider the financial implications of the policy proposals and report back to Executive in early 2019. In doing so officers will be particularly mindful of the rules and restrictions around the operation of the Council's Housing Revenue Account.

Contact Details:

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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 this 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 officers above.

- Report to Executive - Core Strategy 27 June 2012
- Report to Executive - Draft Residential Growth Strategy 4 November 2015

- Report to Executive - Housing Affordability in Manchester 1 June 2016
- Report to Executive - Housing Affordability in Manchester 14 December 2016
- Report to Executive - Housing Affordability Plan 18 October 2017
- Report to Executive - Housing Affordability Plan New Products 7 March 2018
- Report to Executive - Executive Member priorities 30 May 2018

1.0 Introduction

- 1.1 We face a huge challenge in the City. Savage cuts of more than 40% to our budget - impacting on the support and services we can provide to the most vulnerable residents. A bedroom tax - which has pushed families into housing debt. Universal Credit which is continuing to plunge people into debt, rent arrears and a reliance on food banks.
- 1.2 We have seen 8 years of failure on all fronts by this Government. With rising homelessness to falling homeownership, to the lowest number of new social rented homes on record. We contrast this with the record of a Labour Government which between 97 and 2010 built 2 million more homes and there were a million more homeowners, in addition to the biggest investment in social housing in a generation.
- 1.3 Manchester Labour has always fought to protect the most vulnerable in our City, with rising levels of homeless families and individuals and over 5,000 people in housing need we must act. This paper set out policy ideas to build on existing Council commitments and create a new direction in our approach to affordability over the coming 12 months.
- 1.4 I believe the proposals in this paper provide us with a bold new approach to deliver genuinely affordable homes that meet the needs of all Manchester residents.

2.0 Context, Challenges and Opportunities

2.1 Context

- 2.2 The affordable housing context for the City is framed by a number of important points:

- **An ambitious yet deliverable Residential Growth Strategy** - Off the back of a deep recession the City has achieved a strong economic recovery which has been underpinned by a Residential Growth Strategy. When agreed, the Strategy set a target to deliver 25,000 new homes between April 2015 and March 2025, an average of 2,500 homes each year. Based on schemes completed to date, those on site and those committed, plus an assumption of delivering 3,000 new homes per annum going forward, a prudent revised residential growth target would be 32,000 homes by March 2024. In the region of 3,000 affordable homes have been delivered (around 800) or will be delivered (around 2,200) between April 2015 and March 2021, with at least a further 3,400 to be delivered to meet the Council's 20% affordable housing target by March 2025. This means that compared to the previous target of 5,000 affordable homes (20% of 25,000 new homes) the Council is on track to deliver an additional 1,400 affordable homes than was originally planned by March 2025. A Residential Growth update will be taken to the Council's Economy Scrutiny and Executive early in 2019.

- **Adverse impact of austerity measures & welfare reform** - Manchester's residents have suffered significantly with Housing Benefit changes and the move to Universal Credit, impacting particularly on families and those on lower incomes.
- **Growth in homeless demand** - the impact of austerity coupled with steps taken by some landlords has led to an increasing number of people and families presenting as statutory homeless. In 2014, the Council leased around 150 properties in the private rented sector as temporary accommodation. This has now risen to over 1,350 properties and is continuing to grow.
- **Increasing number of people on the housing register** - over 5,000 people and families are classified as in need (bands 1-3 of 6) on the Council's housing register, with 13,000 people and families on the register in total. This number is increasing as the number of new lets is decreasing. Last year just over 2,700 affordable homes were let through Manchester Move.
- **Meeting the distinct needs of different people and areas across the City** - whilst there are affordability challenges across the City these vary considerably from area to area. Average household incomes vary across Manchester from c.£20,000 in some parts of the North and East to c.£36,000 in the City Centre.
- **Meeting the needs of the City's older and more vulnerable residents** - there is increasing need for supported accommodation to meet the growing needs of Manchester's older residents as well as those with mental health needs, learning disabilities and a number of other vulnerable groups.

2.3 Challenges

2.4 The Council's affordable housing policy needs to address a number of challenges:

- **Ensuring homes are genuinely affordable to all Manchester residents** - the Council launched a pioneering affordable housing policy in 2016, defining affordable housing as homes that cost no more than 30% of their gross household income for those at or below the City's then average income of £27,000. The Council subsequently agreed at its Executive in May 2018 that no Manchester resident should have to spend more than 30% of their household income on accommodation - and ideally less. This requires an affordability policy which can respond to the needs of individual residents as well as the distinct needs of different parts of the City.
- **Accessing accommodation at Local Housing Allowance (LHA) levels** - in a number of parts of the City residents are already facing difficulty accessing properties at LHA levels. If rents increase and in the absence of significant new supply, this is expected to become more challenging in the future.

- **Creating the right types and tenures of homes** - Manchester residents on lower incomes need and expect a diverse range of affordable housing types and tenures. This means houses, apartments and bungalows as well as specialist facilities for some older people or vulnerable groups with specialist needs. Tenure types include a range of rental options at different levels as well as tenures that allow residents affordable purchase options over time as their circumstances change.
- **Losing significant numbers of affordable homes to the Right to Buy** - after an increased discount was made available to purchasers of Right to Buy houses in 2015 Right to Buy sales peaked in 2017/18. Around 500 affordable homes are predicted to be lost in the City to the Right to Buy in 2018/19. Around 170 are Council-owned, 150 of which are managed by Northwards and 20 managed by 3 PFI operators in Brunswick, Grove Village and Miles Platting. Around 330 are owned by Registered Providers. If Right to Buy purchases continue at this rate, over the next 30 years the accommodation managed for the Council by Northwards would reduce from the current level of around 12,900 homes to around 8,500 homes. These significant losses would not only reduce the Council's affordable housing options for those in need on its housing register, but would also make it harder for Northwards to deliver a value for money service to tenants and leaseholders. Similar challenges would be faced on the PFI estates.
- **Growing concern about City Centre affordability** - these concerns centre on whether the City Centre is affordable for Mancunians. Developers who are not fully contributing to the number of affordable properties within schemes are making financial contributions to off site provision (Section 106 monies). There are concerns whether this money should be used to deliver affordable housing in the City Centre.

2.5 Opportunities

2.6 At the same time there are a series of opportunities available to the Council:

- **Capitalising on the lifting of the Housing Revenue Account (HRA) cap** - the Government recently lifted the HRA cap to allow Councils to borrow more, subject to affordability, to invest in new affordable Council housebuilding.
- **Making the most of the Council's land interests** - whilst land is a finite resource the Council has significant land interests in 4 Housing Affordability Zones, agreed by the Executive in 2017. The Council also has some resources and powers to acquire land in these and other strategic regeneration areas to create future land supply.
- **Growing availability of external funding** - The Council's ability to access infrastructure funding through housing delivery agency Homes England has recently been reduced as a result of new geographical investment

rules. However, with £2bn available nationally there is more funding to invest in affordable housing than there has been for many years. There are also opportunities to tap into GM funding (e.g. around supported and community-led housing).

- **The Local Plan** - when adopted, the new Manchester Local Plan, which is planned to commence in Summer 2019, would create the opportunity to review and more closely align housing and planning policies around affordable housing for the first time since the current Local Plan was adopted in 2012.
- **Increasing Registered Provider interest** - local Registered Provider partners are accessing increasing funding through Homes England, and borrowing, and have a growing appetite to invest in the City. A number of other large national Registered Providers have also identified Manchester as an area in which they are keen to invest.
- **Supporting older people downsizing** - whilst the priority is to support older people staying in their existing homes for longer if they wish to there is also considerable demand from older people to downsize to reduce living costs. This has the potential to free up large family homes which are in high demand by those in need on the housing register.
- **Harnessing grassroots housing demand** - There is growing interest from people across the City to build their own homes to address their affordability challenges.
- **Capitalising on new affordability products and tenures** - The Government has introduced a wider range of affordable housing products and tenures through the National Planning Policy Framework (NPPF), including some outside the Right to Buy (see below).

3.0 Defining Affordability

3.1 Traditional affordable housing tenures and the LHA

- 3.2 “Affordable Housing” has emerged over time as an aggregate term for a range of housing tenures that allow people on lower incomes to access homes at below market values.

This includes:

- **Shared Ownership** - an increasingly popular part rent/part buy model in which residents can pay rent on 25-75% of the value of the property initially with the option to buy the remainder later.
- **Affordable Rent** - although this can technically be set at or below 80% of market rent, affordable rent is typically set at or close to the full 80% level.

- **Social Rent** - this is typically set at or around 60% of market rent, although is not directly linked to market rent in the same way as affordable rent.
- 3.3 The difference between affordable and social rent can vary significantly by area, due to varying levels of market rent across the City. Sometimes market, affordable and social rent can be very close together, but on other occasions are significantly different.
- 3.4 Housing Benefit is linked to LHA, which is set at the 30% percentile of all market rents. In North and East Manchester affordable rent will currently generally be at or slightly below LHA levels. Further South of the City, somewhere between social and affordable rent is required to achieve LHA levels. However the position can vary in individual neighbourhoods. Some of South Manchester, including parts of Wythenshawe also has a separate LHA level. This means that some Manchester residents can currently access homes at affordable rent using their Housing Benefit and others can only do so when they are let at social rent or by spending more than 30% of their household income on paying rent.
- 3.5 Whilst LHA levels have been frozen at 2015 levels and are expected to be reviewed in 2020 there are likely to remain strong pressures on Universal Credit/Housing Benefit budgets. This in turn means that there is an increasing likelihood that more of Manchester's residents will need to access a social rent to deliver the Council's commitment that no more than 30% of their household income should be spent on accommodation costs.
- 3.6 New affordable housing tenures
- 3.7 Responding to growing concern about the impact of the Right to Buy other newer affordable tenures have been or are being introduced by the Government, including:
- **Rent to Buy** - residents pay an affordable rent for 5 years whilst saving a deposit to buy the property outright or move across to a shared ownership product.
 - **Discounted Market Sale** - this is based on 80-95% of market sale
 - **Discounted Market Rent** - this is also based on 80-95% of market rent.
- 3.8 There is so far limited practical information about these new tenures, but they potentially fall outside the Right to Buy.
- 4.0 Funding Affordability**
- 4.1 An overview of funding new affordable homes
- 4.2 The following table sets out a basic example of how an indicative 3 bedroom new build affordable home in Manchester could be funded, either by the Council or a Registered Provider. The table sets out an example for both a

home let at an affordable rent and at a social rent. In each case the basic principle is that the Council or Registered Provider would borrow against the rental income over a 30 year period, after allowances are made for long-term repairs and maintenance costs. This is, however, insufficient to meet the total costs of building the home after assuming a nil land payment.

- 4.3 Therefore, the next step is to apply for grant to Homes England towards this deficit, which is larger for social rent as whilst more grant is typically available it is insufficient to meet the full reduction in rental income. As a result the Council or Registered Provider would need to provide an additional subsidy. In the case of a Registered Provider this would potentially be a subsidy from delivering other tenures (e.g. market sale, market rent etc). For the Council this would come from the Housing Revenue Account. In each case there is the scope to top this up from the Council's Housing Affordability Fund into which off-site developer contributions are paid (see below).
- 4.4 The build cost of a new home is currently on the high side because of the limited size of individual affordable housing projects. The scope will be explored to secure better value for money, as the scale is increased in line with the proposals in this paper.

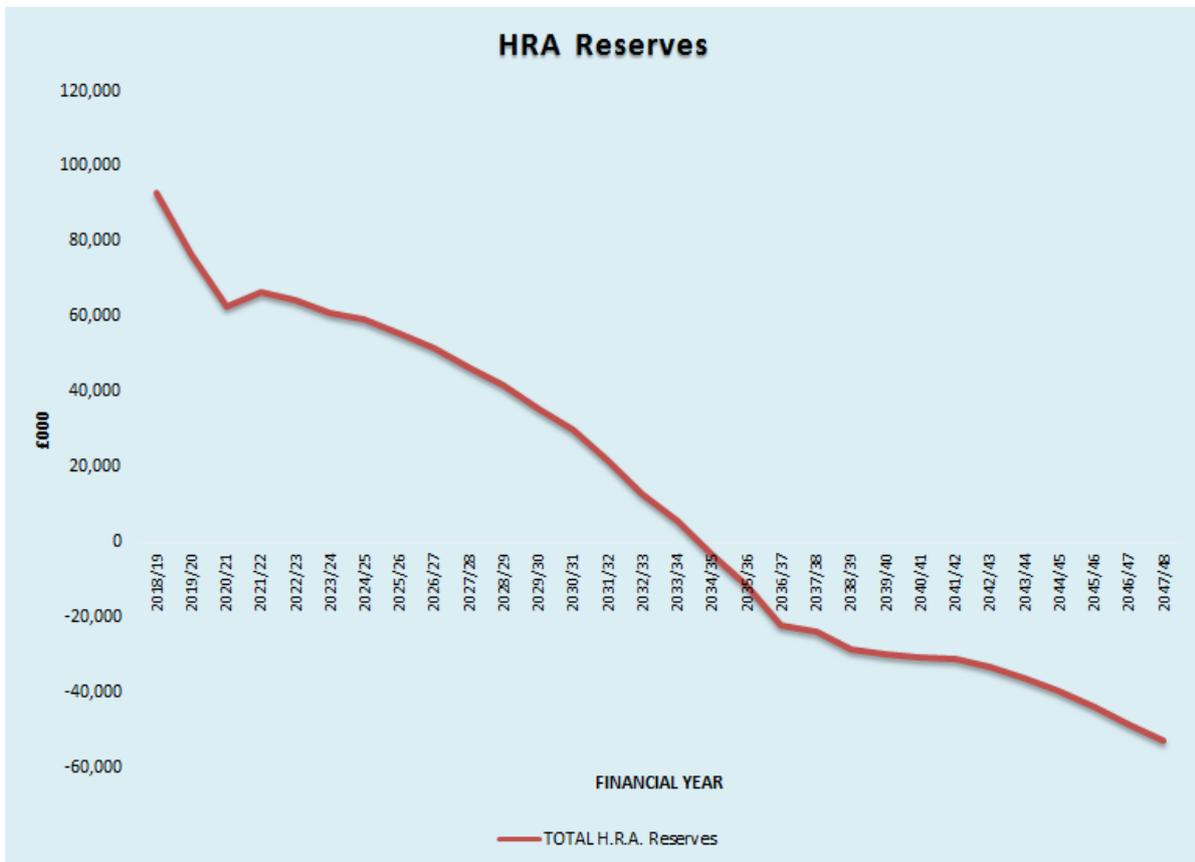
	Affordable Rent	Social Rent
Rental Income	£90k	£67.5k
Grant	£37.5k	£50k
Additional Subsidy	£22.5k	£32.5k
Total Income	£150k	£150k
Land	£nil	£nil
Build Cost	£150k	£150k
Total Cost	£150k	£150k

4.5 The Housing Revenue Account

- 4.6 Where the Council is building new affordable homes (see below) the HRA can support the capital programme to fund construction costs either through use of reserves or borrowing. The HRA is a ringfenced account operated solely for the income and expenditure associated with Council-owned affordable housing.
- 4.7 Income in the HRA comprises rent from c.12,900 homes managed for the Council by Northwards, rents and PFI Credits for the c.2,600 homes managed under 3 PFI contracts in Brunswick, Grove Village and Miles Platting and rent from c.170 homes managed by Guinness partnership in West Gorton. Expenditure includes the Northwards and Guinness Management fees and capital budgets for improving all of these homes over the coming years,

including Unitary Payments made by the Council to PFI Contractors. Borrowing costs and depreciation are added where applicable, based on the costs of other Council lending.

- 4.8 The HRA is forecast over a 30 year period and the HRA cannot enter into deficit. However, in common with most other Local Authorities, the Council’s HRA used to break even over 30 years but then stopped doing so when the forced 1% rent cut for 4 years to March 2020 was introduced. Whilst the HRA appears to be in a positive position with a current surplus of c.£100m, it generally makes a loss every year (with the exception being 2018/19 as, subject to Full Council approval on 28th November, funds are reserved for new sprinklers to be invested in 2019/20). On this basis the current reserves would slowly be eroded over time. The predicted position over 30 years is a deficit of c.£52m, with the HRA currently predicted to fall into deficit in 2034/35. This is summarised in the graph below.



- 4.9 An action plan is being developed to bring the HRA back into balance over the 30 year period, which will be shared with Executive in Spring 2019. The Government’s removal of the HRA cap at a time it knows that most Local Authorities are in deficit on their HRA is a tacit endorsement that they encourage the building of more Council homes, despite the deficit situation, provided Councils act prudently and work within affordability parameters.

5.0 Policy ideas

- 5.1 Responding to the points raised above, the following policy ideas propose a step-change in the number and tenure of affordable homes being built across the City.
- 5.2 Delivering genuinely affordable homes for all Manchester residents
- 5.3 The Council Executive committed in June 2018 to delivering 500 social and other secure decent homes for rent. As explained above, in some areas of the City this includes affordable rents at LHA levels. Around 350 of these homes are already delivered or will be delivered, with the full 500 expected to be delivered by March 2021.
- ***Policy Idea - The Council will strengthen the 500 home commitment to become 500 new social rented homes to be delivered by March 2022.***
- 5.4 This proposal is more stretching, with only around 130 of these homes currently delivered or committed. It would provide an initial foundation towards the wider proposals to deliver significant new social rented housing across the City.
- 5.5 The Council has committed that no Manchester resident should have to spend more than 30% of their gross household income on accommodation costs. This now needs fleshing out in more detail, capable of becoming not only housing policy but also planning policy as part of the new Local Plan. This will require detailed analysis of Manchester's affordability needs at a local level.
- ***Policy Idea - The Council will develop and consult on a new Manchester affordability policy based around the individual income and circumstances of all Manchester residents.***
- 5.6 Significantly increasing new Council housebuilding
- 5.7 The Council undertook one-off new build activity of around 180 homes in 2011 & 2012. It was then decided in 2015 to start a programme of new Council house building. A pilot of 60 homes is currently on site, comprising 40 homes for affordable rent and 20 shared ownership properties. The potential for a further 150 new Council homes has been explored.
- 5.8 There is scope to scale up Council housebuilding following the Government's scrapping of the HRA cap and with the recent announcement of £2bn+ of Homes England grant to invest in affordable housing.
- ***Policy Idea - The Council will commit to delivering a programme of 3,000 new affordable Council homes over 10 years - 1,000 at social rent, 1,000 at affordable rent and 1,000 shared ownership.***
- 5.9 This tenure mix would broadly have a neutral impact on the HRA, leaving the 30 year deficit unaltered. A smaller proportion of social rented homes would have a positive impact on the HRA and help its improvement. However the action plan to improve the HRA is likely to centre on strong fiscal

management, taking the Government's proposed increase in rents of CPI+1% for 5 years and managing costs over this period and beyond so that costs do not rise in line with income. A greater proportion of social rented homes would increase the deficit.

