

Manchester City Council Report for Resolution

Report to: Executive – 17 February 2021

Subject: Northern Gateway: Progress Update & Delivery Arrangements for Collyhurst Phase 1

Report of: Strategic Director, Growth and Development

Summary

The Northern Gateway initiative is seeking to deliver up to 15,000 new homes over a twenty-year period, spearheaded through a Joint Venture Partnership between the City Council and Far East Consortium International Limited.

This report provides details of proposals to deliver the first phase of housing development within the Collyhurst neighbourhood as well as providing an update on progress being made in the wider initiative in relation to a Housing Infrastructure Fund grant of £51.6m secured from Homes England to unlock development in the Redbank neighbourhood and appointments of Registered Provider partners made by Far East Consortium to help deliver Affordable Housing in the same neighbourhood.

Recommendations

The Executive is recommended to:

1. Note the detail of proposals set out for Phase 1 of development in Collyhurst as set out in Section 3.0 which will provide up to 274 new homes, including up to 130 new Council homes which will be managed through the Housing Revenue Account.
2. Delegate authority to the Strategic Director, Growth and Development, the Deputy Chief Executive and City Treasurer and the City Solicitor to finalise the terms for the delivery of this proposal through the Joint Venture partnership that has been established with Far East Consortium.
3. Delegate authority to the City Solicitor to enter into and complete all necessary documents to give effect to (2) above, the delivery of this proposal through the Joint Venture partnership.
4. Recommend to Council an increase in the capital budget for Collyhurst of £6.39m, funded from Housing Revenue Account reserves, noting that grant funding will be sought to refinance.
5. Authorise the Strategic Director, Growth and Development to explore the potential for the use Homes England's Shared Ownership Affordable Housing Programme and submit a bid for funding once the eligibility of the

scheme against the criteria of the grant programme has been fully assessed and determined.

6. Approve the virement of £1.4m from the Northern Gateway budget for the construction of the first phase of the park.
7. Note that two separate planning applications relating to the delivery of proposals in Collyhurst Village and Collyhurst South will be submitted for determination;
8. Note that land assembly activity will be required to ensure that the proposals set out in this report can be delivered in full;
9. Authorise the Head of Development to negotiate terms for the acquisition by agreement, where possible, of any interests in land required to facilitate to deliver the regeneration programme.
10. Note that if the City Council is unable to secure the acquisition of land interests required for the delivery of the overall regeneration programme, a future report will be brought to Executive to seek authority to make a Compulsory Purchase Order.
11. Delegate authority to the Director of Housing Growth & Residential Growth, in consultation with the Executive Member for Housing and Regeneration to establish a local lettings policy relating to tenants who have the Right to Return to the Collyhurst neighbourhood; tenants affected by demolitions; and the letting of tenancies within the proposed age restricted block, noting that such a policy will be in line with commitments made in previous Executive decisions and will ensure that the new Housing Revenue Account stock being provided fully meets the housing needs of the city.

Wards Affected –

Harpurhey & Miles Platting and Newton Heath

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city

Development proposals set out in this report will build on the low-carbon principles of the Northern Gateway SRF and recognise that future development within the area will need to respond to the zero-carbon target and will be expected to move towards this aspiration through the active utilisation and deployment of leading building technologies.

The planning of the Northern Gateway has been actively developed to facilitate the radical change in the current patterns of energy generation, distribution and use. New homes will be provided on brownfield sites that are well connected to the city centre and major public transport routes and promote the use of cycling and walking.

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

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The 130 social rent properties are included within the Housing Revenue Account 30 year business plan, this includes forecast rent income that will be used to fund the ongoing management and maintenance of the properties, along with the longer term capital investment requirements to enable renewals of fixtures and fittings to be undertaken on a planned basis in future years.

The remaining 144 properties available for sale will generate additional income for the Council in terms of Council Tax, but there will also be increased demands on some services and the implications of the increased numbers of properties are considered as part of the overall Council budget model.

Inevitably there will be ongoing revenue consequences in respect of maintaining the park, and this will need to be considered as part of the design in order to minimise the ongoing revenue costs, but this will be considered and brought back to members as part of the consideration of options.

Financial Consequences – Capital

The proposals in this report will increase the capital budget by £6.39m and create a total capital budget of £31.2m for the first phase of works in Collyhurst.

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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.

