Manchester City Council Report for Resolution

Report To: Executive – 15 February 2012

Subject: The Regeneration of West Gorton – Summary of Progress to

Date and Proposals for the Delivery of Future Phases of Activity.

Report of: Head of Corporate Property and Strategic Development

Chief Executive of New East Manchester

City Treasurer

Summary

This report provides details of progress made to date in delivering the first phase of the regeneration programme that seeks to transform the West Gorton area and sets out proposals for future phases of activity for the Executive's consideration and approval.

Recommendations

Members are requested to: -

- i. Note the progress made to date in delivering the regeneration of West Gorton.
- ii. Approve the adoption of the proposed Environment and Design Framework for West Gorton that will underpin the Outline Planning Application currently being prepared for the area to guide future development activity.
- iii. Identify the regeneration of West Gorton as a key priority within the City Council's capital investment programme and commit to the phasing plan of forward activity as set out in this report the timing of the delivery of specific programme elements will be subject to resource availability as outlined in the Capital Budget report elsewhere on this agenda.
- iv. Note the progress made to date in assembling land for redevelopment in the West Gorton neighbourhood and request that a further report on outstanding land assembly matters be brought to Executive once the Outline Planning Application is determined.
- v. Provide authority to the Head of Corporate Property and Strategic Development to make offers to purchase the remaining interests in land on the basis of an acquisition in advance of Compulsory Purchase Order.
- vi. Note that if the City Council is unable to secure the acquisition of outstanding 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 or Orders.

- vii. Note the progress being made to secure the development of a new Community Hub by a commercial developer and authorise the Head of Strategic Property and Corporate Property to identify a preferred developer and agree the Heads of Terms for a Development Agreement. A further report will be brought back to Executive to provide an update on the outcome of this process.
- viii. Authorise the City Solicitor to complete the legal documentation in relation to any strategic acquisitions.

Wards Affected: Ardwick

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	Enhanced opportunities for the attraction and retention of economically active residents and workers to West Gorton and Manchester. Developing a neighbourhood of choice supports the delivery of Manchester's overall objectives
Reaching full potential in education and employment	Opportunities for improved partnership working between key agencies, contractors and developers will deliver local labour initiatives and improved educational attainment
Individual and collective self esteem – mutual respect	Opportunities created to deliver transformational change within the locality will improve individual and collective self esteem by improving residents' homes, the local environment and the neighbourhood. Remodelling of estates will increase connectivity and natural surveillance and design out crime
Neighbourhoods of Choice	Delivery of a high quality scheme has the potential to make a major contribution to transforming West Gorton into a neighbourhood of choice. This will encourage local people to stay in the area and attract people and local businesses from outside the West Gorton boundary.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Details are provided in Part B report on this agenda.

Financial Consequences - Capital

Details are provided in Part B report on this agenda.

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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.

- 1. East Manchester Strategic Regeneration Framework (2008-2018). Report to Executive 19th December 2007.
- 2. Homes and Communities Agency Local Authority New Build Programme Round 2 Bid West Gorton. Report to Executive 10th September 2009.
- 3. The Regeneration of West Gorton Summary of Progress to Date and Revised Proposals for Delivering the Regeneration of the Neighbourhood. Report to Executive 16th December 2009.
- 4. West Gorton Management Agreement. Report to Executive 1st June 2011

1.0 Introduction

- 1.1 At its meeting on 16th December 2009, the Executive approved a revised master plan for the regeneration of West Gorton. In summary this revised master plan contains the following elements: -
 - The refurbishment of existing council owned homes through the transfer of this stock to Guinness Northern Counties (GNC) Limited;
 - The demolition of circa 400 existing obsolescent homes (including the two tower blocks);
 - The development of up to 1,000 new homes including the re-provision of social rented properties and new homes for sale;
 - The development of a new Community Park and the delivery of a programme of environmental and public realm improvements;
 - The development of a Community Hub providing a new replacement Medical Centre and new and replacement retail facilities; and,
 - The retention of the former Fujitsu Tower and R&D Building for employment uses.
- 1.2 The purpose of this report is to update Executive Members of progress made to date this regeneration programme and to set out the next steps required to deliver further phases of activity.