- 5.10 In the absence of any change to existing Right to Buy policies, 1,500 of these new homes would replace Right to Buy losses and ensure that Northwards has a consistent level of accommodation of no less than 12,500 homes. Importantly there would also be 1,500 net new additional affordable homes, with management of these to be reviewed with Members in due course, having first explored options around the Right to Buy (see below). Collectively all 3,000 new Council homes would help to significantly reduce those in need on the Council's housing register.
- 5.11 Delivering this programme is dependent on access to Homes England grant and the Government lifting the total debt cap on the Council. An HRA Business Plan review and action plan to bring the HRA back into balance also needs to be completed early in 2019. Set against the 60 home pilot the Council is building now this is a significant step-change in aspiration and delivery and is amongst the largest programmes of new Council housebuilding in the UK. Some of these homes would be developed directly and some could be acquired from developers. Opportunities to acquire properties will also be explored (e.g. Right to Buy buy-backs, empty properties, other interventions in the Private Rented Sector etc).
- ***Policy Idea - Deliver a first phase of 300 new affordable Council homes by March 2022, 100 for social rent, 100 for affordable rent and 100 shared ownership.***
- 5.12 There is an opportunity to use a new TV series with George Clarke to drive forward an expanded first phase of 300 homes to be delivered by March 2022, with the first 75 homes to be developed by March 2021. A preferred site for the TV series will be selected by the end of 2018, based on speed of delivery and the potential wider impact the TV series could bring.
- ***Policy Idea - The Council will take steps to maximise the social value from expanded new Council house building, including training and employment opportunities for Manchester residents.***
- 5.13 Delivering more social and affordable homes with partners
- 5.14 *Residential Growth*
- 5.15 Delivering the Residential Growth Strategy, existing commitments and new policy ideas in this paper will rely on strong partnership working.
- 5.16 The Council has three significant residential growth joint ventures:
- **Northern Gateway** - delivering around 15,000 homes to the north of the City with Far Eastern Consortium (FEC).

- **Manchester Life** - delivering around 4,000 homes to the east of the City.
- **Matrix Homes** - delivering over 500 homes for market sale and rent with Greater Manchester Pension Fund, using a mixture of higher and lower value sites across the City to deliver new homes and regeneration.

5.17 These partnerships will need to lead by example.

- ***Policy Idea - Where legal agreements permit, future phases of existing residential growth joint ventures and new joint ventures where Council sites represent a significant contribution will deliver 20% net new affordable housing.***
- ***Policy Idea - At least 1,000 of the affordable homes to be delivered through the remainder of the Residential Growth Strategy will be let at social rent.***

5.18 Following more detailed discussions with partners a report on Residential Growth and Northern Gateway will be brought to Economy Scrutiny and Executive in the new year.

5.19 *Registered Providers*

5.20 The Council also has a number of Registered Provider partners who will be central to the delivery of these policy ideas, both through delivery in their own right and through their own joint ventures. These organisations have growing funds to invest.

5.21 A work programme has begun to streamline and speed up the release of sites to Registered Providers. An important feature of this process is also to engage earlier with local Members, whose support is critical to bringing sites forwards. Once fully implemented, this improved approach, coupled with additional resource will allow the Council to accelerate the release of sites for affordable housing and therefore speed up delivery. Opportunities to maximise and speed up access to grant will also be explored.

- ***Policy Idea - 500 plots will be released on small sites to Registered Providers by March 2019 for affordable housing, requiring at least ⅓ of homes to be let at social rent and for all homes to be completed by March 2022.***

5.22 Alongside existing Registered Provider partners, the Council is increasingly being approached by larger national Registered Providers which want to invest in the City. Some are 'not for profit' and others are 'for profit'. It is essential that any Registered Providers that invest in the City work with the Council supports its work on employment/skills, health, homelessness, Zero Carbon and a number of other policy themes. They also need to join Manchester Move and the Manchester Housing Providers Partnership.

- 5.23 Early discussions with several 'not for profit' Registered Providers have indicated that they are committed to doing this. Conversely early discussions with several 'for profit' Registered Providers show that whilst they can bring significant investment their values are not fully aligned with those of the Council.
- ***Policy Idea - The Council will continue to work in partnership with existing registered providers and support them to maximise their investment in the city. The Council will also encourage other not-for-profit Registered Providers to invest in Manchester provided they play a meaningful role in the city and invest in areas where existing Registered Providers are not major stockholders.***
- 5.24 *Use of Council land*
- ***Policy Idea - After allowing appropriately for other key uses (employment, education, health, infrastructure, culture, amenity etc.) Council land disposals will be principally for development that wholly or partly delivers affordable housing for those in our City who are in the greatest housing need.***
- 5.25 Reducing the adverse impact of the Right to Buy
- 5.26 Around 500 affordable homes are predicted to be lost this year in Manchester to the Right to Buy. Whilst they remain in the housing stock, allowing Manchester residents to access home ownership, they significantly reduce the options available to the Council to support those in need to access affordable housing.
- ***Policy Idea: The Council will lobby the Government to remove the Right to Buy***
- 5.27 National Labour Party Policy already commits to abandoning the Right to Buy. The Conservative Government is unlikely to abandon its flagship housing policy. Therefore, strong proposals will be made, for example that:
- The Council will work with the other nine local authorities and Mayor of Greater Manchester to demand the devolution of the legal powers covering Right to Buy to the Combined Authority, as has happened with devolution in Scotland and Wales. Both Scotland and Wales have enacted legislation that now end the Right to Buy, Scotland's came in to effect in August 2018 and Wales will follow by end of January 2019.
 - The Right to Buy should not apply to new build housing, providing more ability for the Council (and also developers/investors on strategic regeneration schemes) to plan investment effectively.
 - Councils should be able to retain the full receipt (as opposed to 70% currently).
- 5.28 The 4 Housing Affordability Zones have the potential to deliver a significant number of new homes, including 2,000 affordable homes. These Zones have

the potential to create vibrant new neighbourhoods, supported by significant Council land ownership and strong public transport connections.

- ***Policy Idea: The Council will explore ways in which all of the new affordable homes (at least 2,000) in the 4 Housing Affordability Zones fall outside the Right to Buy.***

- 5.29 Some approaches may include new affordable tenures not yet introduced in Manchester. Other approaches may include establishing a vehicle to own affordable housing that is not caught by the Right to Buy. Local Housing Companies have been a popular vehicle for Councils to achieve this goal. However there are a number of other models that may be suited to Manchester's circumstances.
- 5.30 Whilst homes created outside the Right to Buy are not required to be let using Manchester Move, the Council would use its role as landowner to agree an allocations policy with any future Housing Affordability Zone developers to closely align allocations policies to provide affordable homes for those in need.
- 5.31 Finally, the Council will take additional steps to verify that Right to Buys requested on its properties are legitimate and take action where this is not the case.
- 5.32 Delivering affordable housing in the City Centre and the Housing Affordability Fund
- 5.33 The Council is making positive progress collecting more money from more developers for off-site housing contributions within the Housing Affordability Fund. A total of £1.8m has been collected since 2016, the majority of which has been invested around the City. Significant further commitments are being negotiated. The sums collected will be further enhanced by new arrangements that have started to be adopted in which Section 106 agreements negotiated by the Council now include, as standard, a viability re-assessment once schemes are complete.
- 5.34 Despite this progress there is a strong public feeling that some City Centre schemes should provide on-site affordable housing and that some of the proceeds in the Fund, where collected in the City Centre, should be invested within the City Centre. However, delivering affordable housing within the City Centre is challenging. For example, land values in the City Centre are significantly higher (even when applying the new rules outlined in the *Parkhurst* case when assessing Planning Viability) and if land values forgone are taken into account more affordable homes could be delivered outside the City Centre than within it. Also service charges on apartment blocks can be significant, depressing rental income as affordable rent is capped at 80% of market rent inclusive of service charges. Nonetheless this strength of public feeling is significant and growing.
- ***Policy Idea - The Council will complete within 12 months a feasibility study into a genuinely affordable housing scheme within the City***

Centre of appropriate density for its location. In drawing up the parameters of and delivering this study, the elected councillors of City Centre wards and the elected City Centre spokesperson will be included. Should the feasibility study find such a scheme to be viable, subject to the standard scrutiny procedures of the Council, the Council shall proceed with the scheme.

- 5.35 More detailed consideration will be given, ahead of and as part of the Local Plan process, to the potential scale and scope of future City Centre affordable housing demand and provision.
- ***Policy Idea - the Council will assess potential demand for and scope for provision of other affordable housing within the City Centre, taking into account viability and deliverability.***
- 5.36 Creating affordable housing to support older and vulnerable people
- 5.37 Manchester has a growing older population. A Healthy Ageing programme of work jointly with Greater Manchester is underway to enable older residents to stay in their own homes for longer. However not everyone wants to do this as larger homes can be more expensive to run.
- 5.38 There are over 400 older people registered on Manchester Move wanting to downsize. If prioritised for smaller accommodation these could release large family homes on a 1:1 basis, which are in high demand with around 1,300 of the 5,000 people in need seeking 3 bed properties or larger. With active marketing to older people of the opportunities for and benefits of downsizing, coupled with greater support during any move, there is the potential to free up further valuable family accommodation.
- 5.39 The Council and Registered providers will discuss with local councillors the possibilities of unlocking smaller sites and developments within their wards and across the city to develop a local strategy and solution to positively encourage a range of tenants to downsize. The intention is to allow tenants who downsize to remain as local as possible within their communities whilst freeing much needed larger homes in areas of the city where their availability is limited.
- ***Policy Idea - The Council will invest, in conjunction with Registered Provider partners, in better marketing to older people the opportunity to downsize and provide support during any move.***
- 5.40 Extra Care housing is self-contained housing that enables older people to live independently with flexible support and the security of on-site emergency help if they need it. Over 500 affordable extra care homes are already being brought forward, of which around 150 are being delivered by the Council on sites in Whalley Range and Newton Heath and around 350 are being delivered by Registered Providers in Brunswick, Burnage, Gorton and Moss Side. There are agreed principles such as the Council retaining its assets and that the homes for rent would be at social rents.

- 5.41 Specialist dementia extra care housing for 50 people are also being brought forward in Blackley and Fallowfield. 70 apartments are being delivered for people with learning difficulties in Baguley, Gorton & Abbey Hey, Harpurhey and Moston. These have been brought forward through partnership working, small capital contributions and tapping into external funding where appropriate. However, despite this, there remains additional demand for all types of supported housing, including looking at providing support for people with ongoing complex needs.
- ***Policy Idea - The Council will develop a Supporting People Housing Strategy (including extra care, dementia friendly and learning disabilities) by March 2019 working alongside health and social care colleagues, housing providers and Greater Manchester partners.***
- 5.42 Supporting grassroots community-led housing
- 5.43 There is growing grassroots interest from people across the UK to solve their own housing needs, with Manchester being no exception. Several fledgling groups have already expressed strong interest to the Council.
- 5.44 Community-led housing chimes well with the recent Social Housing Green Paper of empowering tenants and residents. Overseas and in some other UK Cities community-led housing groups deliver a meaningful proportion of both market and affordable housing (e.g. there is a 7,000 home pipeline of community-led housing schemes across London).
- 5.45 These groups can come together based on people living in the same area or they may share common demographic features (e.g. in London there is an Older Women's Lesbian Co-housing Scheme). Whilst there is often a nucleus of people in the early stages of projects, these groups are expanded as projects take shape and develop.
- 5.46 These residents, by investing their time as well as resources, typically stay in their homes longer and form stronger communities, which is evidenced by the historic community-led Homes for Change development in Hulme. There can also be opportunities for local training and employment in the construction process. Community-led housing can also help the Council discharge its legal duty under the Housing and Planning Act 2016 to consent sufficient serviced plots to meet the demand for those that want to build their own home. At present there are around 200 people on Manchester's register wanting to do so. A paper on this duty will be brought to Executive in early 2019.
- 5.47 As the Council has limited finances, resources and land that when we support community-led housing projects with our assets, we ensure that they are benefiting those in greatest housing need, those on low income, those that do not already own their own property, those that do not have the means to buy a property or rent without major support or that the live in social housing and wish to free up that home.

- ***Policy Idea - The Council will explore the feasibility of at least 3 community-led housing projects on Council land providing at least 30 affordable homes in total. At least one of these will be led by older people.***

5.48 There are various models of community-led housing (e.g. community land trusts, cooperatives etc). The feasibility work will identify the right sites, fledgling groups and models to apply, as well as how GMCA investment can be harnessed and how the Council could work with the emerging new GM Community-led Housing Hub.

5.49 Whilst there is likely to be particular demand in the South of the City, opportunities will be explored across the City and a range of different groups with different characteristics will be supported. Pilot projects would help to raise awareness of the opportunity for people to deliver their own homes, creating a new culture within the City which should extend to all housing tenures.

- ***Policy Idea - The Council will develop a strategy to unleash the potential for community-led housing of all tenures across the City by Summer 2019.***

5.50 Key Workers

5.51 The Council needs to support its key workers, including police, fire, health workers, nurses, doctors, teachers etc. Some of these need to be close to their work, wherever this may be in the City.

- ***Policy Idea - The Council will explore how it can support the City's essential key workers to access affordable homes in appropriate locations to meet their needs***

6.0 Implementation

6.1 Resources

6.2 The Council will need additional resources to deliver on the policy ideas outlined above:

- **Council land** - sufficient land needs to be reserved or acquired to deliver the affordable housing programme identified in this paper, whilst recognising that land also need to be reserved to meet other strategically important uses (e.g. employment, education, health, infrastructure, amenity etc). The scope to use existing properties will also be considered (e.g. Right to Buy buy-backs, acquiring empty properties and interventions in the Private Rented Sector).
- **Council capital and borrowing** - additional investment will need to be made to deliver these proposals, from capital and HRA borrowing. This will be fully quantified and detailed proposals brought forward in due course,

confirming the Council's ability to service additional debt. The Council will secure the best possible value for money from all of its partnership arrangements and construction supply chain.

- **Council revenue** - additional staff and consultancy expertise will be needed to provide the necessary skills and capacity (e.g. to support community-led housing projects, expert facilitators, with experience of delivering projects elsewhere, would be needed).
- **Partnership working with, and investment from, other organisations** - the Council needs to work in partnership with, and secure investment from, a number of organisations including Homes England, GMCA, joint venture developers, Registered Providers and Northwards.
- **Delivery options** - A range of delivery options will be explored for the various policy ideas, including a potential municipal housing company for some or all of the proposed Council housing.

6.3 Appropriate governance arrangements will need to be put in place to oversee this investment.

6.4 Risks

6.5 There are a number of key risks affecting Manchester's affordable housing supply. Steps are taken to mitigate these wherever possible:

- **Government policy** - national policy issues including Brexit, Monetary Policy and the future of Help to Buy could potentially have a major impact on Manchester's housing market. Officers liaise closely with No.10/MHCLG to understand and shape policy to seek to ensure it recognises the Manchester context and avoids a London/South East bias. In January 2019, the Council is hosting the Bank of England Residential Policy Commission, which informs the Bank's Monetary Policy strategy.
- **Access to Government funding** - as most development in Manchester takes place on 'brownfield' sites, access to grant is essential to site enabling, infrastructure and affordable housing delivery. Officers are working closely with GMCA and MHCLG to unlock £10.25m for Collyhurst, part of the delayed £70m GM Growth Deal. An Officer group has been formed to coordinate dialogue with Homes England, an increasingly important source of investment for the Council.
- **Greater Manchester Spatial Framework (GMSF)** - agreeing the GM Growth Deal is closely linked with finalising the GMSF, which is currently delayed until June 2019 due to uncertainty over the Government's methodology for household projections. Members and Officers are working closely with GM colleagues to expedite the GMSF (and in turn the Growth Deal). Once finalised the GMSF will inform the Council's Local Plan and the Residential Growth Strategy.

- **Total debt cap** - The Council is relatively unusual in having a total debt cap, linked to its investment in Manchester Airports Group. If the Government does not lift this cap at the review date in 2020 it would be difficult to implement the Council housebuilding plans at the rate outlined in this paper. To address this the approach taken will be to secure Government support for Manchester's Council housebuilding plans, highlighting that this arose in part from the Government's lifting of the HRA cap, and then seek to secure lifting of the total debt cap.
- **Loss of a key housing delivery supplier/partner** - Registered Providers are financially regulated and strongly committed to Manchester's communities, so the loss of one for any reason (other than through occasional mergers) is unlikely. Notwithstanding this, Officers work closely with Registered Provider partners to support their affordable housing delivery. Private sector developers take more risk and their investment is typically more footloose, with the potential to invest in other GM Boroughs and further afield. Officers work closely with major developers investing in Manchester, as they make a major contribution to the City's housing supply pipeline. One key challenge they all consistently raise is for the Council to clarify its affordability approach, which this paper plays a role in starting to address.
- **A potential downturn** - Housing markets rise and fall over time and it is now 10 years since the previous recession began. The Council undertakes significant work to understand the future direction of the local housing market. The Residential Growth Strategy is deliberately prudent. By controlling more of the supply of affordable homes, through Council housebuilding, there would be less exposure to any market slowdown impacting adversely on affordable housing delivery.

6.6 Other Considerations

6.7 There are several other considerations which the Council will need to be mindful of in shaping and taking forward these policies:

- **Design quality** - After a big push for design quality in the late 1990s and early 2000s the Government largely abandoned design quality during the recession. The Council conversely strengthened its commitment to design quality during this period, convinced it would play a critical role in creating a strong and vibrant City, which has proved to be the case. The Manchester Residential Design Guide was developed in 2016 and was then and remains an exemplar policy locally and nationally, which has guided the design of all housing schemes in the City since. Design quality is now again featuring prominently in Government policy, complementing the City's policy. As the Council steps up its affordable housing delivery this needs to be built to a high design standard, both to benefit residents and to send a strong signal to others. The Council's joint venture developers and Registered Provider partners are committed to this approach. However aspects of how we all go about delivery are holding us back and need challenging, particularly 'design and build' contracts and procurement

frameworks which typically fail to attach sufficient weight to design, as well as raising cost concerns.

- **Off-site housing** - as the name suggests, this applies to where a significant proportion of a home is built in a factory. This can range from a timber frame through to a full 'modular' home which is shrink-wrapped with its kitchen and bathroom already in place before the home leaves the factory. Off-site housing is costlier at present, but offers better quality and faster construction, reducing long term running costs and meeting housing need and collecting rents sooner. Over time this additional cost will reduce and in the meantime Homes England offers additional grant for off-site built affordable homes. At this stage no specific off-site housing system or approach has emerged as the market leader. The George Clarke TV show (mentioned above) will help the Council to consider different approaches and promote internally and externally the benefits of off-site housing. The opportunity to create an off-site housing factory in Manchester will also be explored in the medium term (most factories are currently located on the M1 Corridor).
- **Zero Carbon housing** - The Council recently committed to reaching Zero Carbon by 2038. Both existing housing accommodation and new build housing have a key role to play in achieving this. When weighing up schemes with existing buildings in place, refurbishment is likely to receive greater weighting than before due to the 'embedded carbon'. Increasing environmental standards will need to be applied to new build housing, which off-site housing can help to deliver.

7.0 Next steps

- 7.1 This paper will be considered by the Councils Economy Scrutiny Committee on Wednesday 5th December and then the Executive on Wednesday 12th December. The final paper providing it is endorsed by the Executive will then be passed to officers of the Council to explore in more detail the financial and legal issues raised and report back to Executive in early 2019.

8.0 Summary of Affordable Housing Policy Ideas

- 8.1 A number of the policy ideas above overlap. For example, the social rent within the first phase of the proposed new Council housebuilding programme would also contribute to the strengthened commitment to deliver 500 new social rented homes by March 2022. One of the 4 Housing Affordability Zones could also be an area in which new Council housebuilding takes place. The overriding target to March 2025 therefore remains the ambition to deliver at least 3,400 additional affordable homes over and above those committed of which, as identified above, 1,000 will be for social rent. This is summarised in the table in Appendix 1.

9.0 Contributing to the Manchester Strategy

(a) A thriving and sustainable city

- 9.1 This refreshed approach to affordability will ensure Manchester has the right mix of housing that is affordable across a range of tenure and income levels to support a functioning Manchester and sub regional economy.