- Northern Gateway Progress Update Housing Infrastructure Fund, Executive 29 July 2020
- Northern Gateway Strategic Business Plan and First Phase Development Area, Executive 12 February 2020
- Delivering Manchester's Affordable Homes to 2025, Executive, 11 September 2019
- Northern Gateway: Implementation and Delivery, Executive, 13 February 2019

1.0 Introduction

- 1.1 In April 2017 the City Council entered into a Joint Venture Partnership (JV) with Far East Consortium International Limited (FEC) to deliver the residential led redevelopment of the adjacent neighbourhoods of Lower Irk Valley, New Cross and Collyhurst, on the north eastern edge of the City Centre, which have the capacity to provide circa 15,000 new homes over the next 20 years.
- 1.2 Following an extensive public consultation exercise that was undertaken during the autumn of 2018, the Executive meeting of February 2019 approved the Northern Gateway Strategic Regeneration Framework (SRF) as a means of guiding and coordinating development activity undertaken by the JV partnership and other third party agencies within the area.
- 1.3 The February 2020 meeting of Executive approved a Strategic Business Plan for the JV that set out details of how delivery would be brought forward, which also included details of the bid for an allocation of Housing Infrastructure Fund that had been submitted to Government and the anticipated Initial Development Area Business Plan that would include proposals for c1,000 new homes.
- 1.4 The July 2020 meeting of Executive approved the Council entering into a Grant Determination Agreement (GDA) with Homes England (HE) for a grant award of £51.6m from the Housing Infrastructure Fund (HIF) programme to provide critical infrastructure that would help unlock the development potential of the Redbank neighbourhood, where capacity exists for the provision of c5,500 new homes over the next 15 – 20 years.

2.0 The Joint Venture Initial Development Area Business Plan

- 2.1 The report to the Executive meeting of 12 February 2020 that sought approval for the Joint Venture's Strategic Business Plan also set out details of the development schemes that will make up the Initial Development Area Business Plan; namely:
 - Addington Street in New Cross (now renamed New Cross Central), where a planning consent for the delivery of 81 apartments and town houses has been obtained, including a Section 106 contribution towards off-site affordable housing.
 - The former Angelgate site in New Town (now renamed Victoria Riverside) where a planning application for 634 apartments and town houses has been submitted and is pending determination;
 - Collyhurst Phase 1 (Collyhurst Village and Collyhurst South), where it is proposed that approximately 274 new homes will be delivered
- 2.2 This report mainly relates to the delivery of Collyhurst Phase 1, the details of which are set out in Section 3 below.

3.0 Collyhurst Phase 1

Background

- 3.1 Since the termination of the proposed Collyhurst Housing Private Finance Initiative (PFI) scheme by the coalition Government in 2010 and the withdrawal of £252m PFI credits, the Council has sought alternative avenues to bring about the long-term sustainable regeneration of the neighbourhood. The Northern Gateway SRF, approved by Executive in 2019, sets out an aspiration to increase density in Collyhurst, delivering more family housing and promoting the longer-term sustainability of local amenity and retail. In order to achieve the increased density, it is essential to create diversity of housing provision, whilst at the same time ensuring that the existing community is integral to the regeneration of the area. As a result, a key driver for success is to ensure that existing Collyhurst residents affected by the proposals are able to access new homes provided.
- 3.2 The sites selected for delivery of new homes are located in both Collyhurst Village (Harpurhey Ward) and South Collyhurst (Miles Platting and Newton Heath Ward), with development of new homes focussed on vacant land fronting Rochdale Road in Collyhurst Village and on Whitley Road/Winscombe Drive in South Collyhurst. This first phase of development in Collyhurst is extremely important in setting a benchmark in terms of delivery of high quality modern, energy efficient Council homes as part of a new mixed tenure neighbourhood.

Description of the scheme

- 3.3 The proposal is to deliver circa 274 new residential properties in Collyhurst as a first phase of the Joint Ventures delivery strategy for this part of the Northern Gateway. Of the 244 new homes in Collyhurst Village (Harpurhey ward), 100 will be new Council homes with the remaining 144 properties being developed for open market sale. A further 30 Council homes are to be developed in South Collyhurst (Miles Platting & Newton Heath ward) on a site agreed with local members. The Council Homes will consist of:

	Houses			Apartments			Duplex apartments	
	3 bed	4 bed	5 bed	1 bed	2 bed	3 bed	2 bed	3 bed
Collyhurst Village	16	7	1	18	40	2	12	4
South Collyhurst	14			16*				

*Collyhurst south – at this stage in the design process, the exact split between standard apartments and duplex is not yet finalised.

