

Executive

Minutes of the meeting held on Wednesday, 26 June 2019

Present: Councillor Leese (Chair)

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

Also present as Members of the Standing Consultative Panel:

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

Apologies: Councillors S Murphy and Karney

Exe/19/41 Minutes

Decision

To approve as a correct record the minutes of the meeting on 13 March 2019.

Exe/19/42 Greater Manchester Transport Committee - Executive Functions

In May 2019 the Council had approved the establishment of the new Greater Manchester Transport Committee as a joint committee of the 10 districts, Greater Manchester Combined Authority and Mayor (Minute CC/19/47). The Council had also approved the Terms of Reference and Operating Agreement for the Committee and agreed to delegate functions as set out in the Terms of Reference. A report now submitted explained that some of the matters to be delated to the joint committee were Executive Functions and therefore their delegation lay with the Executive rather than the Council.

Decision

To note and endorse the establishment of the new GM Transport Committee as a joint committee of the 10 districts, GMCA and Mayor and the delegation of functions, including Executive Functions, as set out in the Terms of Reference to the Transport Committee.

Exe/19/43 Delegation of Executive Functions to the Executive and Council Officers

A report was submitted seeking approval for the delegation of various executive functions to officers of the Council; those functions being recorded at Part 3, Section A of the Council's 2019 Constitution. The report also sought approval for the delegation to officers of the Council's various executive functions set out in Part 3, Section F of the Council's 2019 Constitution.

The report explained the legal powers available to the Leader and to the Executive to arrange for the exercise of and delegation of executive functions within the Council. We supported the proposed delegations.

Decisions

1. To note the decision of the Leader of the Council to exercise his power under Section 9(E)(2) of the Local Government Act 2000 (as amended) to delegate the discharge of all of the Council's executive functions to the Executive.
2. Subject to 3 below, to note and endorses the arrangements agreed by the Leader to delegate to officers the discharge of all of the Council's executive functions recorded at Part 3, Section F of the Council's Constitution as set out in the version of that section presented to Council at its Annual Meeting on 15 May 2019.
3. To note and endorses subsequent minor amendments made to Part 3, Section F of the Council's Constitution by the City Solicitor under Article 15.2(a) of the Constitution.
4. To note and endorses the consequential amendments to the delegations of executive of functions to officers recorded at Part 3, Section A of the Council's Constitution, made by City Solicitor under delegated authority granted by the Leader.
5. In relation to the Scheme of Delegation to Officers set out in Part 3, Section F of the Council's Constitution, to note that delegations of executive functions include those functions that are designated as "Executive Functions" and those functions that are designated as "General Functions" insofar as these are executive functions.

Exe/19/44 Revenue Outturn Position 2018/19

The report from the Deputy Chief Executive and City Treasurer outlined the final outturn position for 2018/19 for the Council's revenue expenditure and income. For the previous financial year the outturn variance compared to the revised budget was an overspend of £293k. The summary of the overall position was:

Table 1 – outturn position for 2018/19	Revised Budget £000	Outturn £000	Variance £000
Available Resources	(578,828)	(580,628)	(1,800)
Corporate Budgets	122,578	119,972	(2,606)
Directorate Budgets			
- Children's Services	112,855	119,877	7,022
- Adult Social Care	182,901	186,126	3,225
- Homelessness	9,643	10,711	1,068
- Corporate Core	70,650	67,187	(3,463)

- Neighbourhoods and Highways	72,909	72,273	(636)
- Strategic Development	7,293	4,776	(2,517)
Total Directorate Budgets	456,250	460,949	4,699
Total Use of Resources	578,828	580,921	2,093
Total forecast over / (under) spend	0	293	293

The report examined and explained the most significant of the variances that had arisen in the directorate budgets and the corporate budgets, with large budget overspends in both Children's and Adult's Services as the Council had sought to cope with continuing high demands for support and service provision.

With respect to the General Fund reserve position, the 2018/19 budget had assumed there would be a transfer to the General Fund reserve of £31k, to give a balance of £22.338m. As the actual revenue budget outturn position was an overspend of £293k the balance on the General Fund Reserve at 31 March 2019 was £22.045m, with the budget overspend being taken from the reserve. The year-end General Fund balance was still deemed to be a reasonable amount for the risks the City Council is facing.

