

Manchester City Council Report for Resolution

Report to: The Executive – 16 March 2022

Subject: Victoria North – The Proposed City of Manchester (Thornton Street North Collyhurst Village Compulsory Purchase Order 2022)

Report of: Strategic Director (Growth and Development)

Summary

To report to Executive on proposals for the compulsory purchase of land within the Collyhurst Village neighbourhood shown edged red on the plan attached at **Appendix 1** of this report (“the Order Lands”), which consists of residential buildings, a retail premises and rent charges/covenants. The proposed Compulsory Purchase Order would be made under the provisions of sections 226(1)(a) and (1A) of the Town and Country Planning Act 1990 as amended by the Planning and Compulsory Purchase Act 2004 to facilitate development, redevelopment and improvement of land at Thornton Street North for the provision of 244 new residential dwellings together with associated works including a new park.

Recommendations

The Executive is asked to:

1. Note that the Executive meeting on 17 February 2021 approved a set of recommendations to provide for the delivery of residential development proposals within the adjacent neighbourhoods of Collyhurst Village and South Collyhurst, to be undertaken through existing Joint Venture contractual arrangements between the City Council and Far East Consortium (FEC) for the Victoria North initiative.
2. Authorise the making of the City of Manchester (Thornton Street North, Collyhurst Village) Compulsory Purchase Order 2022 (“the Order”) under Section 226(1)(a) and (1A) of the Town and Country Planning Act 1990 as amended by the Planning and Compulsory Purchase Act 2004 and the Acquisition of Land Act 1981 to acquire the Order Lands for the purpose set out in the Statement of Reasons.
3. Note the contents of the Statement of Reasons attached at Appendix 2.
4. Authorise the City Solicitor to seal the Order and to take all necessary steps, including the publication and service of all statutory notices and presentation of the Council’s case at Public Inquiry, to secure confirmation of the Order by the Secretary of State for Levelling up, Housing and Communities and the vesting of the land in the City Council.

5. Authorise the Strategic Director of Growth and Development (in the event that the Secretary of State notifies the Council that it has been given the power to confirm the Order) to confirm the Order, if the Secretary of State is satisfied that it is appropriate to do so.
6. Authorise the Head of Development to approve agreements with landowners setting out the terms of withdrawals of objections to the Order including where appropriate the exclusion of land from the Order. Authorise the Strategic Director of Growth and Development and the City Solicitor to make deletions from, and/or minor amendments, and modifications to the proposed Order and Order Plan or to agree to refrain from vesting any land included within the Order should this be in their opinion appropriate.
7. Authorise the Head of Development to negotiate terms for the acquisition by agreement of any outstanding interests in the land within the order prior to its confirmation.
8. Authorise the Strategic Director of Neighbourhoods to take all necessary steps to secure the closure of all relevant highways streets and alleyways which are required for the development to proceed, if requested by the Director of Housing and Residential Growth.
9. Agree that the resources of the City Council are sufficient to carry out the duties resulting from the making of the Order, as outlined in this report.
10. Agree the following re-housing and compensation arrangements for displaced residential occupiers:
 - a) Requests from owner-occupiers for disposal of their homes in advance of the confirmation of the Order will be dealt with as a priority.
 - b) Compensation for owner-occupiers will be paid in accordance with the law on compulsory purchase and relocation assistance will be offered in accordance with the Manchester City Council Home Improvement and Relocation Assistance Policy currently in operation (“the Relocation Policy”).
 - c) The Designated Area for the purposes of the Relocation Policy shall be the whole of the City of Manchester and the Specific Designated Relocation Area (SDRA) will be the Harpurhey ward as shown in the plan attached at Appendix 3. Within the SDRA an applicant will have the potential to access a higher level of relocation assistance which will allow them to remain in their local area. For a new build property, this would be a maximum of 110 % of the average price of various property types within the Victoria North (formerly the Northern Gateway) Strategic Regeneration Framework (SRF) Area. For older properties, the maximum is the average price of various property types within the SRF. Outside the SDRA, but within the City of Manchester Boundary the maximum amount of Relocation Assistance available is £ 50,000.
 - d) Discretionary Home Loss and Disturbance payments will be made available to all qualifying households requiring relocation.