- 3.4 The 144 open market sale properties being developed by FEC in phase 1 are concentrated in Collyhurst Village and comprise 56 two-bedroom houses, 72

three-bedroom houses and 16 four-bedroom houses. The masterplan for Collyhurst Village has been developed with the intention of mixing the tenures across the four development plots, whilst at the same time consolidating the tenures into terraced blocks in order to facilitate property management.

- 3.5 In accordance with the vision set out in the Northern Gateway Strategic Regeneration Framework (SRF) the two apartment blocks in Collyhurst Village are located along Rochdale Road creating a strong main road frontage and maximising the opportunity to create appropriate density and massing. The overall density of the phase 1 development establishes a new benchmark for this area, which again is an important component of the vision established in the SRF, which aims to delivery family housing in this area at a density which supports other local amenities and promotes the long term sustainability of this area.
- 3.6 In addition, the scheme will also deliver the first phase of the new Collyhurst Village Park as set out in the approved Northern Gateway SRF. In order to deliver this, it will be necessary to demolish 29 residential units (22 Council and 7 Private/RTB) and 1 commercial unit within Collyhurst Village. Therefore, a key outcome of the scheme is the timely delivery of re-provision homes to facilitate a single move, relocating affected residents into the new properties within the development and to provide alternative retail premises to enable the current operator to continue the offer in the area. By doing this, those residents directly affected by the first phase of development will have an opportunity to benefit from one of the new homes and will not be required to move out of the area.

Carbon Reduction Considerations

- 3.7 The scheme has been designed to deliver high sustainability credentials based on a 'fabric first' approach incorporating Passivhaus principles. To contribute towards the Councils target of zero carbon by 2038, energy supply to the properties will be 100% electric. This also offers added benefits as it means the future management of the Council properties will not involve organising and paying for an annual gas safety inspection.
- 3.8 Integral to creating a carbon neutral neighbourhood is the landscape design which provides both local amenity and delivers environmental benefits. Green streets will characterise the new neighbourhood and the planting scheme will include for Sustainable Urban Drainage Systems (SuDS) planting and rain gardens linked to the proposed Collyhurst Park where additional water storage capacity will be provided.
- 3.9 The location of the major wetland feature in the new park was chosen on the basis that it enables the build-out programme to be minimised whilst still enabling the Council to deliver on its commitment to a "one move" strategy to the residents of the 29 homes affected by the proposal.

Design Principles Used to Deliver Climate Change Objectives include:

- Optimised sustainable low carbon design parameters (U-values, air permeability, thermal bridges).
- “Standard Charge” electric vehicle car charging connections will be provided to 100% of the proposed houses and 10% of the apartment parking spaces.
- Efficient MVHR systems are being proposed to each dwelling to provide a continuous source of filtered fresh air and maintain a healthy indoor environment.
- Waste minimisation will be targeted throughout the construction and occupational phase.
- Prioritising reusing existing materials and locally sourced materials for construction to reduce waste and transportation to landfill in addition and promote a low embodied carbon development.
- Cycle storage provided for houses and apartments.
- Collyhurst Village will also feature a separate strategic SUDS infrastructure within the proposed new park

Maximising Use of Renewables

- LZC (low and zero carbon) feasibility assessment undertaken to establish the most suitable renewables.
- Site wide PV array implemented onto the roofs of the apartment blocks. This contribution has provided a 1.6% reduction in CO2 following an extensive fabric first low carbon sustainable design.
- In line with the 5 year operational energy plan for Greater Manchester all energy used on site by prospective residents will initially be provided by a 100% renewable energy supplier

3.9 As a result of the above renewable energy and low carbon design strategy, using the current SAP09 carbon factors, the predicted site wide reduction in CO2 over Part L Building Regulations 2013 is 20.6%. Using the latest SAP10.1 carbon factors this equates to a 64.7% reduction in CO2 over Part L Building Regulations 2013.

4.0 Council Expenditure and Funding Strategy

4.1 Current estimates indicate that an overall budget for the Council’s share of the Phase 1 costs would be circa £31.2m. This budget would cover the costs of new build properties; associated public realm; the relocation of existing tenants; the acquisition and relocation costs of existing owner occupiers and commercial premises (£29.8m); and the construction of phase 1 of a new community park (£1.4m).