The report explained that the Housing Revenue Account (HRA) outturn position was a £11.064m favourable variance. That allowed for funding set aside to improve fire safety measures through the installation of sprinkler systems within council owned tower blocks. Those installations were to take place in 2019/20. The outturn also included £1.128m lower PFI payments due to delays in delivering the capital works on the Brunswick PFI scheme.

The report proposed the use of some of the Budget to be Allocated that had been set as part of the 2018/19 budget. These were:

- £1.4m contribution to Manchester Health Care and Commissioning to be returned in 2019/20
- £418k allocation to Homelessness to replace the Rough Sleepers grant allocation
- £663k allocation to the Cross Cutting Saving target to avoid further saving requirements
- £188k allocation for Waste and Street Cleaning Contract inflation in accordance with the methodology and formulae the annual inflation increase in accordance with the contract's documentation
- £340k to be released to support the revenue budget

Those were all supported.

The report also addressed requests for transfer to reserves and recommended the following:

- The transfer to reserves of £36k to allow the High Street Cleaning service to perform future street cleaning and waste activities in 2019/20.
- The transfer to reserves of £440k of Discretionary Housing Payments and Welfare Grant that had not been allocated at the end of 2018/19 and which could now provide increased capacity for welfare and housing support to Manchester residents in 2019/20
- The transfer to reserves of £524k of rental income from the Arndale in 2018/19 that had been announced late in the previous financial year.

Those transfers were all supported.

Decisions

- 1 To note the outturn position for 2018/19 as set out in the report and summarised in Table 1 above.
- 2 To note the Housing Revenue Account position for 2018/19 as outlined above.
- 3 To note the overall General Fund position for 2018/19 as outlined above.
- 4 To approve the use of budgets to be allocated as set out above.
- 5 To approve the use of reserves as set out above.

Exe/19/45 Capital Programme Outturn Position 2018/19

A report by the City Treasurer set out the outturn on the Council's capital expenditure in 2018/19. The total capital used in 2018/19 had been £361.6m compared to the revised budget of £400.0m approved in February 2019 (minute Exe/19/10). The 2018/19 Capital Outturn for the programme on behalf of Greater Manchester had been £91.2m compared to the revised budget of £95.8m.

The report set out an analysis of the capital expenditure in the functions and departments of Council's work, explaining the budget and actual outturn for each.

The report also set out the decisions that had been made by the City Treasurer regarding the funding of the capital expenditure incurred in 2018/19. These were:

- Any unused grant, subject to conditions, had been carried forward into 2019/20 to be matched against future spend.
- Any external contributions that had not been used were carried forward into 2019/20.
- The balance of available capital receipts carried forward from 2017/18 had been £72.0m. A further £51.0m receipts were received in 2018/19. Drawdown of capital receipts was £41.1m leaving a balance for use in future years of £81.9m, of which £54.9m relate to Housing.
- Revenue contributions were used to finance expenditure of £9.0m, including works on Strategic Acquisitions, the HRA, and to fund ICT expenditure.
- The Major Repairs Reserve was utilised to fund expenditure on the HRA capital programme.
- Borrowing of £300.0m had been used to fund the programme, including the £124.2m term loan facility paid to Manchester Airport to support their transformation project, and a further £74.6m borrowing used to support the Housing Investment Fund.
- The minimum revenue provision for 2018/19 was £20.9m. This was the funding set aside to repay the debt incurred through funding previous capital expenditure through borrowing. That had been funded from the Council's capital financing budget.

The report also proposed the virement of budget allocations within the 2019/20 and the 2020/21 capital programmes. These were all approved:

Table 2 – Capital Budget Virements Between Projects	2019/20 Virement	2020/21 Virement
Safe Routes to Loreto High School	58	
Safe Routes to Schools	-58	
Total Highways Programme	0	0
External cyclical works ph 3a		-1
2/4 Blocks Heating replacement with Individual Boilers		-5
Decent Homes mop ups ph 9 and decent homes work required to voids		20
Decent Homes mop ups ph 10 and voids		-20
Electricity North West distribution network ph 4 (various)	83	
Collyhurst - Mossbrook/Roach/Vauxhall/Humpries Court Internal Works	-100	
Northwards Housing Programme	17	6
Total Public Sector Housing (HRA) Programme	0	0
Brookside Rd Moston		11
North Hulme Adv Playground		6
Monsall Road (Burgess)		7
Roundwood Road		9
Education Basic Needs Unallocated		-33
Moston Lane Re-roof	19	
Abbott Primary School Fencing	10	
Broad Oak Primary School works	116	
School Capital Maintenance Unallocated	-145	
Paintpots Nursery	5	
Early Education for two year olds Unallocated	-5	
Total Children's Services Programme	0	0

We noted and accepted the views that the Resources and Governance Scrutiny Committee had expressed on this report at a recent meeting (Minute RGSC/19/28).