(b) A highly skilled city

- 9.2 The new and existing homes will be well connected to employment opportunities and schools

(c) A progressive and equitable city

- 9.3 Increasing the supply of good quality affordable homes for sale and rent will provide the opportunity for Manchester residents to raise their individual and collective aspirations

(d) A liveable and low carbon city

- 9.4 The right mix of quality energy efficient housing is needed to support growth and ensure that our growing population can live and work in the city and enjoy a good quality of life.

(e) A connected city

- 9.5 This approach recognises the importance a balanced housing offer plays within a well connected city and the neighbourhoods within it. It seeks to create neighbourhoods where residents will choose to live and their housing needs and aspirations are met

10.0 Key Policies and Considerations

(a) Equal Opportunities

- 10.1 This approach to affordability will enable the provision of a diverse range of housing to meet the needs of the growing and changing population. Local communities will be engaged through appropriate consultation, giving all stakeholders opportunities to engage in the development of Manchester's policy.

(b) Risk Management

- 10.2 Assessment, mitigation and management of risk will be overseen through the city council's governance arrangements associated with residential growth

(c) Legal Considerations

- 10.3 As the attached report contains policy proposals there are no specific legal consequences as a result of this report. Officers will consider the legal implications of the policy proposals and report back to Executive in early 2019.

In doing so officers will be particularly mindful of the rules and restrictions around the operation of the Council's Housing Revenue Account.

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Appendix 1 - Summary of Affordable Housing Policy Ideas

Policy Idea	Total to March 2029	Delivered Mar 2015 - Mar 18	Already committed (delivery by Mar 21)	Proposed Delivery by Mar 2022	Proposed Delivery by Mar 2025	Proposed Delivery by Mar 2029	Notes
500 social rented homes by March 2022	500		130	370			130 homes are committed to date. The 370 remaining homes to deliver the policy idea comprises 100 social rented Council homes of the first phase of 300, 170 social rented homes from the 500 homes on small sites programme (1/3) and 100 other homes to be delivered by RPs on medium sized sites
3000 new Council homes over 10 years	3060		60	300	900	1800	60 homes are committed to date. The policy idea is to deliver 3,000 new Council homes with a tenure mix of 1/3 social rent, 1/3 affordable rent and 1/3 shared ownership
4 Housing Affordability Zones	2000				400	1600	Tenure tbc. Scope for earlier delivery will be explored through feasibility studies. It is assumed that one of the 4 Zones overlap with areas proposed for Council house building

Registered Provider Small Sites Programme	500			500			Extensions to this programme to 2025 and beyond will be explored in due course
Other Delivery	4210	750	2060	225	1175		incl Residential Growth Joint Ventures, other and Community-led Housing. Delivery beyond 2025 will be explored in due course
Residential Growth Strategy							
	Total to March 2025	Delivered Mar 2015 - Mar 18	Already committed (delivery by Mar 21)	Proposed Delivery by Mar 2022	Proposed Delivery by Mar 2025		
Residential Growth Strategy	6400	750	2250	1025	2375		
Notes:							
- In aggregating the above rows appropriate adjustments are made where policy ideas overlap							
- All non-committed delivery is subject to technical, financial and legal feasibility							
- Target of 3,400 additional affordable homes by March 2025 to include at least 1,000 social rented homes							

**Manchester City Council
Report for Resolution**

Report to: Executive – 12 December 2018

Subject: Adult Social Care Winter Funding 2018

Report of: The Director of Adult Services

Summary

This report contains a summary of proposals to deploy £2.67m of funding allocated to the Council from the Department of Health and Social Care to support alleviating winter pressures on the NHS, getting patients home quicker and freeing up hospital beds across England. Adult Social Care community based services are pivotal to delivering on the priority of maintaining high quality services for patients over the winter period.

Recommendations

The Executive is requested to:

1. Approve the proposals detailed in the report and summarised in Table 1 at Section 4.1; and
 2. Note the intention to recruit agency staff and interims typically for six months, with a delegated authority to the acting DASS to vary the duration up to 12 months, in consultation with the City Treasurer, Executive Member for Adults, Health and Wellbeing and Executive Member for Finance and Human Resources, with the additional cost set against the 2019/20 funding.
-

Wards Affected: All

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	N/a
A highly skilled city: world class and home grown talent sustaining the city's economic success	N/a
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The approach to developing proposals has been system based between with health and care commissioners, the local care organisation, primary care and the acute sector

	to prioritise collectively within a wider programme of priorities and capacity for the winter period.
A liveable and low carbon city: a destination of choice to live, visit, work	N/a
A connected city: world class infrastructure and connectivity to drive growth	N/a

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The report outlines proposals to deploy £2.67m of revenue grant funding into priorities to support the health and social care system to manage winter pressures.

Financial Consequences – Capital

None

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Background documents (available for public inspection): None

1.0 Introduction

- 1.1. On 2 October 2018, the Department of Health and Social Care announced £240m of additional funding for councils to spend on adult social care services to help councils alleviate winter pressures on the NHS, getting patients home quicker and freeing up hospital beds across England. The allocation to the City Council, which is based on the Relative Needs Formula, totals £2.67m. The October 2018 budget further announced £650m of funding for social care (Adult and Children's Services) of which £240m in 2019/20 is a continuation of the resilience stream to cover winter 2019.
- 1.2. The funding is intended to enable further reductions in the number of patients that are medically ready to leave hospital but are delayed because they are waiting for adult social care services. It is expected that spending will be focussed on reducing delayed transfers of care (DTC), helping to reduce extended lengths of stay, improving weekend discharge arrangements so that patients are assessed and discharged earlier and speeding up the process of assessing and agreeing what social care is needed for patients in hospitals.
- 1.3. Although this report covers the winter resilience funding allocated to the City Council, in practice the proposals for deployment have been aligned with other funding and developed jointly with partners across the health and social care system. This integrated approach includes health funding arising from an underspend on community health services that the Manchester Local Care Organisation (MLCO) Executive has agreed with Manchester Foundation Trust (MFT) can be included within the programme. It is also intended to include health funding for primary care resilience in due course. The proposals have been endorsed by the MLCO Executive.

2.0 Conditions and Process

- 2.1. The grant determination includes a condition that a return signed by the Director of Adult Social Services will be returned in December (date to be confirmed), with an update in January and a final report by 30th April 2019 detailing how the funding has been spent. This should include confirmation that:
 - (i) The totality of the grant will be spent on providing adult social care services, in addition to funding already planned; and that deployment has been discussed with local NHS partners, including local acute hospital trusts; and
 - (ii) Councils will include details of the additional volumes of care and support the additional funding will purchase.
- 2.2. The MLCO has provided oversight in the development of proposals with specific consideration by the Director of Adult Services (and acting DASS).

2.3. The key principles used in developing the proposals include:

- (i) Funding is non-recurrent;
- (ii) Recruitment will be based on agency and interims, recognising the non-recurrent funding and the need to mobilise quickly and is based on a typical term of 6 months. The mobilisation of new care models to date has experienced recruitment difficulties especially on certain role profiles and as such, it is recommended a delegation is provided to the acting DASS, in consultation with the City Treasurer, Executive Member for Adults, Health and Wellbeing and Executive Member for Finance and Human Resources, to vary the term of employment to up to 12 months if the initial agency contacts prove unsuccessful. The additional cost would be allocated against 2019/20 funding; and
- (iii) Funding deployed to MLCO community based services and partners will provide for direct cost only and partner organisations are required to absorb costs of accommodation and overheads.

3.0 Priorities and Criteria

3.1. The core priorities considered in the development of the resilience programme is in line with the expected use:

- (i) Improving performance in relation to DTOC;
- (ii) Reducing extended lengths of stay which has been a significant issue in Manchester;
- (iii) Improving weekend discharge arrangements;
- (iv) Preventing admissions;
- (v) Alignment with MLCO target operating model; and
- (vi) Ensuring delivery of statutory Care Act duties over the winter period.

3.2. Whilst it has been possible to develop a programme, which is detailed in Section 4, it is really important the approach is dynamic and there is sufficient flexibility to scale upwards or downwards to reflect emerging intelligence on what is working most effectively and to take into account mobilisation considerations. The acting DASS, in consultation with the City Treasurer, Executive Member for Adults, Health and Wellbeing and Executive Member for Finance and Human Resources, will use the authority within the financial regulations to vary deployment at an individual scheme level, if necessary, whilst ensuring the overall position stays within the overall quantum of funding available.

4.0 Proposals for Deployment

- 4.1. The proposed deployment to schemes is provided in the table 1 below with further explanatory comments at 4.2.

Table 1 – Scheme Summary

	2018/19 £'m	2019/20 £'m	Total £'m
Priority Discharge programme	0.675		0.675
Mental Health bed bureau	0.037	0.018	0.055
Mental Health housing support workers	0.024	0.012	0.036
Mental Health DTOC team	0.044	0.022	0.066
Homecare bridging capacity	0.144		0.144
Homecare transitional arrangements	0.169	0.085	0.254
Bed based transitional care	0.063		0.063
Care home support (North)	0.037		0.037
Care home support (South)	0.039		0.039
Reablement	0.205	0.052	0.257
Complex reablement	0.206	0.102	0.308
Crisis clean	0.023	0.012	0.035
Social/PAT Capacity	0.257	0.128	0.385
Advocacy	0.025		0.025
Neighbourhood apartments	0.051	0.059	0.110
Homelessness	0.107	0.070	0.177
	2.106	0.560	2.666
Funding			2.666

4.2. Scheme Detail

- (i) Priority Discharge Programme (£0.675m)

MLCO is working closely with acute and partner organisations, particularly at the Manchester Royal Infirmary (MRI), to expedite the movement and discharge of patients from acute beds to the most suitable community setting. This has included active monitoring of discharge planning for an initial priority list of highly complex and primarily super stranded patients with various health and care providers, such as social care and mental health. There has been significant benefit to MRI of this initiative in freeing up acute beds and supporting better flow in MRI. At the point of writing the initiative has overseen the discharge of 62 patients with a cumulative accumulated length of stay of 6,600 days.

This programme will expand the initiative and based on the discharge assumptions for Central and South, 126 complex discharges will be made before the end of the financial year (89 in Central; 37 in South). This will significantly help to increase capacity in the hospital and improve flow.

(ii) Mental Health (£0.157m)

The three mental health based schemes will together provide 8 FTE to:

- Support the implementation of the Mental Health Bed Bureau to manage the demand and capacity for mental health beds across the city. The practitioners will develop and implement the systems to support the successful electronic bed management system;
- Currently approximately 30% of mental health admissions are delayed due to an accommodation related unmet need, whether that is a lack of appropriate and stable accommodation options across the city, housing debt or housing related support. The investment will develop pathways for people with mental health problems to gain more timely access to appropriate, safe and stable housing options; and
- Focus on the development of effective discharge planning processes across the city's mental health services.

(iii) Homecare and Residential Care (£0.537m)

Investment in homecare hours to ensure capacity is immediately available to support discharge within 24 hours of referral and to support transitional arrangements between providers following the award of the homecare contract lots with 9 additional social workers focused on this support. On residential provision, 5 transitional beds will be commissioned in north Manchester inclusive of medical cover, therapy and social care support. In addition, there is provision for physiotherapy and occupation therapy interventions in care homes.

(iv) Reablement (£0.600m)

When Reablement capacity is unavailable, citizens receive traditional homecare. This may result in the person losing the opportunity to be re-enabled, thereby remaining dependent on longer term social care and also exhausting capacity in the home care market. The expansion of mainstream reablement, a priority investment scheme, is taking longer than expected due to the time to recruit based on social value principles and then undertake induction, training and a gradual build-up case holding capacity. This proposal expands the FTE count by 26 FTE on the mainstream service to full capacity straight away through agency usage and then reduces this additional capacity as permanent employees begin in role. In addition, 6 additional FTE will provide capacity to support requirements for 'double cover' arrangements and the priority discharge programme.

With regard to the Complex service, the new team focused on the complex pathway is already holding a caseload in line with expectations and the investment provides for a further 12 FTE and 2 FTE management posts to provide additional capacity over the winter period. The experiences for people with complex conditions can be distressing and discharges can be very difficult, presenting challenges

for all parties involved that can result in delayed transfers for care. There is a real risk that people will become entrenched within the hospital system and are unable to move on and if they do so then need significant care packages due to deterioration in their condition. There is also provision for Crisis Clean in supporting speedy hospital discharges as many customers require Crisis Clean input to ensure their environment is safe for both them and any workers upon their discharge from hospital.

(v) Social Work and PAT Capacity (£0.410m)

There are a number of strands all operating on a 6 month term:

- To ensure a focus on patient flow, place based approaches, joint working and time to develop, the capacity will undertake the outstanding reviews that exist currently across the city. This 7FTE team will ensure that citizens are reviewed and early intervention is promoted to reduce increased dependency and risk of hospital or care home admission;
- 3 FTE will focus on the supporting the review and update to mental health assessments;
- 3 FTE PAT assessment officers will provide added capacity at the Front Door; and
- 2 FTE will support the relationship management and planning with care homes over the winter period.

In addition, 700 hours of advocacy support as the Advocacy Hub contract which embraces all statutory advocacy requirements is currently operating at maximum capacity within the current operational protocol, with waiting period of up to six weeks for non-priority cases.

(vi) Neighbourhood Apartments (£0.110m)

There are currently 20 Neighbourhood Apartments. The model is now working well in terms of usage rates, length of stay and delivering on DTOC and deflection from residential. The proposal is to expand the Neighbourhood Apartments further to solely focus on DTOC: 4 in North, 4 in Central and 1 Additional Co-ordinator role to support increased volume of activity.

(vii) Homelessness (£0.177m)

The Homelessness Reduction Act came into force in April 2018 and from October 3 2018 places new responsibilities on public bodies to prevent and relieve homelessness for all eligible people. There has been a regular meeting with partners since 2017 focusing on the impact of this act on hospital discharge and how people whom are homelessness or at risk of being homeless are supported in Accident and Emergency Department and as a patient in the acute setting.

The development of a new role to support in this has been identified,

which would expedite hospital discharges and frontline community services, to persons whom are referred under the Act to support the actions to prevent homelessness as early as possible. The proposal is to have one Homelessness Support worker linked to each of the three hospitals in Manchester as well as a dedicated support for Mental Health, this would mean an additional 4 Homelessness Support Workers. In addition to this there is a requirement to increase the Private Rented Sector team to ensure that move on rates are increased and permanent solutions are identified. In total 8 FTE establishment and 2 flats are included.

- 4.3. The resilience schemes funded by health are attached at Appendix A.

5.0 Monitoring Arrangements

- 5.1. Local arrangements will link to the Urgent and Emergency Care Performance Dashboard with specific metrics for individual components, where appropriate, and proportionate to their scale. It is intended these will be in place as part of the process for initiating spend.

6.0 Conclusions

- 6.1. The health and social care system in Manchester is experiencing the significant demands and pressures that are reported across the whole country. The announcement of additional funding to recognise the vital role adult social care services undertake to support reducing the pressures the NHS manages across the winter period is welcome.
- 6.2. The approach to developing proposals has been system based whereby MLCO has worked with primary care and the acute sector to bring available funding together and prioritise collectively within a wider programme of priorities and capacity for the winter period. The Director of Adult Services has ensured key priority areas have been included in order to make a real impact over coming months.

7.0 Recommendations

- 7.1. The Executive is requested to:
- (i) Approve the proposals detailed in the report and summarised in Table 1 at Section 4.1; and
 - (ii) Note the intention to recruit agency staff and interims typically for six months, with a delegated authority to the acting DASS to vary the duration up to 12 months, in consultation with the City Treasurer, Executive Member for Adults, Health and Wellbeing and Executive Member for Finance and Human Resources, with the additional cost set against the 2019/20 funding.

Appendix A – Schemes from Health Funding

	£m
Control centre	0.143
Winter Care Coordination/Control Room Programme	0.119
GPs for Frailty assessment unit	0.085
Care homes	0.030
Care navigators extension of existing service	0.036
Extend MLCO programme resource (Discharge initiatives)	0.100
Night care for people without support	0.004
District Nursing treatment room additional capacity	0.017
Increase home phlebotomy	0.007
Nursery Nurses	0.112
Children's Community Nursing team (Respiratory focus)	0.032
	0.685

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**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee - 6 December 2018
Executive - 12 December 2018

Subject: Proposed changes to Council charges levied on empty properties

Report of: City Treasurer

Summary

In November 2018, the Government introduced powers for Councils to charge increased Council Tax Premiums for long term empty (LTE) properties that have been unoccupied and unfurnished for over two years. These powers extend the existing 50% premium introduced in April 2013.

These powers would allow Councils to charge progressively higher rates of Council Tax for properties that are unoccupied and unfurnished for more than two years, five years and ten years. This report proposes the Council adopt the new powers.

The report also revisits the decisions made in 2012 to give a 100% Council Tax discount for one month if a property is unoccupied and unfurnished and a 50% discount for up to 12 months if a property is undergoing major works or structural alterations. The report proposes that the Council remove these discounts.

Recommendations

1. Scrutiny Committee is requested to consider and comment upon the contents of the report.
 2. Executive is requested to;
 - i Approve the proposals contained in the report and agree to the start of a formal 4 week consultation exercise to commence in December 2018.
 - ii Note that the outcome of the consultation will be reported back to Executive on 13 February 2018.
-

Wards Affected: All

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	n/a

A highly skilled city: world class and home grown talent sustaining the city's economic success	n/a
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Where possible the proposals have been considered to ensure that they do not have a negative impact on the transition into work or maintaining employment
A liveable and low carbon city: a destination of choice to live, visit, work	The changes to Council Tax discounts and will have an impact on the city's property market, as by charging for empty homes and premiums for long term empties it is aimed that properties will be let and occupied promptly.
A connected city: world class infrastructure and connectivity to drive growth	n/a

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Based on current figures and assuming there are no changes to the numbers of unoccupied properties and the periods they have been unoccupied, the three proposed changes could bring in increased revenue as follows:

- Changes to the Long Term Empty premium - £575,500. However, as owners change the status of their property (to occupied or furnished unoccupied) to mitigate exposure to higher Council Tax, this will reduce. A more prudent estimate would be £195,700. However this would be offset by an increase in the New Homes Bonus currently paid by central government.
- Removing the 100% discount for the first month a property is left unoccupied and unfurnished - £635,000
- Removing the 50% discount for properties undergoing major repairs or structural changes - £166,745
- Total revenue implications - Between £997,445 and £1,455,595 depending on the extent of behavioural change.

Financial Consequences – Capital

None

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Background documents (available for public inspection):

- Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018
- <https://services.parliament.uk/bills/2017-19/ratingpropertyincommonoccupationandcounciltaxemptydwellings.html>
- Report to Finance Overview and Scrutiny Committee on 6 September 2012 and Report to the Executive Committee on 12 September
- Report to Finance Overview and Scrutiny Committee on 10 January 2013 and Report to the Executive Committee on 16 January 2013.

1. Introduction

This report outlines legislation introduced by Central Government in November 2018 that gives councils the power to increase the amount of Council Tax that can be charged for unfurnished properties that have been unoccupied for more than two years.

It also proposes that two other Council Tax discounts for empty properties should also be changed (these are within our long-standing powers):

1. The 100% discount for one month when a property first becomes unoccupied and unfurnished is still appropriate.
2. The 50% discount for up to 12 months when a property is undergoing major repairs or structural changes.

The rationale for these changes is that reducing discounts will act as an incentive for owners to bring domestic properties back into occupation and will increase revenue to the Council.