4.2 It is anticipated that the profile of expenditure would be:

	20/21	21/22	22/23	23/24	24/25	Total
	£m					
Forecast Spend Profile	0.4	6.1	11.5	7.8	5.4	31.2

4.3 Previous reports to the Executive have led to the approval of capital budgets to deliver regeneration activity in Collyhurst. In total, previously approved resources still available for expenditure amount to £23.41m¹.

4.4 Further, it is proposed that the first phase of the new Community Park (£1.4m) is funded through a virement from the existing capital budget allocation for the Northern Gateway. This would provide a total available budget to the project of £24.81m.

4.5 The total anticipated budget requirement for the Phase 1 development is £31.2m, so a further £6.39m is required. It is intended that this will be met through a bid to Homes England for Shared Ownership and Affordable Housing Programme (SOAHP) Funding, which is anticipated to attract funding in the region of £6-6.5m.

4.6 However, for the scheme to progress, and in recognition that the grant bid will take time to be completed, it is proposed that the remaining funding for the scheme is underwritten by HRA capital resources. If the grant bid is successful, the scheme would be refinanced and such resources released. Officers are also reviewing whether retained Right to Buy receipts could be used as part of the financing towards this project.

4.7 There is, therefore, a risk that should the grant bid be unsuccessful, the HRA would have a reduced capacity for other investment priorities, such as the maintenance of existing properties and zero carbon works, and this would need to be considered as part of the HRA's long term business plan.

5.0 Delivery arrangement with FEC

5.1 FEC will act as the Development Manager for the scheme on the basis that the Joint Venture Legal Agreement contains exclusivity provisions and they are leading on procurement of both design and construction in order that the Council can benefit from cohesive development and economies of scale through procurement as a single scheme. Through competitive tendering processes, FEC have appointed a Manchester based architect, (Buttress) a technical team and a consultation team in order to design the scheme and engage with the local community.

5.2 The JV partners have agreed that delivery of the Project will be tendered through the Innovation Chain North (ICN) Framework which has been

¹ Made up of £21.68m HRA RCCO and £1.73m HCR

procured under the Public Contracts Regulations 2015 and is OJEU compliant. The Framework is managed by Great Places Housing Group and consists of a number of contractors that we believe would be able to effectively deliver this scheme.

- 5.3 The Invitation to Tender (ITT) issued to contractors will include details of the partners' Social Value requirements, and these will be informed by ongoing work that the Council and FEC are engaged in, along with colleagues in the Health sector who are promoting the proposed redevelopment of North Manchester General Hospital, to develop a consistent Inclusive Growth Framework that will seek to maximise local benefit from these major development projects.
- 5.4 Each party (FEC and the Council) will bear the cost of the actual construction of their respective properties with design fees and infrastructure costs being apportioned between the parties on the basis of the Gross Internal Floor Area of both the Council homes and the Open Market Sale houses.
- 5.5 Using FEC to manage the procurement of both the social and private sector homes as one scheme also offers the advantage of speed in terms of delivery of an overall mixed tenure neighbourhood, rather than delivering the two tenure developments sequentially. This will also enable this scheme to make a significant contribution to the council's economic recovery strategy as it involves bringing forward 274 new build properties as one scheme thereby creating more development activity in a shorter timescale.
- 5.6 A crucial consideration for this first major development scheme in the Collyhurst neighbourhoods of the Northern Gateway is the need to achieve high quality in terms of place making and great quality public realm. Bringing forward a joint development scheme offers advantages in terms of sharing costs, but also allows for comprehensive quality in terms of design. We will achieve a truly mixed tenure neighbourhood in Collyhurst Village, with excellent green credentials, high quality design of both homes and public realm.
- 5.7 The 30 new council homes to be delivered Collyhurst South will be designed to the same high quality standards as those in the Village. Site investigations to fully inform the design and layout of these new homes are currently underway and a planning application will follow in the late spring / early summer.

Brownfield Land - Housing Fund

- 5.8 It should be noted that FEC have submitted an application to the Greater Manchester Combined Authority (GMCA) as part of the Brownfield Land Housing Fund (BHF) programme. The bid is to help overall financial viability of the development and relates to enabling works to prepare vacant sites for construction. The BHF allocation has been provided to GMCA by Government in recognition of the challenges in bringing forward development on brownfield land and the desire of GM authorities that residential growth

should have a focus on the re-use of brownfield land, rather than on greenfield sites. The outcome of this bid and the level of any funding provided should be known before the end of March 2021.