Decisions

1. To note the outturn of capital expenditure 2018/19 for the Manchester City Council Programme was £361.6m. The outturn of capital expenditure 2018/19 for the Programme on behalf of Greater Manchester was £91.2m.
2. To note the changes to the outturn attributable to movement in the programme that occurred after the previous monitoring report (Minute Exe/19/10).

3. To approve the budget transfers between capital schemes as set out above in Table 2 above, to maximise the use of funding resources available to the Council.
4. To note the decisions of the Deputy Chief Executive and City Treasurer regarding the funding of capital expenditure in 2018/19.
5. To note the impact of final expenditure in 2018/19 on the revised Capital Programme 2019/20 to 2023/24.

Exe/19/46 Capital Programmes Update

A report concerning requests to increase the capital programme was submitted. We agreed to recommend two changes to the Council, and to make a further eight changes under delegated powers. These ten changes would increase the capital budget by £1.104m, financed by capital receipts, external contribution, borrowing, Highways Investment Plan budget and the Capital Fund.

Decisions

1. To recommend that the Council approve the following changes to Manchester City Council's capital programme:
 - a. Growth and Neighbourhoods – Velodrome Capital Project. A capital budget allocation through transfer of £0.530m from the Asset Management Programme budget is requested, funded by Capital receipts.
 - b. Highways – School Road Safety Measures – Other sites. A capital budget increase of £0.546m is requested, funded from External Contributions, with a further capital budget allocation through transfer of £2.779m from the Highways Investment Plan budget.
2. To approve the following changes to the City Council's capital programme under delegated powers:
 - c. Growth and Neighbourhoods - HSBC UK National Cycling Centre. A capital budget increase of £0.499m is requested, funded from £0.429m Waterfall Fund and £0.070m external contribution from UK Sport.
 - d. Highways - A6 Stockport Road Pinch Point Scheme. A capital budget increase of £0.200m is requested, funded from Growth Deal Two Government Grant, with a further capital budget allocation through transfer of £0.596m from the Highways Investment Plan budget and Congestion Target Performance budget, funded by borrowing.
 - e. Highways – NPIF Mancunian Way junction with Princess Parkway. A capital increase of £0.568m is requested, funded from External Contributions £2.400m, and a corresponding capital budget reduction in borrowing of £1.832m.

- f. Strategic Development – One Central Park – Passive Fire Stopping Issues. A capital budget allocation through transfer of £0.321m from Strategic Acquisitions Programme is requested, funded by Capital Fund.
- g. ICT – Income Management Solution. A capital budget decrease of £0.316m is requested and approval of a corresponding transfer of £0.316m to the revenue budget, funded by capital fund.
- h. ICT – Information Governance Management Solution including complaints. A capital budget decrease of £0.227m is requested and approval of a corresponding transfer of £0.227m to the revenue budget, funded by capital fund.
- i. ICT – Digital Experience Transformation. A capital budget decrease of £0.166m is requested and approval of a corresponding transfer of £0.166m to the revenue budget, funded by capital fund.
- j. ICT – Replacement Coroners System. A capital budget allocation and transfer of £0.143m from the ICT Investment Plan budget is requested, funded by borrowing.

Exe/19/47 Living Wage Accreditation

A report submitted by the City Treasurer and Deputy Chief Executive explained that becoming Living Wage accredited would require the Council to ensure that its minimum rate of pay is at least equivalent to real Living Wage rate as calculated by the Resolution Foundation. A new wage rate is announced every November and accredited organisations have until 1st April the following year to implement the increases in order to remain accredited. A detailed analysis of the Council's procurement and commissioning arrangements had therefore been undertaken to support a successful application to the Living Wage Foundation to become accredited. Work has also been undertaken to understand the potential financial and other implications of accreditation. That work had examined the Council as an employer and as a commissioner.