2.0 Progress to Date – Phase 1 of Activity (2009/10 – 2012/13)

- 2.1 Executive Members will recall that the December 2009 Executive report set out a regeneration programme for West Gorton that would be delivered on a three phase basis. As the timing of some of the activities to be undertaken has been subject to change, for simplification purposes this report is set out a reordered Phasing Plan: -
 - Phase 1: Master planning and development of planning framework; stock transfer and internal improvements within retained housing stock; construction of new social rented properties; relocation of existing residents; and early land assembly.
 - Phase 2: Securing Outline Planning Consent to guide remaining regeneration programme; demolition of vacated housing stock; conclusion of new build of social rented stock; acquisition of remaining land and property interests; completion of a new Community Hub, development of a new Community Park; and commencement of the new build housing programme by private sector developers.
 - Phase 3: Completion of remaining elements of housing development and public realm.
- 2.2 Phase 1 (2009/10 2012/13) is currently underway. Significant progress has been made since the approval of the revised Masterplan in December 2009. Despite very challenging economic circumstances and severe reductions in the availability of public funding, the City Council, working in partnership with

GNC and the Homes and Communities Agency (HCA), has secured and will have expended investment totalling £36m over the period December 2009 – March 2012 to deliver the first phase of the regeneration programme for West Gorton. A summary of activity undertaken is set out below.

Improvements to Retained Stock:

2.3 The transfer of 144 City Council properties to GNC was completed in September 2010 and the programme of internal improvement works to bring these properties up to modern standards is due to complete in February 2012. The programme of external improvement works is due to commence in early 2012.

Construction of New Homes:

2.4 Following the identification of five development sites in West Gorton, the construction of 171 new social rented properties by the City Council funded through the Local Authority New Build (LANB) programme and a further 33 new social rented properties constructed by GNC funded by the National Affordable Housing Programme (NAHP) commenced in November 2010. These spacious and energy efficient homes and apartments will be fully completed by May 2012 and a phased programme to relocate existing residents into these properties has now commenced.

Early Land Assembly:

2.5 A targeted Land Assembly programme has resulted in the acquisition by agreement of a number of strategic sites and buildings in West Gorton. To date 5.29 acres of land has been brought into the Council's ownership making use of funding made available through the Homes and Communities Agency; and, where necessary, existing structures have been demolished – including former public houses, commercial premises and community facilities such as the Carisbrooke Centre, on which new homes are now being built.

Developing the Planning Framework:

2.6 Work has been undertaken to develop an Environment and Design Framework based upon the approved master plan. This Framework provides the context for the Outline Planning Application which is currently being drawn up and which is anticipated to be ready for submission in April 2012. More detail on this Framework and the Outline Planning application is set out in the following sections of this report.

3.0 Draft Environment and Design Framework

3.1 The revised 2009 master plan for West Gorton set out the Council's long term ambition to deliver a dynamic, forward - looking, environmentally sustainable neighbourhood that will be a highly attractive place to live, work and visit.