6.0 Process of Community Consultation

- 6.1 As the Collyhurst Phase 1 development is the first Northern Gateway development proposal within the Harpurhey and Miles Platting and Newton Heath wards, there was a clear need for an extensive consultation process to establish the key principles of development through consultation with the local community to help shape the Phase 1 proposals, as well as future phases. The approach to consultation was designed to provide meaningful opportunities for the local community and key stakeholders to engage with and contribute to the development proposals.
- 6.2 The three - phase consultation comprised:
- Phase 1 – February 2020: Consultation on priorities and principles
 - Phase 2 – June 2020: Consultation on early stage proposals with smaller groups of volunteer residents and residents' groups
 - Phase 3 – September 2020: Consultation on detail design proposals for Collyhurst Village and early stage proposals for South Collyhurst.
- 6.3 Whilst it was possible to complete phase 1 of the consultation as envisaged, unfortunately, the Covid pandemic and the restrictions that were put in place necessitated a review of the subsequent phases of consultation and engagement. As a result the planned phase 2 consultation was undertaken with the same intended group of volunteers through a printed briefing pack combined with opportunity for one -one telephone discussions. This approach was supplemented by similar contact with members of the local Resident Liaison Group (RLG), the Chairs of the Tenant Resident Associations (TRA) and the 29 properties situated within the Collyhurst Village proposed site boundary.
- 6.4 Similarly, the ongoing situation with the pandemic meant that the approach to phase 3 consultation required a different approach. Consultation information was hosted online via a dedicated consultation website which incorporated a virtual exhibition and interactive feedback portal. This aimed to recreate on-line the experience of face-to face drop-in sessions. It included 10 exhibition 'boards' with further information about the development, two videos which included interviews from members of the project team, as well as links to ask questions and provide feedback. This consultation was widely publicised through, the distribution of a consultation leaflet to 1,500 properties, coverage on various media platforms (including on the radio, social media and online media outlets), posters displayed by local organisations in key locations and direct emails to key local organisations and people who had previously signed up to receive updates on the consultation during previous phases of engagement.
- 6.5 Although very different to the usual methodology, this multi phased approach to consultation has ensured that feedback from the local community has

been captured throughout the design development process and this has influenced the decisions about the scheme proposals throughout.

- 6.6 Feedback received from the local community on the South Collyhurst proposals during Phase 3 of the consultation have contributed to the design of the South Collyhurst proposals, however to ensure that the local community have the opportunity to comment on the detailed proposal a further round of consultation will be undertaken for the South Collyhurst scheme prior to planning submission. More detail on the responses to the latest round of consultation is provided in Appendix 1 of this report.
- 6.7 In addition to the broader community and stakeholder consultation, officers have visited (prior to the Covid 19 pandemic) all the 29 properties affected by the phase 1 proposals and where possible have spoken to the affected residents. There was significant support for the new development amongst those residents who were spoken to and we have endeavoured to keep them involved in the consultation process and have developed the proposals for Collyhurst Village specifically to allow the council to support the residents to stay in the area in a property suitable for their needs. We have included adaptations where necessary to facilitate the need of disabled residents and will maintain a dialogue with the 29 households to support them through the transition into their new homes.

Housing Needs Assessment

- 6.8 As set out above, the 29 households affected by delivery of the scheme will need to be offered a replacement home in order to facilitate demolition and creation of the new park. In order to deliver the Council's commitment to retain existing residents within the neighbourhood, this scheme will provide an opportunity for the occupants of affected properties to move into one of the new homes directly as a single move. This is an absolutely key element of the scheme and has been a cornerstone consideration throughout design and programme planning.
- 6.9 To facilitate this, as part of the design development process, Northwards undertook a telephone based Housing Needs assessment with the 22 Council residents in the early part of last year and the results of this analysis has informed the design of the new homes in terms of property type, size and adaptations. Subject to the Executive's approval and scheme finalisation, officers intend to write to each resident confirming that they will be offered one of the new properties and clearly setting out the size and layout of their future home.
- 6.10 Due to restrictions in place with Covid it has not been possible to undertake a Housing Needs assessment with the residents of the private homes, but allowance has been made to make available a property of a similar size to their current home, should they wish to become Council tenants. Clearly some owner-occupiers may wish to remain in owner occupation and it is likely that in order to do this they may require financial assistance in addition to the market value compensation they would get for their current property.