- e) Tenants and owner-occupiers who are displaced will be awarded Band 1 rehousing status in order to ensure they are a priority for relocation in a council home within the New development at Collyhurst or any social housing within the boundaries of the City.
11. Authorise the Head of Development to negotiate terms for the occupation of the new retail unit delivered as part of the new development, in order that it can be offered in the first instance as alternative premises for the current shopkeeper that will be displaced by the Order.
12. Authorise the Director of Housing and Residential Growth in consultation with the Executive Member for Housing and Employment, to declare the Council properties listed in Appendix 4 surplus to requirements and should be demolished, and to Authorise the City Solicitor to serve the appropriate demolition notices, having regard to the Housing Act 1985.

Ward Affected: Harpurhey

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city
The proposed decisions will result in the delivery of new housing development, the design of which builds on the low-carbon principles of the Northern Gateway SRF (now known as Victoria North), which recognises that future development within the area will need to respond to the Councils zero-carbon target achieved through the active utilisation and deployment of leading building technologies. Further detail is provided in the report.

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 Victoria North initiative 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 Victoria North initiative 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 Victoria North 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	Victoria North 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 delivery of new neighbourhoods within Victoria North will include traffic and transport planning, ensuring that various modes of transport (car, bus, rail, Metrolink, cycle, and walk) are provided for.
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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

The net additional 108 social rent properties for the whole initial Collyhurst development (78 of which are in Collyhurst Village) 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.

Financial Consequences –Capital

The proposals in this report will be contained within the capital budget of £31.2m for the first phase of works in Collyhurst as set out at previous Executive meetings.

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Background documents (available for public inspection):

The following documents disclose important facts and these 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 contact officers above

General Documents

1. Detailed Planning Application 129393/VO/2021 for the redevelopment of the Order Lands
2. Northern Gateway Strategic Regeneration Framework February 2019.

Council Reports

1. Northern Gateway: Progress Update & Delivery Arrangements for Collyhurst Phase 1 17th February 2021
2. Northern Gateway Progress Update Housing Infrastructure Fund, Executive 29 July 2020
3. Northern Gateway Strategic Business Plan and First Phase Development Area, Executive 12 February 2020
4. Delivering Manchester's Affordable Homes to 2025, Executive, 11 September 2019
5. Northern Gateway: Implementation and Delivery, Executive, 13 February 2019

Appendices:

- Appendix 1. Draft Order Lands Plan
- Appendix 2. City of Manchester (Thornton Street North, Collyhurst Village) Compulsory Purchase Order 2022 Statement of Reasons.
- Appendix 3. Harpurhey Ward Plan (Specific Designated Relocation Area)
- Appendix 4. Existing addresses that are contained within the Scheme boundary.

1. Background

- 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. The Northern Gateway has since been renamed Victoria North.
- 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, alongside details of the development schemes that will make up the JV's Initial Development Area Business Plan. One of these schemes is located in Collyhurst (Collyhurst Village and Collyhurst South), where it is proposed that 274 new homes will be delivered.
- 1.4. In February 2021 The Executive agreed the Capital budget for delivery of development in Collyhurst (Collyhurst Village and Collyhurst South) and delegated relevant authorities to Senior Officers to progress and finalise the delivery arrangements as a first phase of the delivery strategy for this part of Victoria North, which will deliver 274 properties (244 in Collyhurst Village, 30 in South Collyhurst), through separate planning applications. This report relates to the element of the Scheme located in Collyhurst Village.

2. The Scheme and Implications for Existing Properties

- 2.1. The focus of this report is those parts of the development that are located in Collyhurst Village, hereinafter called "the Scheme". The Scheme comprises 4.7 hectares, and gained planning approval in June 2021 to deliver:-
 - 244 mixed tenure new homes consisting of 24 Council houses, 76 Council apartments with associated ground floor commercial space (162 sqm) and 144 houses to be sold on the open market.
 - Creation of a new park
 - Associated car parking, cycle and refuse storage, landscaping, public realm and infrastructure.
- 2.2. Delivery of the Scheme will require the demolition of 29 residential properties and 1 commercial property.

Fig 1. Summary of the residential accommodation that need to be demolished for scheme delivery.