2. Background

In January 2013, the Council considered new powers within the Council Tax legislation and agreed to adopt the current system of Council Tax discounts and premiums for unoccupied properties from 1 April 2013. These included:

- A 50% LTE premium to be charged on properties that have been unoccupied and unfurnished for more than two years (this meant that the liable owner would pay 150% of the normal rate of Council Tax while the property remained unoccupied and unfurnished)
- A 100% discount for the first month that a property is unoccupied and unfurnished.
- A 50% discount for up to 12 months when a property is undergoing major repairs and/or structural alterations.

These are set out in the table below.

	First year			Second year	More than 2 years
	0 - 1 month	1 - 6 months	6 - 12 months		
Major repairs/ structural alterations	----- 50% ----- >			--- 100%--- >	-- 150% -- >
Unoccupied and unfurnished	-- nil -- >	-- 100% -- >	-----100%----- >	---	150% -->

Properties that are unoccupied and furnished (usually second homes and furnished rental properties temporarily empty between tenants) currently receive no discount

and owners are liable to pay 100% of the Council Tax from the moment it becomes empty. The Council has no powers to introduce a LTE premium for these properties.

The stated purpose of the introduction of the 50% premium was to encourage owners to bring their properties back into use, increasing the supply of housing.

This appears to have worked. In September 2012 there were 1,300 properties that would have attracted LTE premium, currently there are 483. However, there are other factors which may have contributed to the decrease which are outlined in the remainder of this document.

3. Government Proposals

In the 2017 Budget, the Government announced their intention to allow Councils to increase the LTE premium to 100% so that owners would be charged 200% of the Council Tax for properties that had been unoccupied and unfurnished for more than two years.

This was subsequently amended and the revised proposal was included in the Rating (Property in Common Occupation) and Council Tax (Empty Property Bill) Act 2018 which received Royal Assent on 1 November 2018. The Act gives Council's discretion to apply increased LTE Premiums on unoccupied and unfurnished properties as follows:

- unoccupied for more than two years - 100% premium from 1 April 2019 (so the owner would pay 200% of the normal Council Tax).
- unoccupied for more than five years - 200% from 1 April 2020 (so the owner would pay 300% of the normal Council Tax).
- unoccupied for more than 10 years - 300% from 1 April 2021 (so the owner would pay 400% of the normal Council Tax).

Exemptions to these increased charges set out by the Government include homes that are unoccupied due to the occupant living in armed forces accommodation for job-related purposes and annexes being used as part of the main property.

The stated purpose of offering these wider powers to Councils is to further encourage owners of long term unoccupied properties to find ways to bring them back in to use. These powers are not specifically designed to increase revenue.

4. Financial Impact of the revised long term empty premium

The changes as proposed would have an impact on the amount of Council Tax payable and the New Homes Bonus.

4.1 Long term unoccupied and unfurnished property premiums

There are currently 483 properties in the city that have been unoccupied and unfurnished for more than two years. However, 107 of these properties are owned by the Council and are being held unoccupied for a variety of reasons. Increasing the LTE premium on these properties will not generate any extra income.

The table below shows the expected income from LTE properties once all the proposed increases have been introduced by 2021. It excludes Council owned properties and makes the following assumptions: All properties are in band A and have a Council Tax liability of £1050 (2018/19 figure); there is no decrease in the number of LTE properties; and 100% of the liability is collected.

unoccupied period	Number of properties	Council Tax liability
2 to 5 years (new scheme)	148	£310,800
5 to 10 years (new scheme)	96	£302,400
10 or more years (new scheme)	132	£554,500
Total (new scheme)	376	£1,167,700
Over two years (current scheme)	376	£592,200

The total increase in potential revenue assuming there are no changes to the numbers or spread of unoccupied properties between bands and excluding the revenue from Council owned properties is £575,500 using the current year's Council Tax charge. However, it is virtually certain that the number of LTE properties will continue to fall as owners bring them back into use or adopt contrivance and evasion techniques to minimise their exposure to the higher Council Tax.

A more prudent estimate of increased revenue would assume a collection rate of 93.2% (2017/18 collection rate) and a significantly reduced number of properties in each band, especially those properties unoccupied and unfurnished for more than ten years. In the short term, based on 350 properties being unoccupied and unfurnished and a 93.2% collection rate, around £171,200 additional revenue will be generated in 2019/20.

The table below shows the increased revenue once all the LTE premiums have been introduced and where the number of LTE properties has further reduced to 180.

unoccupied period	Number of properties	Council Tax liability	Revenue with 93.2% collection
2 to 5 years (new scheme)	100	£210,000	£195,700
5 to 10 years (new scheme)	50	£157,500	£146,800
10 or more years (new scheme)	30	£126,000	£117,400
Total (new scheme)	180	£493,500	£459,900
Over two years (current scheme)	180	£283,500	£264,200

4.2 New Homes Bonus (NHB)

The New Homes Bonus is a Government scheme to encourage Councils to increase the supply of housing in their area. This can either be done by building new homes which are then occupied or bringing unoccupied and unfurnished homes back into

use. Reward is received for the 'Band D equivalent' number of houses brought into use above the national baseline (a threshold of 0.4% in 2018/19). The in year reward grant is equivalent to the national average Council Tax in England for each applicable property. The total grant is made up of the current year allocation plus three legacy years.

A consultation is expected on the future of New Homes Bonus from 2020/21, it seems likely it will be replaced with a new scheme aiming to incentivise plans that meet or exceed local housing need.

This means that if introducing the Government's changes to the LTE premium reduces the number of LTE properties as set out in the table above, the Council will benefit significantly (assuming the average Council Tax is £1,150 pa and the 0.4% national baseline threshold has already been met) so long as the NHB is paid.

Properties back into use	Annual NHB	Total NHB
76	£87,400	£349,600
132	£151,800	£607,200
188	£216,200	£864,800

5. Removing the 100% Council Tax discount that is awarded for up to one month when a property becomes unoccupied and unfurnished

5.1 Background

In 2013 the Council agreed to offer a Council Tax discount of 100% for up to one month when a property initially becomes unoccupied and unfurnished. This was designed to give landlords a window of opportunity to do whatever refurbishment may be necessary between tenants as well as a little bit of time to find a new tenant.

This discount is for a total of one month and does not begin again on change of ownership. To qualify for a further one month the property in question would need to have been occupied for 42 days. This causes some confusion.

5.2 Financial Impact of removing the discount

In 2017/18, this discount was awarded on 9,086 occasions for an average of around 15 days each time. If this discount had not been awarded, an additional £635,000 of Council Tax would have been collected. The average additional amount that they would have to pay would have been £46.

5.3 Other considerations

As well as increasing revenue, removing this discount would reduce the burden of work on staff and simplify the scheme. It would also end arguments where a new tenant thought they should be entitled, only to find that the previous tenant had already claimed the discount. There will be an increase in small debts that will have

to be recovered from private landlords, owners and tenants, but this will normally be done as part of the automated recovery process.

Unoccupied unfurnished properties owned by Registered Social Landlords would not be affected if this discount was withdrawn as they qualify for a separate 100% discount due to their charitable status. However, some registered providers give tenants overlapping tenancies when they move from one RSL property to another. Under these circumstances, tenants would be left with a small liability at one property or the other which would not be eligible for Council Tax Support.

Given the Council's financial situation, it is unable to subsidise Council Tax payers, usually owners, who leave a property unoccupied and unfurnished for short periods. Again, removing this discount would act as an incentive to bring properties back into occupation as soon as possible.

6. Removing the Council Tax discount of 50% that is awarded for up to one year when a property is undergoing major repairs or structural alterations

In 2012 the Council agreed to offer a 50% discount for up to one year where a property was undergoing major repairs or structural changes that met specified criteria that is covered within the existing Council Tax legislation.

6.1 Impact of removing the discount

In 2017/18 the discount was awarded on 844 occasions for an average of 114 days on each occasion. If the discount had not been awarded an additional £166,745 of Council Tax would have been charged. The average additional amount each liable person would have had to pay would have been £197.

6.2 Other considerations

As well as increasing revenue, removing this discount would reduce the workload of staff as the process of requesting supporting evidence and subsequent arguments over eligibility are time consuming as the burden of proof in terms of what constitutes major repairs and structural alterations is technical and open to interpretation. This often requires visits to the property and repeated engagement with the liable person.

Given the Council's financial position, it is unable to subsidise owners who are improving their property that, in turn, will increase in value.

7. Other exemptions

There are a range of other unoccupied property exemptions from Council Tax available, including when a person has died and probate is being requested.

A full list of these exemptions is contained in appendix 2.

8. Other GM authorities

8.1 New Long Term unoccupied premiums

Most other GM authorities and core cities are considering whether to adopt the Government's' new discretionary powers for long term unoccupied properties.

8.2 Discount for newly unoccupied and unfurnished properties

There is a range of approaches to properties that become unoccupied and unfurnished amongst other GM Authorities. These goes from a 100% discount for up to three months to no discount at all.

8.3 Discount for properties undergoing major works or structural changes

Again, there is a range of approaches from other GM Authorities ranging from no discount at all (Bolton, Tameside) up to 100% discount for 12 months (Trafford).

9. Consultation

This report is recommending an external four week consultation exercise. The results and appraisal of the consultation responses along with the final proposals will be bought back for comment by the Resources and Governance Scrutiny Committee and for approval by the Executive at a future meeting.

10. Proposals

That the Council uses it discretion to:

Increase the amount of Council Tax that is charged for unoccupied and unfurnished properties by charging an additional premium

- From 1 April 2019, increase the existing 50% LTE premium to 100% (so the owner would pay 200% of the standard Council Tax).
- From 1 April 2020, introduce the 200% premium for properties that have been unoccupied and unfurnished for more than five years (so the owner would pay 300% of the standard Council Tax).
- From 1 April 2021, introduce the 300% premium for properties that have been unoccupied and unfurnished for more than ten years (so the owner would pay 400% of the standard Council Tax).

That the Council changes its existing policy and removes the following Council tax discounts

1. Remove the existing 100% Council Tax discount that is awarded to unoccupied and unfurnished properties for up to a month.
This means that 100% of the Council Tax due will be charged for any unoccupied and unfurnished property that does not meet the requirements of the statutory exemption class for unoccupied properties.
2. Remove the existing 50% Council Tax discount that is awarded for up to one year when a property is undergoing major repairs or structural alterations

11. Equality Impact Assessments

The requirements of Section 149 of the Equality Act state that public bodies must have due regard to the need to:

- i. Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
- ii. Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- iii. Foster good relations between people who share a protected characteristic and people who do not share it.

The Council is undertaking an Equality Impact Assessment of the proposals. The assessment will consider in detail what impact the proposals could have on the protected characteristics: age, disability, gender reassignment, pregnancy, maternity, race, religion or belief, sex and sexual orientation.

Outcomes from the consultation will be reported to the Executive on 13 February 2019 for a decision and will be accompanied by the equality impact assessment.

12. Key Policies and Considerations

12.1 Risk Management

Risk management will be considered once the results of the consultation are received and analysed.

12.2 Legal Considerations

Legal advice recommended that consultation is undertaken on this change as people will be worse off due to their increased Council Tax liability.

13. Conclusions

The introduction of the 50% LTE premium in April 2013 has resulted in behavioural change by property owners that has seen a significant drop in the number of LTE properties in the city and increased the supply of available housing. This has been achieved at a faster rate than if there had been no 50% premium.

The new proposals build on these changes and provide the opportunity to charge additional premiums. Considering the benefit of bringing LTE properties back into use and the additional revenue implications, these powers should be adopted.

It is right to review the one month unoccupied property discount and the major works discount in the light of the Council's financial situation.

14. Recommendations

1. Scrutiny Committee is requested to consider and comment upon the contents of the report.

2. Executive is requested to;
 - i Approve the proposals contained in the report and agree to the start of a formal consultation exercise to take place between December 2018 and January 2019.
 - ii Note that the outcome of the consultation will be reported back to Executive in February.

Appendix 1 - unoccupied property exemptions

The following table shows details of all other exemption codes pertaining to unoccupied properties and the numbers of each type in the city at 1 April 2018.

Exemption class	Description	Period	Numbers
B	Unoccupied, owned by charity	No time limit	410
D	Due to person being in prison	No time limit	34
E	Person gone to live in care home	No time limit	158
F	Council Tax payer deceased	No time limit	810
G	Occupation prohibited by law	No time limit	309
H	Dwelling held for minister of religion	No time limit	14
I	Person living elsewhere to receive personal care	No time limit	30
J	Person living elsewhere to provide personal care	No time limit	5
K	Dwelling left empty by a student	No time limit	0
L	Mortgagee in possession (Repossessed property)	No time limit	41
Q	Left empty by bankrupt person Where liability rests with trustee	No time limit	5
R	Caravan pitches or boat moorings not in use	No time limit	20
T	Unoccupied annex to an occupied dwelling that cannot be let separately	No time limit	5

**Manchester City Council
Report for Resolution**

Report to: Executive - 12 December 2018

Subject: HS2 Working Draft Environmental Statement (WDES)

Report of: Strategic Director (Development)

Summary

This report informs the Executive of a consultation held by HS2 Ltd. on its Working Draft Environmental Statement (WDES) with a specific focus on the proposals within Manchester. The WDES covers Phase 2b of HS2 (from Crewe to Manchester and West Midlands to Leeds), It also provides an overview of the City Council's proposed response to the consultation and the key themes and issues raised.

Recommendations

The Executive is recommended to:

1. note the content of the WDES;
 2. consider the key issues proposed to be covered in the City Council's response to the consultation; and
 3. delegate authority to the Strategic Director (Development) to finalise a consultation response to HS2 Ltd. in consultation with the Leader of the Council and Executive Member for Environment and Skills.
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Wards Affected: Ardwick, Baguley, Didsbury East, Didsbury West, Fallowfield, Longsight, Northenden, Piccadilly, Rusholme, Withington, Woodhouse Park

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	<p>A high-speed line between Manchester, the West Midlands and London, and the North of England (as proposed by Northern Powerhouse Rail (NPR)) will support business development in the region. The scheme has the potential to provide a catalyst which can attract further investment into Greater Manchester by creating a new gateway into the regional centre and boost investor confidence in the area.</p> <p>Specifically, the proposals for HS2/NPR stations at Manchester Piccadilly and Manchester Airport</p>

	provide major opportunities for stimulating economic growth and regeneration in the surrounding areas.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Development of a high-speed rail network serving the city centre and the Airport, and the regeneration of the Piccadilly area, together with continued development around the Airport, will provide much needed additional capacity and thus contribute towards the continuing economic growth of the city, providing additional job opportunities, at a range of skill levels, for local residents. As part of the high speed rail Growth Strategy, a Greater Manchester High Speed Rail Skills Strategy has been developed, to best enable local residents to access the opportunities created by both the construction of the High Speed rail infrastructure and from the additional investment and regeneration arising from it.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	<p>The economic growth brought about by high speed rail, and the regeneration of the Piccadilly area, could help provide additional job opportunities for residents, as well as improved connections from communities to jobs in the city centre and beyond.</p> <p>The area will also provide new leisure opportunities, including new areas of public realm, accessible to all members of the public.</p>
A liveable and low carbon city: a destination of choice to live, visit, work	<p>The Manchester Piccadilly Strategic Regeneration Framework (SRF) provides a vision and framework for the regeneration of the Piccadilly area as a key gateway to the city, with a unique sense of place. This could include the creation of new residential neighbourhoods and significant new public spaces. As well as providing new high quality commercial accommodation, the new residential accommodation and the public amenities including public realm, retail and leisure opportunities, will create a desirable location in which to live, work and visit.</p> <p>HS2 will enable the provision of improved public transport, through the capacity released on the classic rail network and, if aligned with Greater Manchester's plans, integration with other transport modes at Manchester Piccadilly and Manchester Airport. This can encourage more public transport journeys and less reliance on cars.</p>
A connected city: world class infrastructure and connectivity to	HS2, together with NPR and the Northern Hub rail schemes, will bring a step change in rail

drive growth	<p>connectivity both across GM and to the rest of the UK. HS2 and NPR will radically enhance north-south and east-west connectivity between the country's major cities, which will increase labour market accessibility, open up new markets for trade and stimulate economic growth, as well as better connecting people to job opportunities.</p> <p>The city's plans for Manchester Piccadilly and Manchester Airport Station are to provide world-class transport interchanges that can act as gateways to the city and city region.</p>
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Full details are in the body of the report, along with any implications for

Equal Opportunities Policy
Risk Management
Legal Considerations

Financial Consequences – Revenue

None

Financial Consequences – Capital

None arising from this Report.

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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;

Report to Executive 11 September 2013 - High Speed 2 (HS2) Consultation and

HS2 Manchester Piccadilly Strategic Regeneration Framework (SRF)

Report to Executive 18 December 2013 - High Speed 2 (HS2) Manchester Piccadilly and Mayfield Strategic Regeneration Framework (SRF) Consultations

HS2 Strategic Regeneration Framework (2014)

Report to Executive 14 December 2016 - Manchester Piccadilly High Speed 2 (HS2) Phase 2 Route Announcement

Report to Economy Scrutiny 1 February 2017 - High Speed Rail – High Speed 2 (HS2) and Northern Powerhouse Rail (NPR)

Report to Executive 18 October 2017 - Greater Manchester HS2 and Northern Powerhouse Rail Growth Strategy

Greater Manchester HS2 and NPR Growth Strategy: The Stops are Just the Start 2018

Report to Executive 7 March 2018 – Manchester Piccadilly Strategic Regeneration Framework Update 2018

Report to Executive 27 June 2018 – Manchester Piccadilly Strategic Regeneration Framework Update 2018

Manchester Piccadilly Strategic Regeneration Framework 2018

HS2 Working Draft Environmental Statement 2018, available at:
<https://www.gov.uk/government/consultations/hs2-phase-2b-working-draft-environmental-statement>

HS2 Working Draft Equality Impact Assessment Report 2018, available at:
<https://www.gov.uk/government/consultations/hs2-phase-2b-working-draft-equality-impact-assessment-report>

Report to Economy Scrutiny 7 November 2018 - HS2 Working Draft Environmental Statement (WDES)

1.0 Introduction

- 1.1 On 11 October 2018, the Secretary of State for Transport announced the launch of two High Speed 2 (HS2) consultations for the section of the route from Crewe to Manchester and West Midlands to Leeds (Phase 2b).
- 1.2 The consultations are on the Working Draft Environmental Statement (WDES) and the Working Draft Equality Impact Assessment Report (WEQIA). The WDES sets out the proposed HS2 Phase 2b scheme and its likely environmental effects, based on a stage in the ongoing design and assessment. The working draft is not a statutory consultation.
- 1.3 The purpose of the WDES is to provide the public and other stakeholders with an opportunity to review and comment on preliminary environmental information for Phase 2b. HS2 Ltd. states that comments on the WDES will inform the subsequent design and the Environmental Statement (ES) included in the hybrid Bill, which is due to be deposited in Parliament in June 2020.
- 1.4 Due to the fact that the WDES covers a range of highly specialist and technical environmental topics, the City Council has consulted Council and Greater Manchester (GM) specialists and statutory bodies (as we would do for a major planning application), to develop our response to the consultation. The response has to be made to HS2 Ltd. by 21 December 2018.
- 1.5 We have agreed with GM partners that there will be an overall response to the consultation from the Greater Manchester Combined Authority (GMCA). Manchester City Council, Trafford Council and Wigan Council will all submit individual responses, which will feed into the overall GMCA response. These will also raise issues of particular concerns within our respective local authority boundary areas.
- 1.6 The WDES and WEQIA are based on a point-in-time assessment of the design as of December 2017. This design phase was Control Point (CP) 1. This does not include Northern Powerhouse Rail at the proposed Airport and Piccadilly HS2 Stations. In addition, HS2 Ltd.'s Manchester Piccadilly station design has key differences to the City Council's preferred station design included in the Manchester Piccadilly Strategic Regeneration Framework (SRF) and the Greater Manchester HS2 and Northern Powerhouse Rail (NPR) Growth Strategy: *The Stops Are Just The Start* (Growth Strategy). Some aspects of the WDES such as construction sites include updated information from 2018.
- 1.7 Council officers and our Greater Manchester (GM) partners have also continued to work with HS2 to inform and influence the developing design at both Manchester Piccadilly and Manchester Airport. This includes the ongoing development of business cases for the elements of Piccadilly Station which differ to the SRF design layout. HS2 'CP2' (the design that has been developing since December 2017) proposals have moved forward in terms of achieving some limited integration with the SRF / Greater Manchester Spatial Framework proposals. Discussions are ongoing through the current 'CP2.1'

design phase with the aim of achieving the City Council's and GM's full Growth Strategy vision that the Executive endorsed in October 2017.