Overall the value of the City Council's contracts, including framework arrangements, totalled around £0.5bn. About 60% in value of those were already with suppliers already committed to paying the Manchester Living Wage as part of their tender for the contract. Consideration of a supplier's payment of the living wage was already embedded within the Council's procurement processes and a proactive approach would therefore be taken to commend suppliers and contractors to pay the Living Wage. This would continue to be taken into account as part of the assessment of Social Value within the tendering process.

We noted and accepted the views that the Resources and Governance Scrutiny Committee had expressed on this report at a recent meeting (Minute RGSC/19/31).

Decision

To recommend to the Council that Manchester City Council applies for accreditation with the Living Wage Foundation.

Exe/19/48 Former Boddingtons Brewery Site - Strategic Regeneration Framework (SRF) Addendum

In March 2019 we considered and endorsed for public consultation an addendum to the Development Framework for the former Boddingtons site (Minute Exe/19/39). The drafting of the addendum to the former Boddingtons Brewery Site SRF had been informed by the significant opportunity to locate a new Manchester College campus within the city centre boundary. The intention was for the draft addendum to guide the development of the new college campus, and the public realm land in the area. It would contain guidance of the size and form of the new buildings as well addressing the phasing of the overall development.

A report now submitted by the Strategic Director, Development informed us of the outcome of the consultation that had been undertaken. Consultation letters had been sent to 515 local residents, landowners, businesses, local community groups and stakeholders, informing them about the public consultation, how to participate, and engage in the consultation process, and where to access the SRF document. The draft framework was also made available on the Council's website, and comments were invited on this. The consultation opened Friday 22 March and following a six-week period of consultation closed on Friday 3 May.

The City Council received 7 responses to the consultation on the Strategic Regeneration Framework Addendum, all of which were submitted by email. The source of those had been: 2 from businesses, 2 from charitable organisations, 2 landowners within a joint response, a public body and an educational organisation.

The report examined the issues that had been raised by the respondents and set out the proposed responses from the Council to those issues. Many of the consultees had welcomed the creation of the campus, including new opportunities and links between the night time economy, creative industries sector and young people, and as a positive contribution to economic growth in the city.

Having considered the views raised by consultees and the proposed responses to those we agreed to adopt the addendum to the former Boddingtons Brewery Site Strategic Regeneration Framework.

Decisions

1. To note the outcome of the public consultation on the draft Strategic Regeneration Framework Addendum for the former Boddingtons Brewery site.
2. To approve the draft Strategic Regeneration Framework Addendum for the former Boddingtons Brewery site and request that Planning and Highways Committee take the framework into account as a material consideration when considering planning applications for the site.

Exe/19/49 Knott Mill Masterplan

The Knott Mill area is located south west of the city centre close to the Castlefield neighbourhood, Whitworth Street West, First Street and the Great Jackson Street regeneration area. Knott Mill is adjacent to the River Medlock and is close to Deansgate Railway Station and Deansgate-Castlefield Metrolink Station. Knott Mill has a distinctive sense of place and unique characteristics due to the presence of key buildings of architectural, historical and cultural importance. The area's important heritage buildings provide a very different look and feel to that of adjacent neighbourhoods. However, surface car parks, under-utilised buildings and gap sites diminish the local townscape as does the quality of public amenity space and public realm.

A report submitted by the Strategic Director, Development explained that a "Knott Mill Masterplan" had been prepared by the Knott Mill Association, representing the major landowners within the area. This sought to establish a strategy to guide future development within the area that acknowledged the area's character and improved environment quality and connections both within Knott Mill and with neighbouring areas.

The design principles set out in the draft Masterplan were:

- The scope for Knott Mill to accommodate commercially-led development alongside the provision of new homes. It was envisaged that at least 60% of the new space created will be allocated to employment uses. The ambition was to create a critical mass of workspace and residential accommodation to support a range of amenity uses, in particular independent, small-scale retail, and food and beverage outlets.
- The ground and first floors of all new development and building refurbishments should seek to incorporate workspace aimed at creative industries and independent operators. This would help enliven the area at street level and contribute to evening and weekend activity.
- As a city centre location with strong transport connections, the neighbourhood should be particularly attractive to small/medium sized creative industry businesses and start-ups, building on the sector's long-established success in Knott Mill. The masterplan set out a vision to further grow this sector within the area.

The report described other key elements of the draft Masterplan including a proposal to create a new "pocket park" at the junction of Commercial Street and Constance Street, surrounded by independent cafés.