- 3.2 To assist the practical delivery of this vision, City Council officers have worked with key partners, including the HCA as key funder, to draw up an Environment and Design Framework to guide the development of Planning Applications and the delivery of future development within the neighbourhood.
- 3.3 The Framework represents a new integrated approach to the promotion of high quality design and associated environmental targets within a neighbourhood regeneration setting. It seeks to capture all existing and emerging guidance on the City's vision for new development within one document providing a set of guidelines for the achievement of our environmental and design ambitions. Although this is the first of its kind in Manchester, the intention is that, if adopted, the Framework will set the standard and provide the template for how we promote similar neighbourhood regeneration proposals such as Collyhurst in the future.
- 3.4 The Framework reflects the aspirations set out in the Manchester Community Strategy and the "Manchester: a Certain Future" climate change action plan, which commit the Council to take the lead in embedding low carbon thinking into the lifestyles and operations of the City and through this process to deliver significant reductions in CO2 emissions by 2020. The Framework also has been drafted in line with the City's Local Development Framework (LDF) Core Strategy that outlines the key energy policies that developers will be required to respond to in the redevelopment of neighbourhoods.
- 3.5 Taking the revised Masterplan as the starting point, the Framework seeks to apply these City wide strategies on a practical basis, providing a clear set of guidelines, environmental targets and design principles which future developers will be required to respond to. The Framework sets out both minimum standards and aspirational targets: for example it sets Sustainable Code Level 4 as a minimum target in terms of energy standards for new build homes, with the aspiration that properties will achieve Code Level 6.
- 3.6 The Framework will be used to underpin the proposed West Gorton Outline Planning Application and all future development briefs issued to the market. However, the document does not form part of the statutory planning framework. It is there to provide guidance and flexibility to developers and their design teams when making decisions in the preparation of their planning applications about development and design quality. It has been developed in a manner that can respond to prevailing market conditions. Rather than being a set of prescriptive regulations that might stifle development, the Framework sets design parameters to meet challenging environmental targets and provides guidance on delivering best practice in design.

3.7 Summary of Key Elements of the Framework

3.7.1 The final draft of the Framework is attached as Appendix 1 to this report for Executive Members' consideration. To communicate the integrated spatial, design, sustainability and environmental features, the Framework is organised around the following 8-point checklist:

- Climate Change
- Resources
- Transport
- Ecology
- Business
- Communities
- Place Shaping
- Buildings
- 3.7.2 Under each of these headings lie a set of ambitions and proposals for West Gorton, with an associated set of environmental standards and targets for both the City Council and prospective future developers.
- 3.7.3 The Framework sets out design ambitions in relation to buildings, open spaces, streets, drainage and waste, containing guidance on the following elements: -
 - A Principles Plan showing the relationships & connections between different activities and land uses, location of house types and environmental features;
 - A Plot Plan An overall regulating plan for each development plot which outlines all buildings and open spaces;
 - Design principles for new and refurbished homes & non-residential buildings;
 - The use of existing and new street patterns and how they accommodate cars, people, environmental features and contribute to new approaches to sustainable drainage;
 - The enhancement and creation of functional green spaces for leisure and recreational activity, including food growing;
 - A waste strategy that promotes alternatives to present day recycling options; and,
 - A drainage strategy that promotes sustainable options for flood risk alleviation.

4.0 Development of an Outline Planning Application

- 4.1 In April 2011 the City Council commissioned planning consultants Aecom / Taylor Young to develop the Outline Planning Application that will establish the overall nature, scale, location and phasing of development that will take place in West Gorton; define the layout of new housing, community facilities, roads and open spaces and how these new uses will fit with existing properties; indicate how access will be provided into and out of the area for vehicles, pedestrians and cyclists; set out any requirements needed to safeguard existing flora and fauna; and provide detail of how community safety objectives can be designed into new housing and road layouts.
- 4.2 Over the past few months the planning consultants have undertaken a review of the revised Masterplan proposals and the principles established in the Draft Environment and Design Framework; commenced statutory consultation exercises with key bodies and agencies; and carried out the necessary field

work and data collection for the drawing up of environmental impact statements and other supporting information required as part of the application.

- 4.3 The planning consultants have made some further modifications to the approved Masterplan, reducing the number of apartments and the configuration of housing plots to reflect current market dynamics. The new Masterplan is attached as Appendix 2. The new Masterplan includes up to 550 new homes.
- 4.4 A pre-planning public consultation event was undertaken in West Gorton on 1st December 2011 attended by approximately 50 local residents. Feedback generated through this exercise and through discussions with other stakeholders will be assessed and incorporated with the detailed information required to support the application in advance of its submission to the City Council's Planning Division for consideration in April 2012. If this date is met, it is hoped that the City Council's Planning Committee will be in a position to consider and determine the Application by July 2012.
- 4.5 If the Outline Planning Application is approved house-builders and developers can submit detailed planning applications for individual development sites; using the provisions of the outline permission and the guidance set out in the Environment and Design Framework.