- 1.8 The final Environmental Statement and hybrid Bill deposit will be based on the CP3 design stage (due to start in March 2019 and end in September 2019), and should take into account responses to the current consultation. There will be a further formal Consultation on the final Environmental Statement when the hybrid Bill is deposited.
- 1.9 Department for Transport (DfT) has now instructed HS2 Ltd. to consider the integration of a realigned and expanded Metrolink at Piccadilly Station beneath the HS2 station (as per the Piccadilly SRF and Growth Strategy). HS2 Ltd. is currently working collaboratively with GM to develop an integrated solution for Metrolink to be incorporated into the Hybrid Bill scheme.
- 1.10 DfT has also instructed HS2 Ltd. to include NPR "touchpoints" within their Hybrid Bill design. For the City, this means additional platforms at the Airport and Piccadilly stations to accommodate NPR services. However, it should be noted that at Piccadilly, these additional platforms are for a surface (overground) turnback station only. The City and GM's preferred option (as per the Growth Strategy and Piccadilly SRF) is for an NPR underground through station below the HS2 station, which still allows for Metrolink to be accommodated. We believe this option not only accommodates proposed NPR services but allows for additional capacity to be accommodated in the future.

2.0 Background

- 2.1 The City Council has made a number of consultation responses to HS2 Ltd. over the past five years. In July 2013, Government launched a public consultation process on the proposed route for Phase 2 of the High Speed 2 (HS2) rail line, which closed in January 2014. The proposed route included proposals for HS2 stations at Manchester Piccadilly and Manchester Airport. The City Council and the Greater Manchester Combined Authority (GMCA) both provided a response to the consultation, following a report to the Executive on 15 January 2014.
- 2.2 In December 2016, a report was presented to Executive which summarised the announcement in September 2016 of the High Speed 2 (HS2) Phase 2b revised line of route, from Crewe to Manchester and West Midlands to Leeds. The report set out issues that this presented for the city and Greater Manchester, as well as providing background on HS2 and Northern Powerhouse Rail (NPR). It also informed Members of the work being carried out by the City Council, TfGM and partners to develop a HS2 and NPR Growth Strategy for Manchester Piccadilly and Manchester Airport, to ensure that Greater Manchester is best placed to maximise the benefits offered by HS2 and NPR.
- 2.3 Following this report, the City Council and GMCA made a response to the Phase 2b line of route consultation launched as part of the Secretary of

State's announcement. A subsequent report was presented to Executive in October 2017 providing Members with details on the Greater Manchester HS2 and NPR Growth Strategy *The Stops Are Just The Start*. The masterplanning work done as part of the Growth Strategy was used to inform an updated Strategic Regeneration Framework (SRF) for the Piccadilly area, which was approved by the Executive in June 2018. This included the revised line of route, NPR proposals and more commercial floorspace, to reflect the significant opportunity presented by this once-in-a-century opportunity.

- 2.4 Although the response to the Line of Route consultations covered wider design issues that are not part of the WDES, we propose to use this opportunity to restate the concerns raised previously, given their significant impact on the city.
- 2.5 As previously reported to Executive, our responses to the Government's consultation in January 2014 and March 2017 set out the benefits of HS2 to the UK, the city region and Manchester. They outlined the economic growth and regeneration opportunities at Manchester Piccadilly and Manchester Airport. They also emphasised what needed to be done in order to achieve those opportunities.
- 2.6 In all of the responses over the past five years, the City Council and partners have reiterated their support for HS2 stations at the Airport and Piccadilly. HS2 is vital in increasing the capacity and connectivity of Britain's rail network, and the combination of HS2 and NPR improvements can help deliver a transformational step-change in the connectivity of the North's major city regions, helping to underpin economic growth across the whole of the North of England.
- 2.7 The key points made in our responses, and subsequently during ongoing design development with HS2 Ltd. have included:
- The need to create a station at Manchester Piccadilly that is a world class, fully integrated transport hub which can actively maximise economic growth and the regeneration of the eastern side of the city centre.
 - A strategic approach to transport investment at Piccadilly which leads to the earliest transformation of Piccadilly Station; avoids significant and long term disruption and blight; and promotes investor confidence. In other words, a '*Build it Once, Build it Right*' approach.
 - A revised station layout at Manchester Airport which enables an interchange with an extended Metrolink service (the proposed "Western Loop") to properly connect the station to the Airport and surrounding communities.
 - An approach to funding for the Airport Station that is in line with those for other HS2 airport stations.
 - Highway solutions need to be adequate at both the Airport and Piccadilly,

consider the wider strategic road network, and involve both local stakeholders and Highways England.

- Avoid adverse impacts on the M56 and local highway network and protect the operation and future growth of Manchester Airport in relation to traffic and access.
- The tunnel design and construction methodology must be developed in conjunction with the City Council and GM partners.
- Vent shaft locations must be appropriately sited and designed to fit with their context.

2.8 To date, no formal response has been received from HS2 Ltd. to our consultation responses. However, the City Council and its partners continue to work with HS2 Ltd. on an ongoing basis as the designs for the station progresses, to try and bring the design closer to the one proposed in the SRF and Growth Strategy.

3.0 The Working Draft Environmental Statement (WDES)

3.1 Within the City Council administrative boundary, the WDES covers land between the River Bollin and the M56, roads at the Airport and M56; a 7.5 mile tunnel under South Manchester to Ardwick Depot; four vent shaft locations and a tunnel portal; a viaduct; and the proposed HS2 station at Piccadilly. (The maps at Appendix 1 show the route and each of the Community Areas described below. Colour maps are available on request).

3.2 The WDES is structured as follows:

- i. **Non-technical Summary** – this provides a summary of the working draft Environmental Statement in non-technical language.
- ii. **Volume 1: Introduction and Methodology** – an introduction to the working draft Environmental Statement and an overview of the route and the environmental impact assessment process.
- iii. **Volume 2: Community area reports and maps** - HS2 has split the Phase 2b route into 25 “Community Areas”. Three contain land in the City Council boundary: MA06 Hulseheath to Manchester Airport; MA07 Davenport Green to Ardwick; and MA08 Manchester Piccadilly. A description of each of the Community Areas is set out below. Each Community Area report includes information under the following headings:
 - Stakeholder engagement and consultation.
 - Agriculture, forestry and soils.
 - Air Quality.
 - Community.
 - Ecology and biodiversity.

- Health.
- Historic environment.
- Land quality.
- Landscape and visual.
- Socio-economics.
- Sound, noise and vibration.
- Traffic and transport.
- Water resource and flood risk.

The Community area reports describe likely significant route-wide environmental effects of the construction and operation, based on the December 2017 level of design.

- iv. **Volume 3: Route-wide effects** - This describes the impacts and effects that are likely to occur at a geographical scale greater than the community areas described in Volume 2.
- v. **Volume 4: Off-route effects** - This describe an assessment of the off-route effects of the proposed scheme i.e. those aspects of the construction and operation of the proposed scheme that have the potential to generate significant environmental effects in locations remote from the route corridor.
- vi. **Supporting Information and Planning** - HS2 Phase 2b Environmental Impact Assessment Scope and Methodology Report; Alternatives Report for the HS2 Phase 2b working draft Environmental Statement; and Draft Code of Construction Practice for HS2 Phase 2b working draft Environmental Statement.
- vii. **Working Draft Equalities Impact Assessment Report** – this considers the potential effects of the construction and operation of HS2 Phase 2B on people with protected characteristics and explains how HS2 Ltd. proposes to avoid /reduce any adverse effects. These are people protected by the Equality Act 2010.

3.3 The Community Areas

MA06 Hulseheath to Manchester Airport

- 3.4 This includes an area of land between the River Bollin and the M56, as well as the westbound carriageway of the M56 in the City Council's boundary.
- 3.5 Proposed work includes: a viaduct over the River Bollin (92m long by up to 17m in height); a balancing pond for railway drainage; an embankment (80m long, 34m wide by up to 4m high); an auto transformer station (200m by 135m); a cutting at Halebank (467m long by 100m wide and up to 15m deep); closure and realignment of Sunbank Lane and other footpaths; a box structure under M56 of 139m in length and up to 17m in depth; and access from Junction 6 to the proposed Airport Station.

- 3.6 It also includes a proposed four platform Airport HS2 Station and associated access, servicing and parking. These lie within Trafford Council's administrative boundary, although the proposal impacts on both Council areas.

MA07 Davenport Green to Ardwick

- 3.7 This section is 13.4km long, of which 12.8km is in tunnel under the electoral wards of Ardwick, Longsight, Rusholme, Withington, Didsbury West, Didsbury East, Northenden and Baguley. 573m of the route is in cutting at Ardwick.

- 3.8 There are a number of features associated with the tunnel. This includes four vent shafts/headhouses proposed at:

- Altrincham Road/M56 junction 3a (Northenden Ward) (Vent Shaft 1);
- Withington Golf Course, Palatine Road (Didsbury West) (Vent Shaft 2);
- The Christie Car Park D, Wilmslow Road (Didsbury East/boundary with Didsbury West) (Vent Shaft 3); and
- Manchester Enterprise Academy (MEA) Central, Lytham Road (Rusholme) (Vent Shaft 4).

- 3.9 The vent shafts/headhouses would be approximately 25m x 43-54 wide and 6m high (above ground level) except at Altrincham Road which would be 14.5m high (due to the fact that the tunnel is shallower at this location). Each vent shaft would have a construction compound (during construction) and there would be vent shaft auto transformer stations at Palatine Road and Lytham Road (each 45.5m long by 24m wide).

- 3.9 At the Ardwick end there would be a 'porous portal' (a perforated structure at the tunnel entrance, designed to allow the passage of air from the tunnel) with a head house substation (24m long, 30m wider and 6m high) and a tunnel portal building.

MA08 Piccadilly Station

- 3.10 The route would exit the tunnel at the Siemens Train Care Facility, Rondin Road in Ardwick Ward, into a cutting 130m long, 18m wide and 0.5m deep. It then rises up to a viaduct (1km long and up to 11.5m in height) then widens to three tracks, then four at the proposed station (in the Piccadilly Ward). The station would be located alongside the existing railway station building (next to platform one) and have four platforms. It would be approximately 455m long and 50m wide, covered by a roof and canopy 20m high.

- 3.11 There would be an Autotransformer station at Chancellor Lane of 46m long by 24m wide (no height given). At Pin Mill Brow and other streets around Piccadilly, changes to the road layout are proposed along with three multi-storey car parks. Five temporary compounds are proposed for the construction of the railway.

4.0 Key Themes, Issues and Feedback

- 4.1 As described earlier in this report, the WDES is based on a superseded HS2 Ltd. (Control Point 1) design from December 2017. The proposed scheme has developed since then and HS2 Ltd. is currently progressing towards its CP3 design. However, we note that some of the information in the WDES is different to CP1. For example, the construction boundary shown in the WDES is different to the one shown in the CP1 scheme. HS2 Ltd. has not indicated which elements are more up to date than the CP1 scheme.
- 4.2 There is no design detail on the plans other than locations and proposed use. The WDES does go into some detail describing the size of some of the scheme elements.
- 4.3 Given that the Working Draft is based on a superseded 2017 design, it is intended that our response will cover the major issues of concern highlighted in previous consultation responses, and during the ongoing design work with HS2 Ltd., together with any further major technical issues identified during the review of the documents. Key issues from City Council, GM and Government specialist responses, which will be covered in our formal response to the consultation, are summarised below. It should be noted that the majority of the responses received highlighted the lack of detail in many areas and the need for further information from HS2 Ltd. Many of the issues previously raised by the City Council and partners have not been addressed in the WDES.

Volume 1 – Introduction and Methodology

- 4.4 **Design** – The *HS2 Design Vision* sets core principles around three themes of people, place and time and creating a sense of place that will stand the test of time. In response, Planning, Building Control and Licensing has highlighted that it is important that these high level principles are followed through to the detailed design of all elements that could singularly or cumulatively have an impact on Manchester.
- 4.5 HS2 Ltd.'s design approach should be consistent with its own guidance. It should fully assess the particular location and context. It should then develop a suitable and appropriate design response to suit the location and context, rather than providing generic, engineering solutions which would not be appropriate.
- 4.6 The resulting structures should be a high quality design response, in particular where the proposals create a significant new intervention. This is important in terms of landscaping and integrating and retaining existing features such as trees, as well as ensuring that the structures are of a high-quality design.
- 4.7 The proposed stations and their landscaping and associated works, including the approach viaduct to the new station at Piccadilly, will need an exemplary design response that will respond positively to their context and support the regeneration masterplans in these locations. It is important that the Local Planning Authority (LPA) is engaged in early and detailed discussions over the designs of these new structures to ensure the highest design quality and

landscaping, and to ensure that they respond positively to their setting. In the case of Piccadilly, the design should respond positively to the historic environment and adjacent Grade II listed train shed.

- 4.8 Further detailed investigation and surveys may be needed in terms of historic buildings, character appraisal, archaeology and built heritage to inform the proposals and to enable a proper assessment of impact and interventions needed. This further work is encouraged to enable better understanding of the historic environment.
- 4.9 Volume 1 refers to a considerable amount of work to be done for the final ES. This includes full investigation and visual survey work to inform the design and this includes a full list of designated, curtilage structures and non-designated assets. HS2 Ltd. needs to ensure that this work is adequately covered in the final ES.
- 4.10 Volume 1 also states that the route-wide approach has been developed with Historic England and Local Authorities at Phase 1 and Phase 2a. It says that a route wide Written Scheme of Investigation has also been prepared setting out a framework for design, evaluation and investigation. It would be helpful to understand what lessons have been learned and if these have been documented and brought forward to this phase.
- 4.11 In Landscape and Visual Impacts, the WDES states that measures to mitigate are part of an integrated design approach. It is important that best practice and high-quality design are at the forefront in developing bespoke responses, and that any harm or adverse impact is avoided rather than mitigated.
- 4.12 Electromagnetic Interference is mentioned in relation to the 25 kilovolt electrification traction power of trains. It is being assessed and sensitive receptor sites are being identified along the track route corridor. We await the results of this as the ongoing electromagnetic field modelling.

Volume 2 – Community Area Reports and Map Books General Comments Applicable to MA06, MA07 and MA08

- 4.13 **Development** - committed development is defined as ‘developments with planning permission and sites allocated for development’. As the Council generally does not allocate development sites, this approach is likely to underestimate the level of development expected in Manchester, for example, development outlined in the Core Strategy, Regeneration Frameworks and other Planning documents.
- 4.14 The proposed scheme should take account of all proposals contained in the Council’s anticipated development pipeline (publicised through the Greater Manchester Spatial Framework evidence map).
- 4.15 **Agriculture, Forestry and Soils** - this environment topic has been scoped out of the assessment for MA07 and MA08.

- 4.16 **Air Quality, Land Quality, Sound, Noise and Vibration** - HS2 Ltd. will develop Local Environmental Management Plans (LEMP) to supplement the final Code of Construction Practice. Environmental Health recommends that the Plans should be developed in consultation with the Council.
- 4.17 Site investigation data is required to enable the Council to review and provide comments on land quality. Environmental Health notes that likely significant sound, noise and vibration impacts have been identified at certain locations/premises, but the level of detail is not there.
- 4.18 Any buildings that qualify for noise insulation or temporary re-housing will be reported in the formal ES. This should be developed in discussion with the Council.
- 4.19 Proposed construction hours include Saturday working hours from 0800 - 13.00 hours and 24 hour working. Any variation to standard working hours will need to be discussed and agreed with the Council as part of the LEMP work.
- 4.20 **Ecology** – Greater Manchester Ecology Unit (GMEU) considers that, due to the level of detail provided, it is extremely difficult to assess the impacts of HS2 on ecology and biodiversity. The WDES does not include any of the necessary habitat and species survey information required for a formal ES. Air quality, noise and hydrological assessment are also not included. The appropriateness of any proposed mitigation/compensation measures also cannot be fully assessed at this time.
- 4.21 GMEU further commented that it is extremely disappointing that HS2 Ltd. has only committed to “no net loss in biodiversity insofar as reasonably practicable in the local area” and to achieving “no net loss in biodiversity at a route-wide level”. This is contrary to government guidance in the National Planning Policy Framework and the 25 Year Environment Plan which seek biodiversity net gain.
- 4.22 **Health** - Manchester Health Care and Commissioning (MHCC) notes the following points:
- The impacts on health and wellbeing of the scheme could have a particular impact on vulnerable or disadvantaged populations, including those that fall within the list of protected characteristics. HS2 Ltd. needs to provide a detailed assessment of any potential impacts and proposed mitigation measures.
 - Monitoring should be carried out in partnership with local public health and health care agencies.
 - HS2 Ltd. should identify principles of social value and opportunities to maximise the social value gained from the proposed scheme through the recruitment of local people and the use of local businesses.
 - The final ES should consider measures to mitigate the impact of the loss or relocation of local businesses on the more vulnerable members of a community.
 - The commitment of HS2 Ltd. to provide clear and transparent information

to communities in order to provide more clarity and certainty about how neighbourhoods along the route of the Proposed Scheme will be impacted is welcomed and should be fulfilled.

- It is imperative that HS2 Ltd. liaises with the local health care system at the earliest opportunity in order to identify potential impacts on the provision of health and care services during construction. The health care needs of construction staff and the level of need for in-house health care provision should also be assessed.
- MHCC urges HS2 Ltd. to carry out a Mental Well-being Impact Assessment (MWIA) to identify vulnerable populations and provide clear mitigation strategies that are linked to any local services or assets.

- 4.23 **Historic Environment** - Historic England notes that there is very little detail on measures which might mitigate some of the impacts on heritage assets. The final ES should contain much more detail on site specific measures for the mitigation of the impacts of the proposed scheme.
- 4.24 It states that it would expect to see a great more detail in the final document on the potential impacts of the proposed scheme on the designated and non-designated heritage assets identified as at risk.
- 4.25 There is very little information in the WDES on setting. Historic England would expect to see more on these impacts, including if necessary, cross referencing to the Landscape and Visual assessment.
- 4.26 **Traffic and Transport** - a key element of the Growth Strategy is wider connectivity and transport infrastructure in the vicinity of the stations to spread the benefits throughout the conurbation. The Growth Strategy should form the basis of wider transport improvements that the WDES and ES need to consider and deliver, either at the time of the stations' construction or safeguarded in later phases, in order that the full overall wider benefits are achieved.
- 4.27 Considerable further transport modelling work is required. Modelling the impact of the proposals on the highway network will need to be agreed with Transport for Greater Manchester (TfGM). The impact during the construction phase will also need to be considered and modelled. Future Transport Assessments should consider the full range of appropriate mitigation, including accommodating any increases in traffic generation and increased pedestrian and cyclist movements. Any appropriate mitigation should be identified with TfGM, who can assist in adopting a coordinated approach.
- 4.28 The Transport Assessment should consider the impact of the proposals upon existing public transport networks in terms of additional person trips. Mitigation measures should be considered where appropriate.
- 4.29 **Water Resources and Flood Risk** – these impacts will be assessed at the design stage and are therefore not part of the WDES.
- 4.30 The proposed route is crossing a number of ordinary watercourses so careful

management of these crossings is required to maintain their hydraulic and environmental properties.