The draft masterplan's economic analysis identified the capacity for Knott Mill to accommodate up to 21,400m² of new commercial floor space, including elements of retail and leisure. New commercial development could potentially generate up to 750 new jobs. The residential developments could result in around 150 new homes.

We agreed that Knott Mill is an intrinsic part of the city centre. Given its established business base and the existence of a number of development-ready sites, this distinctive area had the potential to play a significant part in meeting current and future demand for commercial space and new homes in the city centre. This

development could help to support the population and economic growth of the city. We therefore endorsed the draft Masterplan as the basis of public consultation.

Decisions

1. To approve in principle the draft Knott Mill Masterplan.
2. To request the Chief Executive undertake a public consultation exercise on the masterplan with local stakeholders and that a further report be brought forward, following the public consultation exercise, setting out comments received.

Exe/19/50 Proposed City of Manchester (Ben Street) Compulsory Purchase Order 2019

(Councillor Richards declared a personal interest in this item as a member of the Board of One Manchester)

The Strategic Director, Development submitted a report on proposals for the compulsory purchase of land within the Ben Street neighbourhood, being two void terraced properties and the sites of 2 former terraced properties under the provisions of section 17 of the Housing Act 1985 for the purpose of providing housing accommodation (“the Order Lands”).

The report explained that in 2015 a Regeneration Strategy was adopted for the area as part of meeting the increasing demand for housing in the city and attempt to address the long term sustainability of the area. That Strategy sought to raise the quality and range of housing offer through new build, refurbishment of vacant stock environmental improvements to existing stock covering facelifts and streetscape enhancements. The Council had allocated £15.61m to enable the investment to proceed. The investment plans would also be underpinned by improving the neighbourhood management of the area, working in partnership with local residents, a bona fide registered housing provider and private landlords.

Since 2015 many individually the elements of the Strategy had proceeded and had provided short term improvements to the neighbourhood. The details of those were set out in the report. However, to be sure that the Ben Street area could become a thriving and sustainable neighbourhood it was now felt that for the future they needed to be implemented collectively.

Given the history of the area, it was not considered likely that the owners of the Order Lands would come forward to negotiate the acquisition by the Council of their interest, or provide an undertaking to refurbish and return their void properties back to occupation. Therefore, compulsory purchase appeared to be the most appropriate way to bring the Order Lands back into beneficial use. It was considered that, following acquisition of the Order Lands and implementation of the works, there would be both a qualitative and a quantitative gain in housing provision.

Appended to the report was a “Statement of Reasons” that would form part of the legal justification for why it was necessary to use Compulsory Purchase in this instance. The report explained that the Statement had been prepared in accordance with the legal and Government guidance.

Having considered the report and the Statement of Reasons we agreed that the use of Compulsory Purchase was appropriate and authorised the making of an Order.

Decisions

1. To authorise the making of the City of Manchester (Ben Street) Compulsory Purchase Order 2019 (“the Order”) under Section 17 of the Housing Act 1985, and the Acquisition of Land Act 1981 to acquire the Order Lands for housing purposes for the reasons set out in the Statement of Reasons appended to the report.
2. To 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 Compulsory Purchase Order by the Secretary of State for Communities and Local Government and the vesting of the land in the City Council.
3. To authorise the Strategic Director 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.
4. To 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.
5. To authorise the Strategic Director Development and the City Solicitor to make deletions from, and/or minor amendments, and modifications to the proposed Order and Order Lands plan or to agree to refrain from vesting any land included within the Order should this be in their opinion appropriate.
6. To 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.
7. To authorise the Strategic Director (Neighbourhoods) to take all necessary steps to secure the closure of all relevant highways, streets and alleyways which are required for development to proceed, if requested by the Director of Housing.
8. To 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.

Exe/19/51 Proposed City of Manchester (20 Ilk Street and 22 Alpine Street, Clayton) Compulsory Purchase Order 2019

(Councillor Richards declared a personal interest in this item as a member of the Board of One Manchester)

The Strategic Director, Development submitted a report on proposals for the compulsory purchase of the sites of two former dwellings houses within the Ilk and Alpine street within the Clayton under the provisions of Section 17(1) (b) Housing Act 1985 to facilitate the provision of housing accommodation.