	2 bed flat	flat above shop	3 bed house	4 bed house	6 bed house	Total
Council homes	5	-	13	3	1	22
Owner-occupied	1	-	2	1	-	4
Registered provider	-	-	1	-	-	1
Private rented	-	1	1	-	-	2
	6	1	17	4	1	29

- 2.3. The Council has committed to support all affected occupants currently located within the Scheme boundary, to relocate to a new property within the Scheme through a single move.
- 2.4. As a result, a key outcome of the Scheme is the timely delivery of re-provision homes in the new development 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.
- 2.5. In this respect the design of the Scheme has been developed to provide an appropriate number of Council homes and types with a construction programme that is focussed on delivering the new replacement homes in advance of any demolition being required.
- 2.6. Of the properties affected, 6 are former Council homes purchased through Right-to-Buy and there is a privately owned Commercial Unit (Collyhurst Village Store) with residential accommodation above. The Council will attempt to acquire these properties and a small number of rentcharges/covenants by agreement to facilitate delivery of the development.
- 2.7. Subject to Executive approval, financial support would be made available to eligible owner-occupiers through the Council's - Manchester Home Improvement and Relocation Assistance Policy, to purchase a replacement home, either in the new development or elsewhere in Manchester.
- 2.8. It is recognised that some existing owner-occupiers may choose not to remain in owner-occupation and they would be eligible to apply for rehousing by the Council and would be awarded Group 1 priority. Similarly, the Private and RP tenants would be eligible for Group 1 priority rehousing.

- 2.9. It is intended that the current operator of the Commercial premises, will be given a right of first refusal, on appropriate commercial terms, to relocate their business into the new Commercial premises within the development.

3. The Requirement for a CPO

- 3.1. Given that it is intended to provide opportunities for the existing occupants to relocate directly into the new development, acquisition of the privately owned homes cannot be completed until the Scheme is appropriately progressed. Whilst the Council remains committed to agree acquisitions through negotiation wherever possible, it is important to recognise that this may not be possible. In addition, there are a small number of absentee owners in relation to historic rent charges/covenants, with whom it is not possible to negotiate. Therefore, in accordance with relevant CPO guidance it is prudent to plan a compulsory purchase timetable as a contingency measure; and initiate formal procedures in order to deliver the comprehensive development of the area.
- 3.2. As a result, it is considered that compulsory purchase appears the most appropriate way to ensure delivery of the Scheme in its entirety and meet the objectives of the regeneration of the wider Collyhurst Village neighbourhood and Victoria North.

4. Scheme Progress

- 4.1. Since the Executive approval in February 2021, significant progress has been made-
- Planning approval has been secured to deliver the Scheme.
 - FEC have undertaken preparatory enabling works (including tree clearance, site hoarding, archaeological works, site remediation and earthworks) on the development site in Collyhurst Village to ready the site for the main contractor.
 - Ongoing service diversion works are expected to be completed in early 2022.
 - FEC have entered into a Pre-Construction Services Agreement (PCSA) with a Contractor to undertake a two-stage procurement process and refine the design of the Collyhurst development. The Contractor is in the process of tendering work packages and an estimated contract sum is being finalised.
 - Homes England have confirmed, subject to contract, approval of the Council's bid for £6.89m of Shared Ownership and Affordable Housing Programme Funding to contribute towards the cost of delivering the Council's share of development in Collyhurst Village and South Collyhurst. (This funding will be used to displace some of the HRA funding that has already been made available to deliver the Scheme).
 - Officers have continued to work with FEC under delegation to negotiate the necessary legal documents to secure delivery of the development.

5. The Order Lands

- 5.1. The Order Lands are located in the Harpurhey Ward of North Manchester situated within the Collyhurst Village neighbourhood and comprise land and buildings shown edged red on the plan at Appendix 1. The Order Lands are approximately 2.7 kilometre (1.7 mile) north east of Manchester City Centre, and lie between Rochdale Road to the West and Johnny King Close and Anslow Close to the East.
- 5.2. The Order Lands form part of the larger Collyhurst Village development site identified as the Scheme.

6. Statement of Reasons

- 6.1. The Statement of Reason attached at Appendix 2 which has to be submitted with the Order has been prepared in compliance with the revised guidance from the Department for Levelling up, Housing and Communities on Compulsory Purchase process and the Crichel Down Rules, Section 11 preparing a statement of reasons (“the Guidance”).
- 6.2. The Guidance states that the Statement of Reasons should include information on the following:
 - (i) a brief description of the order land and its location, topographical features and present use;
 - (ii) an explanation of the use of the particular enabling power;
 - (iii) an outline of the authority’s purpose in seeking to acquire the land;
 - (iv) a statement of the authority’s justification for compulsory purchase, including reference to how regard has been given to the provisions of Article 1 of the First Protocol to the European Convention on Human rights, and Article 8 if appropriate;
 - (v) a statement justifying the extent of the scheme to be disregarded for the purposes of assessing compensation in the ‘no scheme world’;
 - (vi) a description of the proposals for the use or development of the land;
 - (vii) a statement about the planning position of the order site;
 - (viii) information required in the light of Government policy statements where orders are made in certain circumstances;
 - (ix) any special considerations affecting the order site, eg. ancient monument, listed building, conservation area, special category land, consecrated land, renewal area, etc.;
 - (x) if the mining code has been included, reasons for doing so.