- 4.31 Flood Risk Management highlight the need for an integrated management approach for water resources (surface and ground water) to holistically assess the impact of this scheme. Consultation is requested with the City Council, Environment Agency and United Utilities as the design develops.

Specific Comments to MA06 Hulseheath to Manchester Airport

- 4.32 **Ecology** – there would be a direct habitat loss and permanent hydrological changes at Sunbank Woods and Ponds, a Site of Biological Importance and Ancient Woodland, and at the Wood near Chapel Lane, a Site of Biological Importance.
- 4.33 **Historic Environment** - it doesn't appear that any above ground heritage assets are affected by the proposals. However further desk based, and fieldwork surveys will be needed to identify any non-designated heritage assets.
- 4.44 **Landscape** - while the Airport Station lies outside the City Council boundary, there will be visual impacts from the station, associated multi-storey car parks, new highway layouts and landscaping works. The new station and associated buildings works should be of an exemplary design quality in terms of architectural design and public realm and landscaping works. Mitigation works associated with the construction and operational aspects of the scheme should be carefully considered to minimise any adverse effects.
- 4.45 Existing landscape features including high quality trees and hedgerows should be given due consideration at the advanced design stages. The impact caused by any new highways should be minimised and mitigated.
- 4.46 **Traffic and Transport** - the City Council, Manchester Airport Group, Trafford Council and TfGM share a number of concerns about HS2 Ltd.'s highways proposals at the Airport station. These have been raised formally with HS2 Ltd. on a number of occasions.
- 4.47 The City Council and its partners feel that inadequate evidence has been provided on how the proposed station can be accessed; what the implications are for Junctions 5 and 6 of the M56 and the wider M56; the wider highways access; and impact on airport operations and accessibility.
- 4.48 Our concerns about highways access cover both the construction phase and the longer term operation of the Airport station. There is also a lack of detail about NPR provision and access to the Growth Strategy masterplan area to the northwest. Demand modelling and the passenger modal split work are not yet complete, leading to the concern about the adequacy of the solutions being proposed.
- 4.49 Key issues include:

- The need for full integration of the HS2 and NPR stations, Metrolink and appropriate connections to the Airport;
- Adequate station access and impact on the surrounding environment;
- Car park locations, numbers and design and level of mitigation;
- Absence of traffic modelling;
- Lack of accurate demand forecasting including the exclusion of trips by Airport staff and passengers;
- Impact on strategic routes (Motorways, motorway junctions and local roads);
- Construction access impacts and mitigation;
- Opposition to the use of Runger Lane/Thorley Lane as a construction route because of its critical role in terms of Airport access.

4.50 More detail will also be required for the proposed closure and realignment of Sunbank Lane, all proposed closures/realignments to Ringway footpaths and all associated access and parking works for construction in this area.

Specific Comments to MA07 Davenport Green to Ardwick

- 4.51 **Community** - several community issues, such as severance and open space provision, need to be addressed in the formal ES. It is not possible to express any view on these at this stage, because there is no design detail provided.
- 4.52 We note that the plans in the WDES would require demolition of three residential buildings, 28 commercial/business buildings of seven other structures, including the Eglise En Mission Church. The City Council would want to ensure that an alternative resource and effective engagement with affected parties, is provided
- 4.53 Since HS2 Ltd. began the process of identifying locations for vent shafts, the City Council has consistently raised concerns about some of the proposed locations (including our responses to the HS2 Phase 2 Line of Route formal consultation made in 2014 and 2017). The following feedback has been given to HS2 Ltd. including:
- **Altrincham Road/M56 junction 3a** – the proposed location is acceptable in principle, subject to an adequate highways scheme being developed to accommodate anticipated increases in traffic.
 - **Withington Golf Course** – one location in the footprint of golf course could be acceptable, but the current location (in a Flood Zone) and loss of 2.5 ha of golf course is not acceptable. It needs to move away from residential properties and be outside the flood storage reservoir and zone (the Environment Agency are also understood to have concerns about the location within the flood storage area). We understand that HS2 Ltd. are now looking at alternative locations at the Golf Course.
 - **The Christie Car Park D** – one location within the foot print of the car park is acceptable in principle, subject to design for future use. However, it

needs to be sited in such a way as it allows for maximum use of the remainder of the site. Construction should avoid demolition of homes/shops and mature trees on Wilmslow Road. Any new structures should be designed and positioned to reinforce local distinctiveness and be a good neighbour to existing buildings and occupants and reinforce the streetscene.

- **MEA Central** – one location on the school car park and playing fields is not acceptable. Officers have consistently advised HS2 Ltd. that there was planning permission for a school, and now an operational school, on the site and alternatives must be looked at. HS2 Ltd. have not taken this advice on board for the 2017 design on which the WEDS is based, but have subsequently started to look at alternative locations. We have suggested that they consider Fallowfield Retail Park, Birchfields Road, as a possible alternative location.

- 4.54 **Historic Environment** - Historic England notes that there would be significant permanent, physical impacts on the five non-designated heritage assets which lie wholly or partly within the land required for the proposed scheme in this area. There is no information about potential impacts on setting. Only limited mitigation measures are suggested and more work is clearly needed on this aspect of the ES.
- 4.55 **Landscape and Visual Impact** - The WDES identifies the Mersey Valley Managed Open Space as one area where the character would be significantly affected to a moderate, adverse level. As this landscape is of high value and contributes significantly to the character of the area, opportunities should be taken to avoid any adverse impacts by redesigning the scheme to one where there is less impact e.g.; tree loss.
- 4.56 Planning has considerable concerns over the proposed loss of mature trees in the Mersey Valley that contribute significantly to character of the area. The trees provide a high value mature landscape feature and attempts should be made to avoid loss by redesigning the proposals to retain this existing important feature.
- 4.57 **Traffic and Transport** - the route of the Proposed Scheme would not cross any roads with footways within the Davenport Green to Ardwick area. The route of the proposed scheme is in tunnel through most of the Davenport Green to Ardwick area, with access required to the vent shafts locations.
- 4.58 With most of MA07 in tunnel emerging at Ardwick Depot, the key traffic and transport issues are around the vent shaft / headhouse locations shown in the WDES. The parking at the Christie Hospital Car Park D on Wilmslow Road; the A665 Chancellors Lane, the Siemens Ardwick Traincare Facility on Rondin Road, the Manchester Enterprise Academy (MEA) on Lytham Road and Hooper Street could all be affected.
- 4.59 HS2 Ltd. states that the assessment of significant effects in relation to traffic and transport during construction of the proposed scheme will be reported in

the formal ES. More detail on this is required in advance of the formal ES in June 2020.

- 4.60 In particular, we need to understand what the effects of construction on the local highway network would be, the proposed temporary and permanent access to the vent shafts/head house and construction compounds. Appropriate mitigation measures should be agreed with the City Council in advance of the Hybrid Bill submission.
- 4.61 **Water Resource and Flood Risk** - the proposed vent shaft on Withington Golf Course is within a Flood Zone making it unsuitable for most development. HS2 Ltd. should discuss alternative locations for the proposed high vent shaft/head house (54m diameter), vent shaft auto transformer stations (45.5m long by 24m wide) and construction compound with the City Council.

Specific Comments to MA08 Manchester Piccadilly Station

- 4.62 **Community** - the City Council would like to reiterate its concern over the proposed pedestrian connections between the proposed HS2 Piccadilly Station and the city centre. Further work is required to optimise the station and the approach alignment and to ensure the HS2 proposals are integrated with the existing station and cityscape, as set out within the Council's 2014 and 2017 consultation responses, and are in accordance with the Growth Strategy, 2018 Manchester Piccadilly and Portugal Street East SRFs.
- 4.63 The Piccadilly Station proposals locate the HS2 platforms to the north of the existing rail station (facing towards the Inner Ring Road). As proposed, this does not provide adequate integration with the existing station and access to the city centre would be extremely poor from this location, due to the topography, existing buildings and potential route through a 70 metre long tunnel at Store Street.
- 4.64 The alternative route through the existing Network Rail station is not considered appropriate given the pressures on the current concourse from more passengers (25% increase in the last four-five years). 2016/17 figures from the Office of Rail and Road show 27 million passengers per year and 41million visitors to the station per annum. DfT figures indicate that rail passenger numbers (alone) will increase to almost 60 million by 2040.
- 4.65 To propose that HS2 passengers would use the current entrance is not an adequate solution. A fully integrated station design (as shown in the Piccadilly SRF and the Growth Strategy) would provide a common, accessible approach for HS2 and non-HS2 passengers.
- 4.66 It is not clear what is proposed on the pedestrian and access ramp in front of Gateway House or behind the building other than 'land potentially required during construction'.
- 4.67 We note that demolition of 64 commercial/business premises would be required, along with 22 other structures and modifications to Piccadilly Station.

HS2 Ltd. has acknowledged that the proposed demolition of the following facilities would have significant impacts:

- True Jesus Church on St Andrews Street;
- Christian Academy Fairfield Street;
- The Men's Room, Fairfield Street (outreach services for disadvantaged young men);
- MASH, Fairfield St (outreach services for women working in the sex industry); and
- MO:DEL, Fairfield Street (NHS mental health and substance abuse service for mentally ill offenders).

- 4.68 This is also covered in the working draft Equalities Impact Assessment. HS2 Ltd. needs to set out its engagement approach with affected businesses and other organisations as soon as possible. The strategy for providing alternative facilities wherever possible should be provided in advance of the formal ES.
- 4.69 **Historic Environment** - comments made under MA07 about identifying non-designated heritage assets also apply here. Once further detailed desk and field survey work has been carried out, these assets should be mapped and shared with the City Council, Historic England and Greater Manchester Archaeology Advisory Service (GMAAS) for review.
- 4.70 In identifying heritage assets, the study area is 2km which picks up a significant number of assets where there is clearly no direct or indirect impact. It would be very helpful to see a more focused study of those in closer proximity; for instance the impact on the Grade II listed London Warehouse and its setting. Any assessment should follow established best practice principles and guidance, including those produced by Historic England.
- 4.71 There will be significant permanent, physical impacts on the Grade II listed Piccadilly Station. There is no detail at this stage on how the physical impact of the proposed new station and structures would affect the fabric or result in loss of significance. This will need to be fully considered as the designs develop. Proposals should avoid harm where possible.
- 4.72 There will need to be a full heritage asset appraisal of the station which should inform the emerging proposals and their impact on the station and its setting. There needs to follow a heritage impact assessment of the proposals.
- 4.73 The proposals will also have a major impact on the setting of the station and this impact will need to be fully assessed as the proposals evolve. Key viewpoints have been identified to fully assess this impact through visual assessment. As the scheme emerges there will be a need to identify key locations and views and produce verified views (existing and proposed) for both the station and associated structures, including the proposed viaduct.
- 4.74 In conclusion, there seems to be little detail on specific measures which could avoid or mitigate the impacts on heritage assets. There also appears to be little information on the potential impacts on their settings.

- 4.75 Landscape and Visual Impact - the final proposal will need to convey with clarity how the new station creates an exceptional arrival point into Manchester through architecture and landscape design. The potential for the new (extended station) to regenerate the Piccadilly SRF area needs to be explained in the final ES; not only to describe how the townscape and public realm can be upgraded, but also the economic and social benefits of the station.
- 4.76 The passenger experience is key here, as is thinking about an area of the city centre that will become the Gateway to the North of England and not a railway station in isolation. This placemaking approach is also required to inform the station entrances, public realm design and locations of any amenity areas and car parks proposed.
- 4.77 The WDES acknowledges that proposed new structures including the station, viaduct and associated landscaping works will introduce prominent new features into the area which will result in substantial changes to the character of the area due to their height and massing. These new structures should be of high-quality design, should minimise impact on the historic environment and should support and reflect the Strategic Regeneration Framework for the area.
- 4.78 The design of the scheme, including public realm should ensure that it is of the highest exemplary architectural design quality to create a world class facility. It should be fully integrated into the existing urban environment, and reinforce and improve connectivity with the surrounding area and create a destination of distinction. The proposals should follow from a comprehensive detailed urban design analysis of the area.
- 4.79 The WDES refers to proposals to mitigate where there is impact. There seems to be a generic approach to mitigation, which refers to measures such as landscaping, banking and tree planting.
- 4.80 This will not be the correct approach in all cases, particularly in an urban environment where there is a need to mitigate and integrate into a more urban setting. This could be through high quality design and materials, structures or more urban features. Each impact will need to have an individual response.
- 4.81 **Socio-economics** – 82 business units or sites in the study area would be directly impacted as a result of the proposed scheme. HS2 Ltd. estimate that 2,390 jobs could be affected within the Manchester Piccadilly Station area. The Council would wish to see businesses relocated and jobs retained in Manchester and Greater Manchester.
- 4.82 Local people must be given every opportunity to access new jobs created as a result of the proposed scheme, in particular those associated with construction, where over 8,870 full time equivalent jobs are estimated in Phase 2b.
- 4.83 Members should note that up to 40,000 additional jobs are estimated as a

result of the Piccadilly SRF the Growth Strategy.

- 4.84 **Traffic and Transport** - the emerging highway proposals need to be in accordance with the approved Manchester Piccadilly SRF, or HS2 Ltd. needs to provide a robust justification as to why this is not possible. The highways proposals should look at the impact on the wider area, rather than being a purely technical engineering solution.
- 4.85 Key specific issues identified in the WDES are:
- There is no consideration of walking and cycling routes or how these would form part of an integrated, place based approach to street design.
 - To meet GMCA's *Made to Move* aspiration to "double and then double again cycling in Greater Manchester and make walking the natural choice for as many short trips as possible," the environment and connectivity for these modes in and around the station must be of the highest quality.
 - There is little evidence of a holistic place making approach that seeks to link in wider existing networks.
 - No pavements or cycle provision are shown. The ES needs to integrate the Beeline proposals within the vicinity of the Station and HS2 alignment.
 - There is no mention of enhanced wayfinding to ensure passengers are able to make their onward journeys easily and in an efficient manner.
 - No clear connection heading to the north and the city centre are indicated.
 - Station design needs to provide the highest quality arrival experience, with legible onward connection by active modes.
 - The scale of the station and multiple rail alignments have the potential to create a severe severance effect. Permeability through these pieces of infrastructure is key and must be demonstrated through the ES process.
 - The HS2 station must be fully integrated with bus and coach services to ensure sustainable transport connections are provided.
 - Metrolink forms a key interchange mode that must be fully integrated with the station designs considering future expansion and introduction of increased capacity through initiatives such as tram-train.
 - The proposed location of the revised Pin Mill Brow junction impacts on several high-rise buildings and an urban park proposed in the Piccadilly SRF. This is not acceptable to the City Council and our GM partners and alternative layouts need to be explored and discussed. Any changes to the highways layout in this location needs to be in accordance with approved planning guidance and need to provide future proofed capacity.
- 4.86 To properly assess and comment on the HS2 design, the following detail is needed:
- accurate travel demand forecasts split by mode to enable the design of appropriate transport infrastructure;
 - traffic modelling or assessment of the impact on key routes – the proximity of the proposed station to the Inner Relief Road (IRR) and interactions between it, the IRR and key radial routes; and
 - wider area junction mitigation measures.

- 4.87 Detailed construction information is needed, including:
- Overall volumes (HGVs and worker vehicles);
 - Timings and profiling of activity;
 - Clarity on spoil related HGVs;
 - Material import (tunnel and station);
 - Cumulative impact on the IRR and Outer Ring Road (ORR);
 - Workers' trips to and from the compounds factored in; and
 - Details of worker transport arrangements – the City Council would expect workers to travel via public transport or dedicated shuttle services to minimise private vehicle trips into the city centre.
- 4.88 No justification has been provided for the proposal to site three multi-storey car parks in a city centre development, next to a major transport interchange. The City Council's policies on parking and air quality mean that significant additional private car parking capacity for rail commuters would be difficult to accept. Access to the proposed multi-storey car parks is also not in accordance with the approved Piccadilly SRF.
- 4.89 A breakdown of construction activities and access / routing needs to be shared with MCC. Potential road closures and diversions requiring Temporary Traffic Regulation Orders will require careful liaison with the Council to avoid unacceptable stress to the Highways Network.
- 4.90 The WDES highlights increased traffic severance for cyclists and pedestrians. Appropriate mitigation measures will be required to ensure that cyclists and pedestrians are not disadvantaged and that sustainable journeys do not decline: adding to negative air quality around these sites.

Volume 3: Route-wide Effects

- 4.91 **Climate Change** - introduction and legal policy framework are provided in the WDES, but the full scope, results and conclusions of the climate change resilience assessment will be reported in the formal ES.
- 4.92 **Community** – it is noted that details of potential construction worker impacts are to be completed and that community issues will generally be dealt with at the local level. Comments are included in the Community Area sections of this report.
- 4.93 **Socio-economics** – the overall effects of impact on employment will be assessed and reported in the formal ES.
- 4.94 As noted above, an estimated 8,870 full time equivalent posts would be created during the construction period. HS2 Ltd. has committed to providing a minimum of 2,000 apprenticeships over Phase One and Phase Two.
- 4.95 The WDES states that 'depending on skill levels required, and the skills of local people, these jobs would be accessible to local residents and to others

living within the travel to work area'. The Council and partners would like to see a scheme in place to ensure that as many of these jobs as possible go to local people. This needs to be discussed with the City Council and GM partners in advance of the formal ES.

Draft Code of Construction Practice

- 4.96 The WDES includes a draft Code of Construction Practice, including mitigation measures to reduce and manage traffic and transport impacts as well as issues such as noise. The document also includes a commitment to limit the use of materials and the generation of waste.
- 4.97 Details of how construction would be managed are still emerging and officers will continue to work with HS2 Ltd. to further understand the impact and the proposed mitigation to limit this.
- 4.98 Over the past few years, the City Council and its partners have repeatedly asked HS2 Ltd. for further details on the arrangements for, and impacts of, the tunnel construction, particularly at either end of the tunnel. There are likely to be considerable transport movements arising from the movement of materials to and from the sites, associated with the construction process.
- 4.99 The City Council and partners are working with Highways England (HE), and stressing to HS2 Ltd. the need to involve HE in this issue, given the likelihood that HS2 construction and operation will considerably add to existing pressures on the M56 and routes into and out of the city centre.

Working Draft Equalities Impact Assessment

- 4.100 **Community** - we note the proposed methodology and approach set out in the working draft. As with other parts of the WDES, there is a lack of detail on how issues will be dealt with and mitigated. Of particular concern is the list of community organisations in Community Areas MA07 and MA08 that would be adversely affected by the proposals. There is a generic statement for each about stakeholder engagement, but no detail or any solutions offered. HS2 Ltd. should start engaging with the Council and other partners at the earliest opportunity.
- 4.101 **Health** - MHCC's concerns were outlined above on the health and wellbeing aspects of the scheme. MHCC stated that the proposed scheme would have a particular impact on vulnerable or disadvantaged populations, including those that fall within the list of protected characteristics. MHCC recommended that the assessments and findings of the Environmental Statement and the Equalities Impact Assessment should be cross-referenced to ensure that the assessment of potential impacts and mitigation measures are consistent. In addition, the final ES and EQIA should include a mental well-being Impact Assessment.
- 4.102 **Socio-economics** – The Council supports supply chain diversity, particularly to support local SME's within the area. However we would require more

comfort that local SME's are given the best chance to bid directly for work or support sub-contracting arrangements. It is not yet clear to what extent HS2 will provide additional support to smaller businesses and how they might support low value contracts and fair pay schemes.