These Order Lands were related to the same overall Regeneration Strategy for the Ben Street area as referenced above in minute Exe/19/50. The Strategy was adopted by the Executive in March 2015 (Minute Exe/15/045). In this case, given that the owners of the Order Lands could not be traced it was not considered likely that the owners of the two subject plots would come forward to negotiate the sale of the Order Lands. Therefore, compulsory purchase appeared to be the most appropriate way to bring the land back into beneficial use and ensure that the objectives of the regeneration of the wider Ben Street scheme could be achieved. That will, in turn, achieve both a qualitative and quantitative gain in housing provision as judged against the housing provision currently existing in the neighbourhood.

Once acquired, these sites would then be disposed of to “One Manchester” to facilitate the development of new housing.

Appended to the report was a “Statement of Reasons” that would form part of the legal justification for why it was necessary to use Compulsory Purchase in this instance. The report explained that the Statement had been prepared in accordance with the legal and Government guidance.

Having considered the report and the Statement of Reasons we agreed that the use of Compulsory Purchase was appropriate and authorised the making of an Order.

Decisions

1. To authorise the making of the City of Manchester (20 Ilk Street and 22 Alpine Street) Compulsory Purchase Order 2019 (“the Order”) under Section 17(1) (b) of the Housing Act 1985, and the Acquisition of Land Act 1981 to acquire the Order Lands for housing purposes for the reasons set out in the Statement of Reasons appended to the report.
2. To note the contents of the attached Statement of Reasons appended to the report.
3. To 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 Housing, Communities and Local Government and the vesting of the land in the City Council.

4. To authorise the Strategic Director 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.
5. To 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.
6. To authorise the Strategic Director 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. To 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. To 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.
9. To agree that the resources of the City Council are sufficient to carry out the duties resulting from the making of the City of Manchester (Ilk and Alpine Street, Clayton) Compulsory Purchase Order 2018.
10. To agree that compensation for owners and other interests will be paid in accordance with the law on compulsory purchase.

Exe/19/52 Northern Gateway Strategic Acquisition

(Councillor Richards declared a personal interest in this item as a member of the Board of the Joint Venture Company)

In March 2017 we had authorised the City Solicitor, City Treasurer and Strategic Director (Development) to enter into an agreement with the Council's preferred investment partner for the regeneration of the Northern Gateway lands, Far East Consortium International Limited (FEC). We had also delegated authority to the Chief Executive to dispose of the Council's interest in land at the Northern Gateway Site (Minute Exe/17/064).

The Council had entered into the Joint Venture (JV) with the Far East Consortium (FEC) in April 2017 for the comprehensive redevelopment of the Northern Gateway for housing and ancillary development. As part of the delivery arrangements, the Council and FEC established a JV company, Northern Gateway Operations Limited (OpCo), to have strategic input into and oversight of the development of the Northern Gateway.

In February 2019 we approved the Strategic Regeneration Framework for the Northern Gateway, the 155 hectare land area made up of the adjacent neighbourhoods of New Cross, the Lower Irk Valley and Collyhurst. This Framework was to support the opportunity to deliver up to 15,000 new homes over a 15-20 year period (Minute Exe/19/25).

A report now submitted by the Strategic Director, Development summarised the context and benefits associated with the provision of a commercial loan facility to Far East Consortium International Limited (FEC) to support strategic land acquisition as part of the Northern Gateway programme.

The report explained that there were some areas within the Northern Gateway area where the JV partners would be seeking to make strategic land acquisitions to facilitate comprehensive development activity. FEC have already acquired two sites within the area since formation of the JV and Heads of Terms have been agreed for a third large site. Given the potential upfront costs associated with acquiring sites for future development, the parties have explored opportunities for a co-investment arrangement. It was therefore proposed that co-investment in land assembly be in the form of a commercial loan set at a rate of interest acceptable to both parties and which would be State Aid compliant.

The report explained that the co-investment in land assembly via a fully recoverable commercial loan would provide significant benefits. We examined those and compared them to the alternative of the Council acquiring the lands for itself. On balance it was agreed that the loan facility approach would provide greater benefits and fewer risks. The loan would be expected to be provided on a maximum loan-to-value rate of 50% with the Council having first charge on the land in order to protect its position and with a parent company guarantee provided by FEC. The loan would be funded through the £25m allocated to Northern Gateway activity as part of the 2017-2022 Capital Strategy. The loan approach had the potential to facilitate delivery of the same, if not greater, quantity of new homes at considerably lower risk than if the Council were to acquire the land directly.