The Council has an established Relocation Assistance Policy to deal with this eventuality. Once we have the details from a confirmed scheme, it will be possible to have more meaningful conversations with private property owners/residents to establish specific needs. It should be noted that there may be a requirement to pursue Compulsory Purchase and this will be subject of a future Executive report, which will also set out the approach to administering any Relocation Assistance packages required.

- 6.11 In addition to the new homes the proposals included provision for a circa 160 sqm retail unit on the ground floor of apartment block “1” in Collyhurst Village. It is hoped that we can offer this retail space as re-provision for the existing shop which will be displaced as part of the delivery of the new park. There is also provision for a community space incorporating two meeting rooms in apartment blocks “1” in Collyhurst Village which represents an initial investment in such facilities in this area. The design of the shop unit will continue through the technical design stage once it has been possible to advance meaningful dialogue with the shop owner on the basis of an approved scheme.

Other Design Considerations – Lifetime Homes & Fire Safety

- 6.12 All the new Council Homes have been designed to meet Lifetime Homes criteria wherever possible, with additional measures in apartment block “1” intended to facilitate the proposal that this block be let on an age restricted basis. Measures incorporated in Block “1” include wet rooms throughout, provision of a larger lift to facilitate a stretcher and specific provision for mobility scooter storage on the ground floor.
- 6.13 In recognition of the fact that the Council have committed to be an early adopter of the recommendations set out in the Hackitt Report (an independent review into Building Regulations and Fire Safety, commissioned by Government from Dame Judith Hackitt), Building Control officers have been advising on relevant aspects in the evolving design. As a result, officers have requested that the scheme design includes additional measures of sprinkler systems in the apartment blocks, the installation of building wide evacuation alarm systems, (in addition to the standard alarm in each flat and the common areas), premises information boxes for emergency service use and clear signage on all floors to facilitate orientation.

7.0 Community Park

- 7.1 Green and Blue Infrastructure has been identified as a key component of the Northern Gateway SRF, which has set out aspirations to create a City River Park as a unique selling point. This initial phase of development in Collyhurst will see the delivery of the first half of the new Collyhurst Community Park, which represents delivery of the first element of this vision. As set out elsewhere in this report the park provides an opportunity to incorporate Sustainable Urban Drainage measures by means of wetland features and swales. The park also provides an essential recreational space for existing and new residents promoting community integration and social cohesion.

Within the park will be formal play equipment, quality open space, a community orchard and substantial tree planting as part of the tree replacement strategy for the wider development. In the longer term, this green space, as part of the wider City River Park, will form a green link into the city centre, enabling connectivity and encouraging cycling and walking.

- 7.2 For a period of time this new park will sit alongside the existing Willert Street park in the centre of Collyhurst Village. As part of later phases, this existing park will be redeveloped as part of the ongoing remodelling process.
- 7.3 It should be noted that the creation of new high-quality amenity space to support residential development, brings with it challenges in terms of revenue funding for onwards management and maintenance. Council Officers are currently working through options for the future management of the wider City River Park and newly created public realm in advance of presenting them for consideration by relevant Executive Members.
- 7.4 The first part of the new park constructed in Phase 1, won't be delivered until the majority of new homes are built, i.e. will likely not commence on site until 2023/24. It is intended that prior to completion of the new park a further report will be brought back to the Executive setting out the options and recommending a way forward.
- 7.5 A Development Summary setting out details of proposals that will be contained within the planning application for Collyhurst Village is attached as Appendix 2.

8.0 Delivery Programme

- 8.1 The following milestone are indicative at this stage and will be firmed up once we have engaged with the successful contractor who will be constructing the development. They are also subject to planning approval being obtained, the successful relocation of existing residents, relevant market forces and appetite from the sector to deliver the scheme.

Key Project Milestones	Collyhurst Village	Collyhurst South
Enabling Works to Start on Site	March 2021	N/A
Planning Application Submission	January 2021	May 2021
Planning Application Anticipated Approval	June 2021	September 2021
Start on Site	September 2021	December 2021
Collyhurst Village Complete Parcel D&C (HRA – 10 houses and 26 apartments. Open Market Sale 87 houses)	March 2023	N/A
Collyhurst Village Complete Parcel B&A (HRA – 14 and 50 apartments. Open Market Sale 57 houses)	September 2024	N/A
South Collyhurst Completion (HRA – 14	N/a	March 2023

houses and 16 apartments)		
Collyhurst Phase 1 Park Completion	September 2025	

10.0 Local lettings policy

10.1 It is proposed that a local lettings policy be developed for the Collyhurst Phase 1 scheme in order to allocate the new properties in a way that meets Local Member priorities, delivers on commitments made to residents and achieves a overall sustainable development. Specifically, this policy will be in relation to: -