- (xi) details of how the acquiring authority seeks to overcome any obstacle or prior consent needed before the order scheme can be implemented, e.g. need for a waste management licence;
- (xii) details of any views which may have been expressed by a Government department about the proposed development of the order site;
- (xiii) What steps the authority has taken to negotiate for the acquisition of the land by agreement.
- (xiv) any other information which would be of interest to persons affected by the order, e.g. proposals for re-housing displaced residents or for relocation of businesses.
- (xv) details of any related order, application or appeal which may require a coordinated decision by the confirming Minister, e.g. an order made under other powers, a planning appeal / application, road closure, listed building; and
- (xvi) if, in the event of an inquiry, the authority would intend to refer to or put in evidence any documents, including maps and plans, a list of such documents, or at least a notice to explain that documents may be inspected at a stated time and place

7. Conclusions and Recommendations

- 7.1. A CPO should only be made where there is a compelling case in the public interest which justifies the overriding of private rights in the land being sought to be acquired. Without the acquisition of the Order Lands it will not be possible to fully deliver the Scheme, which accords with the SRF and the extant planning permission and so there is therefore a compelling case in the public interest for the acquisition of the lands. The Council intends to negotiate acquisition by agreement as set out earlier, but it is essential that all of the Order Lands are acquired.
- 7.2. Notwithstanding the acknowledged impact that the Order will have in respect of human rights, regard should be had to the provision of Articles 1, the right to peaceful enjoyment of your possessions, Article 6, the right to a fair and public hearing and Article 8, the right to respect for private family life, of the First Protocol to the European Convention on Human Rights. As regards Article 1 whilst owners will be deprived of their property if the Order is confirmed and implemented, this will be done in accordance with the law and compensation will be payable under the statutory compensation code.
- 7.3. The Executive is therefore requested, having regard to the Statement of Reasons, attached at Appendix 2, to approve the recommendations outlined at the start of this report to authorise the use of compulsory purchase powers under s.226(1)(a) and s.226 (1A) of the Town and Country Planning Act 1990 as amended by the Planning and Compulsory Purchase Act 2004.

8. Contributing to a Zero Carbon City

- 8.1. The development that will be facilitated by this proposed CPO will build on the low-carbon principles of the Northern Gateway SRF (now known as Victoria North), which recognises that future development within the area will need to respond to the Councils zero-carbon target achieved through the active utilisation and deployment of leading building technologies.
- 8.2. 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, "Fast Charge" electric vehicle car charging connections will be provided to 100% of the proposed houses and 20% of the apartment parking spaces, Efficient Mechanical Ventilation and Heat Recovery (MVHR) systems are being proposed to each dwelling to provide a continuous source of filtered fresh air and maintain a healthy indoor environment, and cycle storage is provided for houses and apartments.
- 8.3. Collyhurst Village will also feature a separate strategic Sustainable Drainage Systems (SuDS) infrastructure within the proposed new park, the use of Renewables will be maximised with Site wide PV array implemented onto the roofs of the apartment blocks. In line with the 5-year operational energy plan for Greater Manchester it is intended that all energy used on site by prospective residents will initially be provided by a 100% renewable energy supplier.

9. Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

- 9.1. The Victoria North initiative will expand the City Centre in a northern direction establishing sustainable mixed-use neighbourhoods including new jobs and employment opportunities.

(b) A highly skilled city

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

(c) A progressive and equitable city

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

(d) A liveable and low carbon city

- 9.4. Victoria North development opportunities will support the delivery of new residential developments using state of the art technologies and low carbon construction methods.

(e) A connected city

- 9.5. The delivery of new neighbourhoods within Victoria North will include traffic and transport planning, ensuring that various modes of transport (car, bus, rail, Metrolink, cycle, and walk) are provided for.

10. Key Policies and Considerations

(a) Equal Opportunities

- 10.1. A key aim of Victoria North 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.
- 10.2. The new housing, commercial space and the environment created will be accessible for all sections of the community. Residents have been involved throughout the design development process and will be provided with further opportunities to engage during the delivery stage of the new development.
- 10.3. 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

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

(c) Legal Considerations

- 10.5. Legal Services work closely with the project team to provide legal advice on all aspects of the Victoria North Initiative, 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 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.