We noted and accepted the views that the Resources and Governance Scrutiny Committee had expressed on this report at a recent meeting (Minute RGSC/19/26).

Decision

To note the report and the proposed approach to facilitating strategic land acquisitions within the Northern Gateway SRF area and the proposal to provide a term loan Facility to Far East Consortium as set out in another report (Minute Exe/19/57 below).

Exe/19/53 Decision Agreed by GMCA

Decision

To receive and note the Decision Notices for the meetings of the GMCA on 1 March 2019 and 31 May 2019.

Exe/19/54 Exclusion of the Public

Decision

To exclude the public during consideration of the following items which involved consideration of exempt information relating to the financial or business affairs of particular persons, and on the terms to be proposed by the Council in negotiations for the acquisition or disposal of property, and public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Exe/19/55 Proposed City of Manchester (Ben Street) Compulsory Purchase Order 2019 (PART B)

(Councillor Richards declared a personal interest in this item as a member of the Board of One Manchester)

The report considered set out the financial implication for the Council of the making of the proposed City of Manchester (Ben Street, Clayton) Compulsory Purchase Order 2019 described in the earlier report (Minute Exe/19/50 above). Those included the likely cost of acquiring the site as well as the costs arising from the making of the Order and a possible public inquiry should there be objections.

Decisions

1. To agreed that that the resources of the City Council are sufficient to carry out the duties resulting from making the of the City of Manchester (Ben Street, Clayton) Compulsory Purchase Order 2019, as contained in the report considered under Minute Exe/19/50 above.
2. Should the CPO be confirmed, to authorise the Head of Development to enter into a lease in respect of the two subject properties within the Order lands with One Manchester on similar terms as the that for the original 62 void properties.

Exe/19/56 Proposed City of Manchester (20 Ilk Street and 22 Alpine Street, Clayton) Compulsory Purchase Order 2019 (PART B)

(Councillor Richards declared a personal interest in this item as a member of the Board of One Manchester)

The report considered set out the financial implication for the Council of the making of the proposed City of Manchester (20 Ilk Street and 22 Alpine Street, Clayton) Compulsory Purchase Order 2019 described in the earlier report (Minute Exe/19/51 above). Those included the likely cost of acquiring the site as well as the costs arising from the making of the Order and a possible public inquiry should there be objections.

The report also proposed the terms of the subsequent disposal of the sites to One Manchester as part of the overall financing of a scheme that would result in the development of 66 new homes in the area. Those terms were approved.

Decisions

1. To approve the disposal of land at an undervalue to One Manchester as shown in the report and the plan appended to the report.
2. To authorise the Head of Development and the Deputy Chief Executive/City Treasurer to finalise the terms of the transaction and for the City Solicitor to execute the necessary documentation.

Exe/19/57 Northern Gateway Strategic Acquisition (PART B)

(Councillor Richards declared a personal interest in this item as a member of the Board of the Joint Venture Company)

The report submitted set out the draft Heads of Terms proposed for a commercial loan between the Council and the Northern Gateway Development Manager (Far East Consortium (FEC)) to support strategic land acquisitions in the Northern Gateway SRF area as part of the Joint Venture programme.

We noted and accepted the views that the Resources and Governance Scrutiny Committee had expressed on this report at a recent meeting (Minute RGSC/19/36).

Decisions

1. To note the proposed contractual and commercial arrangements between the Council and the Far East Consortium (FEC), the Northern Gateway Development Manager, as set out in the draft Heads of Terms, in respect of a commercial loan of up to £11million to support strategic land acquisitions in the Northern Gateway SRF area as part of the Joint Venture programme.
2. To approve the proposed loan of up to £11 million to FEC, as set out in the draft Heads of Terms included within the report.
3. To authorise the City Solicitor, Deputy Chief Executive and City Treasurer and Strategic Director – Development, in consultation with the Executive Member for Finance and Human Resources to conclude the details of the contractual and commercial negotiations in respect of the proposed loan and associated ancillary arrangements as set out in the report.
4. To authorise the City Solicitor to enter into and complete all documents or agreements necessary to give effect to the proposed loan and associated ancillary arrangements as set out in the report.
5. To recommend that the Council approve the funding of the loan to the Far East Consortium of up to £11 million from the capital programme budget.