- 4.103 The Council welcomes the sustainability policy and is supportive of HS2's policy specifically in relation to the economic growth and skills, employment and education principles. The Council is keen to ensure that there is an alignment of its strategies alongside that of the Growth Strategy Employment and Skills Strategy and the emerging Local Industrial Strategy. The Council is supportive of HS2's *Skills, Employment and Education Strategy - Opening Up New Opportunities Sep 2018*.
- 4.104 We ask that further consultation is undertaken with key partners, including Manchester City Council and the GMCA to further develop this strategy to ensure that the *Skills, Employment and Education Strategy* is deliverable in a local context and aligned with local strategies.
- 4.105 The *High Speed Two labour and skills demand and supply forecasting and analysis August 2018* provides a sound evidence base. However the section on *Construction demand and mismatch analysis: Phase 2b* has grouped the labour requirement in regions - NW and Yorkshire Humber. It would be useful to better understand this at sub regional level i.e.; Greater Manchester.
- 4.106 It would be useful to understand the more specific requirement of skills and levels, and anticipated connections with local training providers/organisations in order to satisfy/build capacity for the anticipated demand for skills.
- 4.107 The Council would like to understand prior learning or best practice that indicates local SME businesses have benefitted from earlier phases of HS2 - supporting local supply chains. Whilst it is early in the process, the Council will require more details about the end use/commercial opportunities in order to support recruitment opportunities for local people post rail / station construction.
- 4.108 Finally, as part of this consultation, the Council would like to better understand to what extent is there capacity within HS2 Ltd. to support *appropriate and additional support* to businesses.

5.0 Conclusion

- 5.1 In all of the responses over the past five years, the City Council and partners have reiterated their support for HS2 and the location stations at Manchester Airport and Piccadilly Station.
- 5.2 HS2 is vital in increasing the capacity and connectivity of Britain's rail network, and the combination of HS2 and NPR improvements can help deliver a transformational step-change in the connectivity of the North's major city regions, helping to underpin economic growth across the North of England.

- 5.3 It is a once-in-a-century opportunity to create a world class transport hub and arrival point into Manchester, the city region and the North. However, there remain a number of issues that still need to be resolved with the HS2 scheme in order to maximise this opportunity.
- 5.4 We welcome the opportunity to comment on the working draft Environment Statement. As this report has described, there is a lack of detail in many areas and clearly a lot of work to be done to meet the June 2020 date for depositing the hybrid Bill in Parliament. We will continue to press HS2 Ltd. and DfT to work with the City Council and our GM Partners on the gaps that have been identified in the working draft.
- 5.5 Officers will continue working with HS2, DfT, TfN and other partners on the design development of the proposed scheme s in advance of hybrid Bill submission. We will continue to press for world class, fully integrated stations with a build it once, build it right approach.
- 5.6 Recommendations appear at the front of the report.

6.0 Contributing to the Manchester Strategy

a) A thriving and sustainable city

- 6.1 A high-speed line between Manchester, the West Midlands, Crewe and London will support business development in the region. The scheme has the potential to provide a catalyst which can attract further investment into Greater Manchester by creating a new gateway into the city centre and boost investor confidence in the area. HS2 and NPR can greatly improve business connectivity and productivity, allowing businesses in the city and the city region better access to markets, labour, skills and customers
- 6.2 Specifically, the proposals for HS2 stations at Manchester Piccadilly and Manchester Airport provide major opportunities for stimulating economic growth and regeneration in the surrounding areas. This potential is significantly added to by the proposed introduction of Northern Powerhouse Rail (NPR) at both these locations.
- 6.3 A Strategic Regeneration Framework (SRF) has been updated in 2018 for Manchester Piccadilly, and the Growth Strategy aims to ensure that the city and the city region can maximise the benefits from investment in High Speed Rail.

(b) A highly skilled city

- 6.4 Development of a high-speed rail network serving the city centre, and the regeneration of the Piccadilly area, will contribute towards the continuing economic growth of the city, providing additional job opportunities, at a range of skill levels, for local residents. As part of the HS2 Growth Strategy presented to the Executive in October 2017, a Greater Manchester High Speed Rail Skills Strategy and Implementation Plan has been developed, to

best enable local residents to access the job opportunities created by both the construction of the high speed rail infrastructure and from the additional investment and regeneration arising from it.

(c) A progressive and equitable city

- 6.5 The economic growth brought about by high speed rail, and the regeneration of the Piccadilly area and growth at the Airport and Enterprise Zone, could help provide additional job opportunities for residents, as well as improved connections from communities to jobs in the city centre and beyond. The area will also provide new leisure opportunities, including new areas of public realm, accessible to all members of the public.

(d) A liveable and low carbon city

- 6.6 The Manchester Piccadilly Strategic Regeneration Framework (SRF) provides a vision and framework for the regeneration of the Piccadilly area as a key gateway to the city, with a unique sense of place. This could include the creation of new residential neighbourhoods and significant new public spaces. The masterplan being developed for the area around the Airport as part of the HS2 Growth Strategy proposes new residential development and commercial opportunities, along with high quality public realm.
- 6.7 HS2 will enable the provision of improved public transport, through the capacity released on the classic rail network and, if aligned with Greater Manchester's plans, integration with other transport modes at Manchester Piccadilly and Manchester Airport. A series of proposed transport connectivity measures have been developed for both Manchester Piccadilly and Manchester Airport through the GMGS, designed to better connect all parts of the city and city region to the new stations and surrounding areas. This can encourage more public transport journeys and less reliance on cars.
- 6.8 Sustainability is one of the key principles of the SRF. A sustainability strategy has been developed as part of the SRF, looking at a range of potential options across the area.

(e) A connected city

- 6.9 HS2, together with NPR and the Northern Hub rail schemes, will bring a step change in rail connectivity both across GM and to the rest of the UK. HS2 and NPR will radically enhance north-south and east-west connectivity between the country's major cities, which will increase labour market accessibility, open up new markets for trade and stimulate economic growth, as well as better connecting people to job opportunities.
- 6.10 The City Council's plans for Manchester Piccadilly and Manchester Airport Station are to provide world-class transport interchanges that can act as gateways to the city and city region.
- 6.11 Manchester Piccadilly is already well connected by public transport. The

arrival of HS2, NPR and other planned investment will, if fully integrated, transform Piccadilly into the most intensive strategic transport interchange in the North, providing unrivalled connectivity to businesses and employment opportunities in the city centre, wider Greater Manchester area, and across the North and the UK.

- 6.12 A series of proposed transport connectivity measures have been developed for both Manchester Piccadilly and Manchester Airport through the GMGS, designed to better connect all parts of the city and city region to the new stations and surrounding areas. These measures, along with HS2 and NPR themselves, will better connect people to job opportunities.
- 6.13 HS2 and NPR proposals will transform rail connectivity to Manchester Airport from across the North of England and the UK, unlocking new jobs and productivity growth. More frequent and faster rail services will help to increase the effective population catchment area of the Airport, supporting the case for introducing new inter-continental trade routes, and thereby boosting the economic potential of the North of England.

7.0 Key Policies and Considerations

(a) Equal Opportunities

- 7.1 HS2 and NPR, and the development of the areas surrounding the stations are anticipated to provide additional job opportunities available to local residents and improved transport connections to those opportunities. As part of the Growth Strategy, a GM High Speed Rail Skills Strategy has been developed to ensure that residents are able to acquire the skills to access the jobs created.

(b) Risk Management

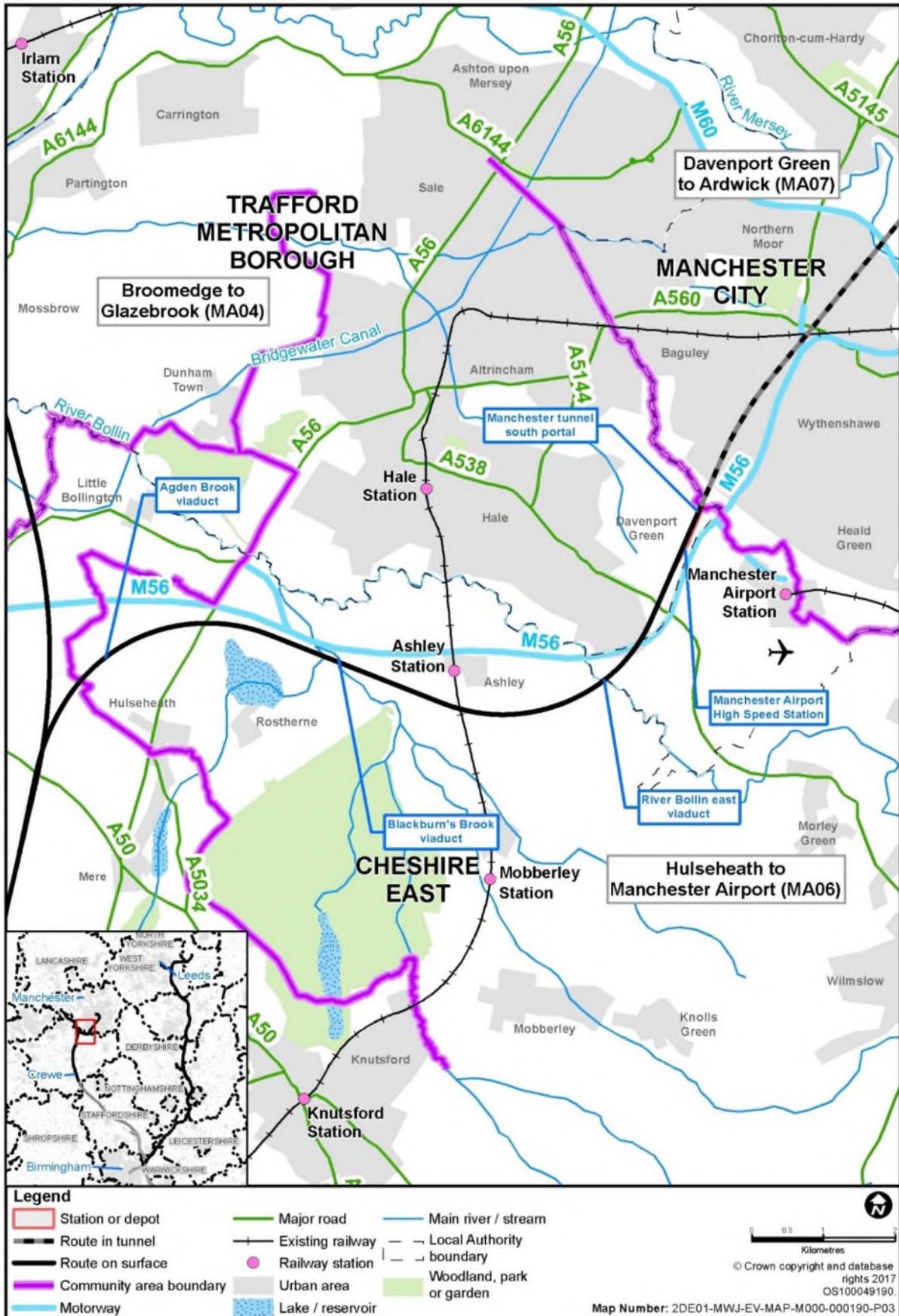
- 7.2 The Council will work closely with Government, Transport for the North, TfGM and other partners to minimise risks arising from the design and delivery of HS2, NPR and the Growth Strategy.

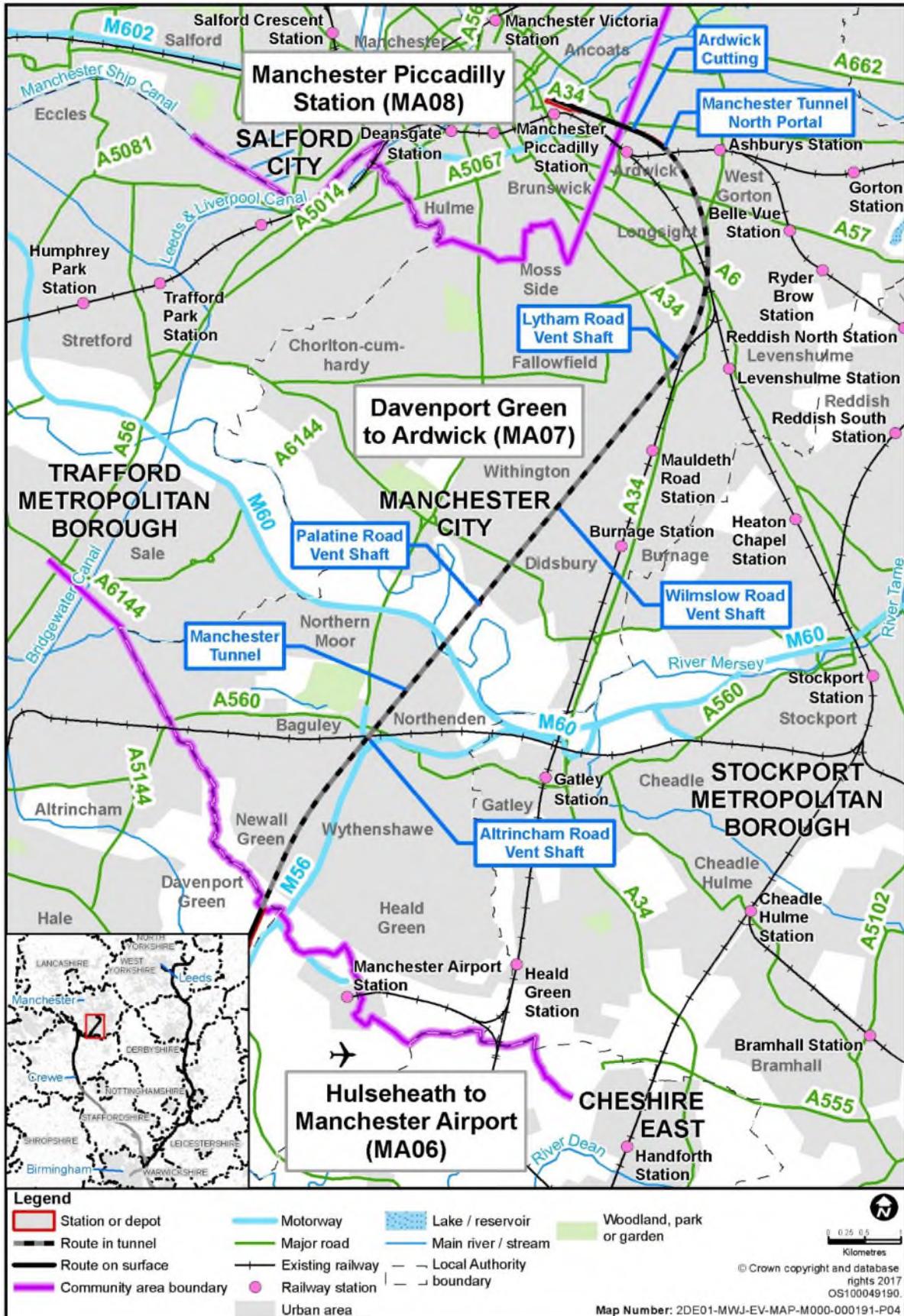
(c) Legal Considerations

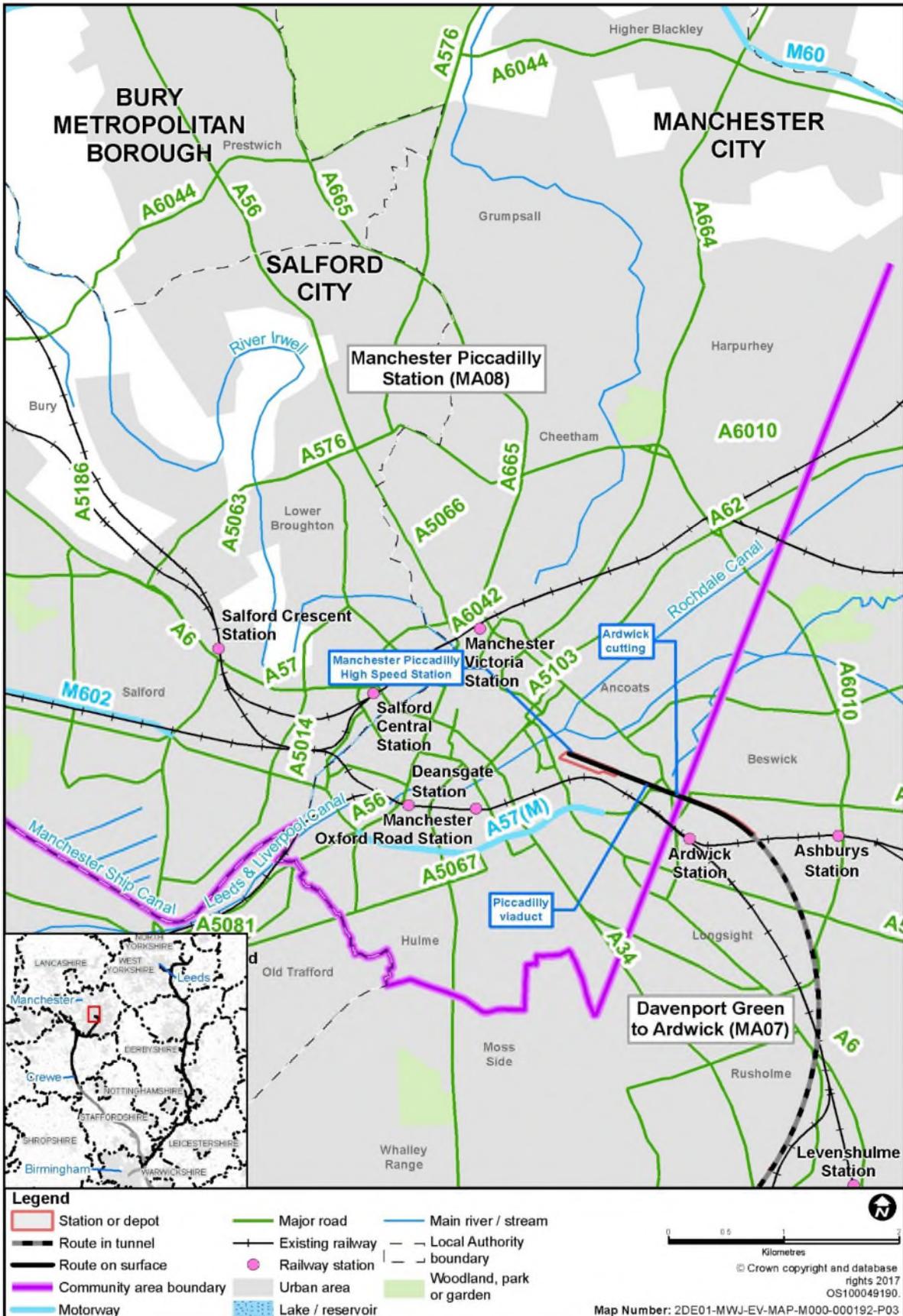
- 7.3 As set out in the body of the report, the Environmental Statement will set out the likely environmental impacts of the proposals for the phase of the HS2 designs. It will form part of the suite of supporting documents when the hybrid Bill containing the proposals is deposited in Parliament. This report sets out the early-stage non-statutory consultation being carried out on the working draft of the Environmental Statement and seeks delegated authority to prepare the Council's response.