A. 29 Residential properties affected by the scheme:

10.2 In order to deliver the scheme proposed the following 30 properties (29 residential properties and a shop) will ultimately need to be demolished: -

- 1 Harrowby Drive (retail unit – shop)
- 1a - 7 Johnny King Close (odds only),
- 2 - 6 Anslow Close (evens only),
- 64 - 70 Churnet Street and (evens only),
- 115 - 147 Thornton Street North (odds only).

10.3 The new development will incorporate properties specifically designed to meet the housing needs and accommodate the current residents to allow them to remain in the area. In line with the Council's commitment to the local community suitable replacement properties will be offered to both the affected Council tenants and where appropriate Right to Buy occupants to ensure they are included within the proposed regeneration process.

B. Age restricted apartment block

10.4 A key driver for success of the scheme is the creation of a sustainable mixed community and as part of this officers believe it is important that some Collyhurst residents are able to see opportunities to access the new homes. Therefore, it is recommended that the Executive agrees to allow officers to explore the development of a Local Lettings policy to allow existing Collyhurst residents who are occupying larger properties than they now require to relocate into apartments if they so wish.

10.5 This also has the added benefit of releasing much needed larger family homes dispersed across the area to the Housing register. It is unlikely that all 50 apartments in the age restricted block will be let on this basis and therefore the remaining units would be made available through the Housing register.

10.6 The 26 apartments in block 2 could also be used in the same manner, however, we are currently working on the basis that the majority of these

would be let through the usual housing register process and these would be available to people on the basis of housing need and eligibility.

C. New Homes in South Collyhurst

- 10.7 Previous reports to the Executive have identified the requirement to honour previous “right to return” commitments made to tenants originally displaced by the demolition of maisonette properties in Collyhurst South. The Local Lettings policy will take this matter into account and consultation on the drafting of this section of the policy will be undertaken with ward members in advance of it being finalised.

11.0 Land Assembly

- 11.1 In accordance with the principles mentioned above, officers will endeavour to carry out all purchases of property owned by third parties by agreement offering full market value compensation, support and appropriate relocation assistance in accordance with the Council’s Regulatory Reform Order Policy.
- 11.2 The Council is keen to retain the existing retail offer in the neighbourhood and will work with the current trader to try to ensure they have the opportunity to relocate to the new unit being developed on the ground floor of the adjacent apartment block.
- 11.3 In the event that the Council is unable to buy a property by agreement, it may be necessary to consider the use of Compulsory Purchase Order powers. Any proposed use of such powers would be subject to a further report to the Executive.

12.0 Land Disposal

- 12.1 In line with agreed mechanisms within the Joint Venture Agreement the Council will dispose of land to FEC for the purposes of construction of Open Market Sale homes. Terms for this disposal will be finalised by the Strategic Director, Growth and Development. City Council properties will be constructed by FEC on land owned by the Council with a license being provided for construction purposes.

12.0 Other Progress.

Bid for £51.6m Housing Infrastructure Fund Grant Award

- 12.1 Members of the Executive will recall that the Executive meeting of July 29th 2020 delegated authority to the Strategic Director, Growth and Development, the Deputy Chief Executive and City Treasurer and the City Solicitor, to finalise negotiations with Homes England in relation to a proposed £51.6m grant award from the Housing Infrastructure Fund (HIF). As a result, the City Council entered into contract via a Grant Determination Agreement with Homes England on 27th October 2020, securing the HIF funding.

- 12.2 Procurement exercises have commenced so that the detailed design and delivery of a package of interrelated infrastructure works that will unlock the development potential of the Redbank and New Town neighbourhoods in the Lower Irk Valley, which have the capacity to accommodate c5,500 new homes.
- 12.3 The infrastructure programme that will be delivered through HIF investment includes:
- flood mitigation works to take land adjacent to the River Irk outside of Flood Zones 2 and 3;
 - land remediation to deal with the legacy of previous industrial uses;
 - the provision of a new electricity network and the strengthening of other utility networks;
 - the provision of highway access to the currently landlocked former Network Rail Carriage Sidings; and the creation of new spine roads, together with pedestrian and cycle networks;
 - the provision of the first phase of a new City River Park to provide new amenity space, which will link over time to a network of green spaces through the Lower Irk Valley, towards Queen Park and through Sandhills to the Collyhurst neighbourhood.
- 12.4 The main infrastructure works are due to commence on site early in 2022, with the intention that all works be delivered by March 2024. Regarding the flood mitigation works, the Council is seeking to appoint a contractor from the Environment Agency's Water and Environment Agency (WEM) Framework 2019 and will work in tandem with the Environment Agency in the design and implementation of the mitigation works, to ensure that what is undertaken not only has a positive impact in the Redbank neighbourhood, but also helps flood management downstream in the River Irk / River Irwell catchment areas.
- 12.5 Further reports will be brought to the Executive as design and delivery programmes progress, providing greater detail on the implementation of works and seeking relevant approvals as and when necessary.

FEC Appointment of a Registered Provider Partner for the Redbank Neighbourhood

- 12.6 Executive Members will also recall from the July 29th 2020 update report that FEC had commenced a process to appoint a Registered Provider (RP) partner to help deliver the Affordable Housing component of residential led development on land under the control of the JV within the Redbank neighbourhood – thus far, it is estimated that in excess of 3,000 homes can be accommodated on this land and the intention is that 20% of housing delivered will be Affordable (i.e. shared ownership, affordable rent or social rent).
- 12.7 FEC appointed Avison Young to advise and support this exercise and submissions were sought from the RP sector in September 2020. From this

process, a short list of bidders was selected who were invited to submit best and final offers in early December 2020.

12.8 These offers were then evaluated taking into account both financial and qualitative aspects and on 20th January 2021 FEC appointed a panel of three successful RP Partners who they will work with to deliver homes in Affordable forms of tenure within the Redbank neighbourhood over the years ahead. These are:

- Trafford Housing Trust (now owned by L&Q);
- Great Places Housing Group; and,
- The Guinness Partnership.

12.9 These partners will help in the design of new housing developments as they come forward within Redbank and the approach to tenure within the different phases of development. The first scheme that will be taken forward through this panel approach will be Victoria Riverside, where the planning consent, includes the for the provision of 32 shared ownership homes. FEC will appoint the RP partner for this specific scheme from the panel above.

13.0 Contributing to a Zero-Carbon City

13.1 The development proposals for Collyhurst and in other neighbourhoods will seek to build on the low-carbon principles of the Northern Gateway SRF which recognises that future development within the area will need to respond to the zero-carbon target and will be expected to move towards this aspiration through the active utilisation and deployment of leading building technologies. Details of how this will be achieved in Collyhurst are set out in Section 3.0 above.

14.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

14.1 The Northern Gateway will expand the City Centre in a northern direction establishing sustainable mixed-use neighbourhoods including new jobs and employment opportunities.

(b) A highly skilled city

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

(c) A progressive and equitable city

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

(d) A liveable and low carbon city

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

(e) A connected city

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

15.0 Key Policies and Considerations

(a) Equal Opportunities

- 15.1 A key aim of the Northern Gateway is to deliver residential led development providing a significant number of high quality homes and alongside commercial development. This will both meet increasing levels of demand for housing within the regional hub and create new City Centre employment opportunities. The JV partners are working with colleagues in the City's Employment and Skills team and with colleagues taking forward the proposal to redevelop the North Manchester General Hospital to establish a Social Value / Local Benefit Framework to target employment, skills and wider capacity development opportunities at North Manchester communities.

(b) Risk Management

- 15.2 The Northern Gateway programme will continue to be progressed in accordance with existing internal governance arrangements and within the legal framework of the Northern Gateway Joint Venture. The Council's existing Capital Approval process will be followed in full in relation to the Collyhurst programme and in relation to HIF investment, with any additional governance and accountability structures developed in accordance with the Council's risk management framework.

(c) Legal Considerations

- 15.3 Legal Services is working closely with the project team to provide legal advice on all aspects of the Northern Gateway Project, including in respect of contractual arrangements for the delivery of Collyhurst Phase 1, and in relation to land assembly and disposal to facilitate scheme delivery. Legal Services have taken the lead in finalising the HIF Grant Determination Agreement between the City Council and Homes England. Legal Services will continue to support and advise the team on all aspects of this project to facilitate delivery and ensure compliance with all relevant legislation, regulations and contractual terms.