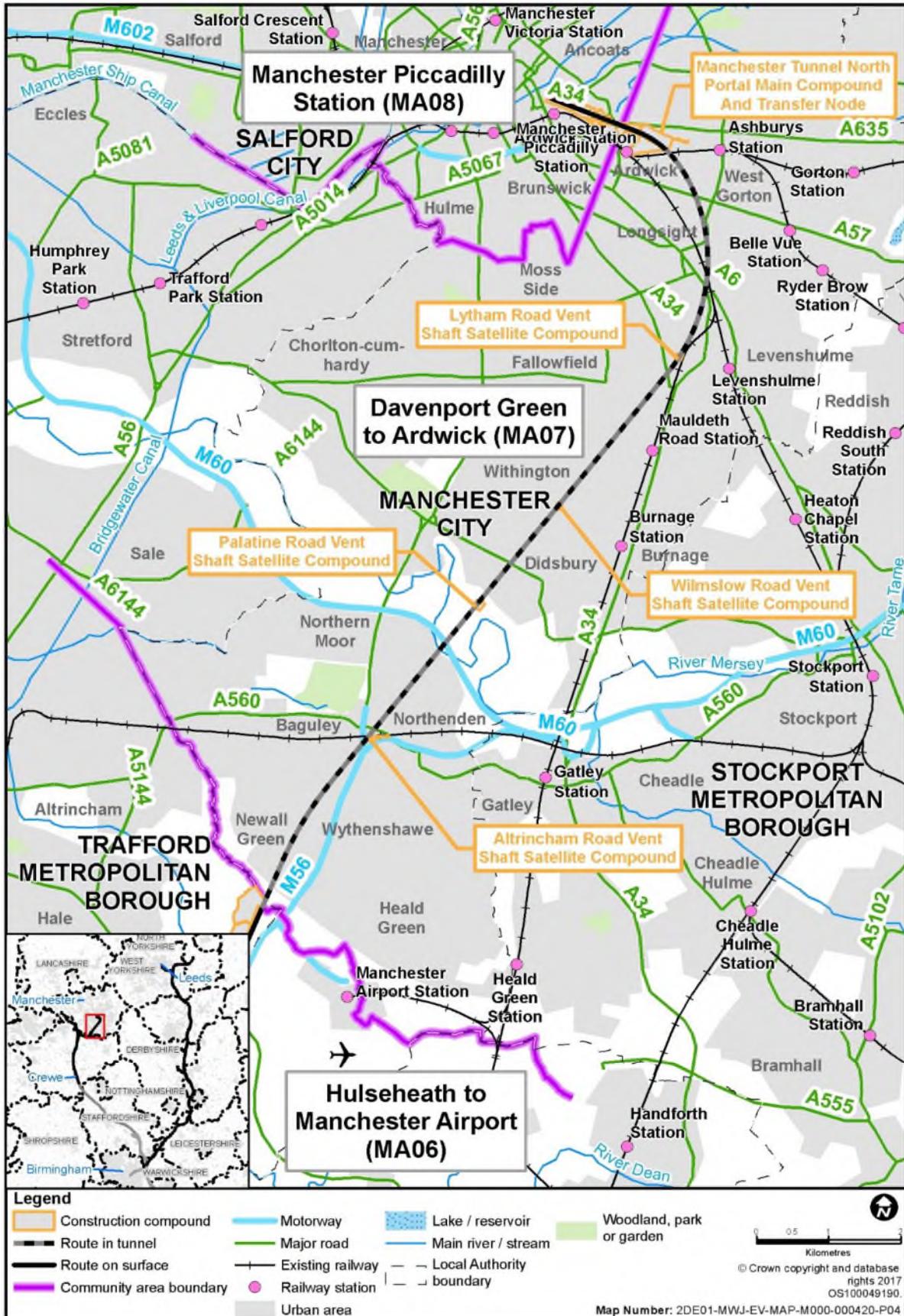
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Appendix 1 : Working Draft Environment Statement Plans









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**Manchester City Council
Report for Resolution**

Report to: Economy Scrutiny – 6 December 2018
Executive – 12 December 2018
Council – 30 January 2019

Subject: The Manchester College – City Centre Campus

Report of: Strategic Director (Development) and City Treasurer

Summary

The purpose of this report is to provide an update on the LTE Group's progress in acquiring a city centre site located within the Northern Gateway Great Ducie Street Regeneration area (part of the former Boddingtons Brewery site) for the Manchester College city campus, which is a key part of its estates strategy. It will provide fit for purpose, 21st century learning that will deliver to the City's objective to become a Highly Skilled City. The proposed location at the former Boddingtons site means that it will be highly accessible for learners in Manchester and Greater Manchester and the city centre location means it is well placed to further develop links with businesses in key growth sectors, to meet their skill needs.

A separate report at Part B of this agenda, sets out proposals for the Council to support the Manchester College in these plans.

Recommendations

Economy Scrutiny Committee is invited to comment on the report and endorse the recommendations to the Executive as detailed below.

The Executive is recommended to:

1. Support LTE Group's plans to deliver a new Manchester College Campus on Great Ducie Street (on part of the former Boddington's Brewery site) which would be a centre for excellence for skills in Creative & Digital (Phase 1) and Business, Financial & Professional Services (Phase 2);
2. Note that the LTE Group has committed to work with the Council to ensure that new development proposals comply with and support approved planning policies for the City Centre, and to work with the Council to bring forward a new development framework for the site;
3. Note that the arrangements include a proposed loan of £27.6m to LTE Group the details of which are set out in the separate Part B Report.

The Council is recommended to:

1. Approve a capital budget increase of £27.6m (£17.6m in 2018/19 and £10m in 2019/20) funded by borrowing.

Wards Affected:

Cheetham and Piccadilly

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 Manchester College is a major economic driver, not only as an employer but in providing skills training and learning pathways to underpin a wide range of key growth sectors in the city. It is the largest provider of 16-19, adult and higher education in Greater Manchester, with more than 25% of Greater Manchester's learning provision undertaken by the College.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The Manchester College enables significant numbers of students in Manchester to be equipped with the right skills to access existing and new jobs, and employment pathways within the Greater Manchester economy.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The Manchester College is committed to working with all communities within the city to improve the learning and skills outcomes of all our residents.
A liveable and low carbon city: a destination of choice to live, visit, work	The Manchester College has a strong commitment to environmental sustainability. This is embedded within the management of the existing estate and the plans for the new estate.
A connected city: world class infrastructure and connectivity to drive growth	The Manchester College intend to deliver a new world class facility, which will continue to support the city's growth ambitions over the next decade.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None

Financial Consequences – Capital

Note that the arrangements include a proposed loan of £27.6m to LTE Group the details of which are set out in the separate Part B Report.

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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 Manchester College Estate Strategy 2017 – 2022 - Report to the Executive, 13 November 2017;

The Manchester College, New Campus - Report to Executive, 25 July 2018

1.0 Introduction

- 1.1 A report considered by the Executive in November 2017, set out the Manchester College Estate Strategy for the 2017 – 2022 period. The strategy set out proposals for the College to seek to develop leading edge facilities for post-16 education and skills training, serving Manchester and the wider Greater Manchester (GM) Area. This was followed by a more detailed report in July 2018, which set out the College's plans to acquire a site to locate a new city centre campus.
- 1.2 The LTE Group has entered into an Option Agreement for part of the former Boddingtons site, where it will develop a centre of excellence with a strong focus on the skills required by the City's growth sectors: Creative & Digital; and Business, Financial & Professional Services.
- 1.3 A separate report at Part B of this agenda sets out the contractual, financial and commercial arrangements required by the LTE Group to support the development of the City Centre campus and how the Council will support the Manchester College with these plans.

2.0 Context

- 2.1 Improving skills levels has been identified by the Industrial Strategy at both a national and local level, as a key driver of economic growth and critical to addressing the national and Greater Manchester productivity challenges. The Government in response to the Sainsbury Review published its Post-16 Skills Plan, which seeks to create 3 clear pathways for post-16 education: academic; apprenticeships and technical education. The Government view is that the academic pathway is clear and works well. Apprenticeships have been subject to a number of recent changes including the introduction of apprenticeship standards and the apprenticeship levy, which have seen a substantial reduction in the number of apprenticeship starts nationally, not reflected in the local position. The intention is for apprenticeships to grow as a route to skilled employment for young people and adults.
- 2.2 Technical levels (T-levels) are being introduced for skilled occupations where there is a substantial requirement for technical knowledge and practical skills. They cover 15 occupational routes: Agriculture, Environmental and Animal Care; Business and Administrative; Catering and Hospitality; Childcare and Education; Construction; Creative and Design; Digital; Engineering and Manufacturing; Hair and Beauty; Health and Science; Legal, Finance and Accounting; Protective Services; Sales, Marketing and Procurement; Social Care; Transport and Logistics. Technical levels will be a full 2 year programme and include a significant industry placement of 45 days. There will be a transition year for young people who are not ready to access technical levels at age 16. Successful completion would lead learners to a higher level technical education; a higher level or degree level apprenticeship; or employment.

- 2.2 T-levels will be rolled out nationally, on a phased basis between 2020 and 2022. It will involve a transformational change in the way that FE is delivered. It is unlikely that any one college or area would offer all 15 pathways. In Manchester, the Manchester College will be the key provider of T-levels and has some valuable learning through its work experience pilot for the College, wider LTE group and other GM providers. The work that the College is doing with employers to co-design and co-deliver curriculum is also an important foundation for T-levels, as well as delivering to the Greater Manchester and City's ambition to have employers at the heart of the skills system. The estates strategy and the development of the centres of excellence will underpin the College's ability to successfully deliver T-levels and its wider skills proposition.
- 2.3 The Adult Education Budget (AEB) is being devolved to the Greater Manchester Combined Authority from the 2019/20 academic year. Circa 70% of the budget will be plan led and grant funded to the 10 GM FE colleges and adult education providers. Currently the budget is used predominantly to fund ESOL, basic skills: English & Maths, employability skills and level 2 qualifications and below in vocational education. Manchester Adult Education Service (MAES) and the Manchester College are the two biggest providers in the City. Commissioning by the GMCA and the development of a plan /partnership approach will mean that there is a greater focus on outcomes and integrating skills, with employment and other support for learners who are furthest from the labour market. The learning hubs will be critical to the delivery of better outcomes for NEET young people, unemployed adults and returners to the labour market. The devolved AEB arrangements will also allow for some innovation to better meet the needs of GM residents and businesses.

3.0 The Background

- 3.1 Manchester College is part of the LTE Group, which is a very large education and skills social enterprise comprising of 5,000 staff in 120 locations, and more than 100,000 students and learners, the LTE Group reflects the combined strengths and services of five organisations:
- The Manchester College – delivering 16-19 and adult further education across all levels
 - UCEN Manchester – delivering technical and professional higher education to level 7
 - Total People – providing work-based learning, apprenticeships and training provider.
 - Novus – the UK's largest national justice sector training and education specialist.
 - MOL – a national provider of online and blended professional training, qualifications and accreditations.
- 3.2 A separate report to the last meeting of Economy Scrutiny provided a detailed update on how various parts of the LTE Group deliver to the City's work and skills priorities. In particular, it provided performance information on the

improvement journey that the Manchester College has been on since its last Ofsted.

- 3.3 The College has a long and successful history in the City, and currently offers post-16 education and skills at 24 sites across Manchester, two thirds of which were built before 2,000, and over a quarter of which are in relatively poor condition. The estate, as currently configured doesn't provide a 21st century learning environment that supports the College's wider education ambitions for the City, nor does it place it in the best position to deliver T-levels and benefit from the proposed changes in the post-16 landscape. In addition it is not efficient or cost effective to run.

4.0 The Manchester College Estates Strategy

- 4.1 The Executive reports in November 2017 and July 2018, set out the Manchester College's estates strategy in detail. In summary, the proposal is to consolidate the estate from 24 disparate sites into three centres of excellence in the City Centre and Openshaw, supported by learning hubs within the centres of excellence, with two additional learning hubs in Harpurhey and Wythenshawe. The centres of excellence are well aligned with Manchester and Greater Manchester growth sectors. The new City Centre campus will be a centre of excellence for business, finance and professional education; and creative and digital skills, complementing the small health centre of excellence located in Citylabs on the Oxford Rd Corridor, all of which will provide routes to HE, as well as employment. Openshaw will have centres of excellence in construction, logistics, health, social care, sport and wellbeing.
- 4.2 The learning hubs will offer a broad curriculum, up to a learner's first level 3 vocational /technical education level with clear routes to the centres of excellence, apprenticeships and other progression opportunities. They will also offer an engagement curriculum for learners with low skill levels, lack of confidence and /or those with additional needs. These learners will be supported with mentoring, student pastoral care and good quality Careers Education Advice & Guidance. The learning hubs will work in partnership with other agencies to integrate additional support for young people at risk of becoming NEET, and for adults with additional needs. Basic English and Maths and ESOL provision will be delivered through the learning hubs.
- 4.3 Delivery of the College's Estates Strategy will increase capacity, enabling a 12% growth in the post-16 learning opportunities for 16-18 year olds, which will be needed to accommodate the increased number of children and young people coming through the City's school system. There will be an increase in the number of 16 to 18 year olds and HE students accessing centre of excellence provision in the City Centre. The strategy also projected that the new estate will increase basic skills provision by 9%, which is needed in particular to address the needs of adults with low skills in the City, and a 23% growth in the number of technical and professional HE learners, needed to address the skills gaps in our growth sectors, as well as boosting productivity. Once delivered the College's estate will be more efficient, with better space

utilisation, and reduced running costs, all of which will have a positive impact on the College's overall sustainability.

5.0 The Manchester College City Centre Campus

- 5.1 The new campus will focus on Manchester's employment growth sectors and new markets, where technological change require a more highly skilled and adaptable workforce. The City Centre site will also accommodate higher education and the College's A level centre, providing academic routes into Higher Education.
- 5.2 In order to meet its ambition to develop a new City Centre campus, the College needed to acquire a suitable site: one which is accessible by public transport and creates a high quality and safe environment to inspire students and learners to achieve, with adequate provision of external space/ public realm. It is important to the College that the campus is in a location that showcases its modern education and training facilities, to improve the skills of current and future generations, and attract learners from across the City and City region.
- 5.3 One of the primary attractions of the City Centre is its excellent access to public transport; as it will be important that the new campus has easy and safe access to bus, rail and Metrolink services, and good access to the highway network as well as a network of safe cycle lanes. The College will need provision for visitor and disabled parking. The Manchester College will be listening to and working with existing communities as it develops its plans. Located on land at the former Boddington's Brewery, the site presents a prime opportunity for redevelopment and help the College's deliver its vision to enable every learner to 'Be Amazing', creating the skills needed by the City's residents for the City's growth sectors.
- 5.4 The LTE Group began a site selection process in May 2017. College Governors have been involved in the process throughout. Six sites were shortlisted against criteria agreed by the College Board, and the land to the east of Great Ducie Street (former Boddingtons site) was chosen as the preferred site for the new City Centre campus. An Option Agreement has been entered into with the owner for the site. The College will also retain Shena Simon College, as additional capacity in the short to medium term.
- 5.5 The College is committed to developing a sustainable campus on the site, reducing energy usage and CO2 production and achieving a BREAM excellence rating for its new campus. It is anticipated that the Great Ducie Street location will mean an increased use of public transport by students and staff. The College is in the process of appointing its design and professional teams.
- 5.6 The existing Strategic Regeneration Framework covering the Boddingtons site does not include the provision of a college. The LTE Group working in partnership with the Council, will bring forward a new development framework for the site they have acquired, which incorporates a college campus and

appropriate development across the remainder of the site. The redevelopment is seen as a key part of Manchester City Council's strategy of expanding the 'Northern Fringe' of the city centre. The regeneration of the former Boddingtons Brewery site sits alongside the Great Ducie Street Strategic Regeneration Framework.

6.0 The Manchester College City Centre Campus: Funding

- 6.1 The College's estates strategy will be funded through a mix of LTE Group borrowing, consolidation - allowing for the sale of learning facilities no longer needed by the College - and GM Skills Capital Funding. The GMCA has agreed in principle to support the Manchester College's estates strategy with a grant of up to £25m, subject to the outcome of detailed evaluation and due diligence. Council officers will track progress and timescales and take into account any Skills Capital Funding grant conditions that are relevant to or impact on the Council's proposed loan facility.
- 6.2 A Part B Report to July Executive included a proposal for the Council to provide some additional support in terms of loan finance to support the college's estates strategy, which was up to £36m depending on the overall funding package, costs and VAT treatment of the site acquisition. Any financing arrangement was also to cover the Council's financing costs and comply with the State Aid position. Following ongoing discussions the amount of support requested has been confirmed as a loan funding package of £27.6m. Further details on the likely terms of the support are contained in the confidential Part B report on this agenda.

7.0 Concluding Remarks

- 7.1 The acquisition of the former Boddington's site to develop its City Centre Campus, is a major step forward for the Manchester College's estates strategy. It will provide a high profile and accessible site for both learners and businesses in the City and will significantly increase the scale and quality of learning provision, with an increased emphasis on priority sectors and higher level & technical skills. The College's approach with employers, and the proposed development of the City Centre campus, means that the City will be well placed to deliver the new technical pathways which are being proposed as part of the Government's Post-16 Skills Strategy and critical to the delivery of the Industrial Strategy.
- 7.2 Supported by the community learning hubs, the College will continue to be the major provider of post-16 education and skills in the City for residents at all skill levels. The new estates strategy will support its ambitions to deliver clearer career pathways for all of its learners through education, skills and employment. The estates strategy is timely in terms of the College being well placed to meet the skills requirements of the Industrial Strategy, both nationally and locally, and allows the College to future proof its offer through a high quality, efficient and sustainable estate.

8.0 Recommendations

8.1 Recommendations can be found at the front of the report.

9.0 Contributing to the Manchester Strategy Outcomes

(a) A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities

9.1 The Manchester College is a major economic driver, not only as an employer but in providing skills training and learning pathways to underpin a wide range of key growth sectors in the city. It is the largest provider of 16-19, adult and higher education in Greater Manchester, with more than 25% of Greater Manchester's learning provision undertaken by the College.

(b) A highly skilled city: world class and home grown talent sustaining the city's economic success

9.2 The Manchester College enables significant numbers of students in Manchester to be equipped with the right skills to access existing and new jobs, and employment pathways within the Greater Manchester economy.

(c) A progressive and equitable city: making a positive contribution by unlocking the potential of our communities

9.3 The Manchester College is committed to working with all communities within the city to improve the learning and skills outcomes of all our residents.

(d) A liveable and low carbon city: a destination of choice to live, visit, work

9.4 The Manchester College has a strong commitment to environmental sustainability. This is embedded within the management of the existing estate and the plans for the new estate.

(e) A connected city: world class infrastructure and connectivity to drive growth

9.5 The Manchester College intend to deliver a new world class facility on the UX site, which will continue to support the city's growth ambitions over the next decade.

10.0 Key Policies and Considerations

(a) Equal Opportunities

10.1 Manchester College's new city centre campus would enable even more local residents to acquire the right skills to access existing and new jobs, particularly in key employment sectors. The Manchester College is committed

to working with all communities within the city to improve the learning and skills outcomes of all our residents.

(b) Risk Management

- 10.2 The Financial arrangements will be managed and monitored over the life of the loan to ensure compliance with all the terms set out therein and the Council's duties and functions.

(c) Legal Considerations

- 10.3 The Council's Commercial Legal team will continue to support and advise the project team to ensure that the necessary arrangements are put in place, which sufficiently protect the Council, and comply with all relevant legislation.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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