5.0 Delivering Future Phases of the Regeneration Programme

5.1 The remaining sections of this report set out the critical elements of the regeneration programme that will be delivered in two future phases: -

Phase 2 (2012/13 - 2016/17)

- 5.2 The objective of the second phase of delivery is to secure City Council ownership of the remaining sites required to deliver the master plan, to complete the demolition and replacement housing programme, to deliver key public realm and public service improvements (notably the community hub and parks), and to bring forward a suite of residential sites for development. The key outcomes from the second phase of regeneration will be: -
 - Completion of the demolition programme in line with the master plan requirements so that sites are cleared and new residential development is promoted:
 - The assembly of all sites required to deliver the regeneration of the neighbourhood;
 - Completion of the development of a new community hub at the junction of Hyde Road and Clowes Street. It is currently proposed that the hub will consist of a new Medical Centre and pharmacy, new retail accommodation and new estates office for GNC, plus ancillary servicing and parking spaces;

- Complete the development of a new community park and other areas of public open space in line with the master plan recommendations and;
- Complete the programme of replacement housing for existing West Gorton residents.
- Undertaking Highway and other public realm improvements as identified through the Outline Planning Application and development programme for the Masterplan.
- Securing the redevelopment of the former Fujitsu complex as a centre for employment.

Phase 3 (2016/17 - 2019/20)

- 5.3 Phase 3 activity will take to completion any remaining residential or public realm improvements incomplete at the end of Phase 2. At this stage it is not possible to predict which development sites will be complete at the end of Phase 2 as the market will determine the pace of delivery of new build housing in the area.
- 5.4 The following sections of this report set out more detail on the key components of activity that will be undertaken in Phase 2 of the Regeneration Programme. Further details of costs associated with the delivery of these programme elements are set out in Part B of this report.

6.0 Creating sites for Development – Demolition of Vacated Housing and former Commercial Premises

- 6.1 The re-housing of residents who have been allocated one of the new homes in West Gorton has already commenced and will be completed by May 2012. Council officers are providing support and advice to those tenants who are seeking to be re-housed in other parts of the city.
- 6.2 Negotiations to acquire are ongoing with owners / residents who occupy properties that are now in private ownership as a result of historical Right to Buy (RTB) purchases. It is hoped that the majority of these negotiations will have concluded and that the City will have taken possession of these properties by the end of March 2012. In the event that these negotiations do not reach a successful conclusion the City Council may need to use Compulsory Purchase powers to acquire any outstanding properties.
- 6.3 A programme of demolition and site clearance will be taken forward as soon as is practicable in financial year 2012/13 once properties have been vacated / acquired. The sequencing of these demolitions will be dependent upon the timing of whole blocks of housing becoming empty but the programme will initially focus on the low rise residential properties in the area, with the demolition of the tower blocks following as a later phase.
- 6.4 There are also two commercial premises the former Aces pub and Knox

- Motors MOT garage which the City Council will secure vacant possession of in March 2012. Both premises will be demolished in 2012/13.
- 6.5 Following demolition, all of the above sites will be cleared and secured in preparation for redevelopment.

7.0 Creating sites for Development - Acquisition of Outstanding Third Party Land Interests

- 7.1 The revised West Gorton Masterplan identifies other sites for housing redevelopment that are currently in third party ownership and used for commercial purposes or for the provision of public services (retail and health facilities at Gortonvilla Walk).
- 7.2 Subject to obtaining permission for the Outline Planning Application, the City Council will seek the redevelopment of the commercial sites by their present owners in line with the overall master plan requirements (including key design and sustainability standards) or negotiate their acquisition for redevelopment purposes. The City Council has held initial discussions with the freeholders of shops and other facilities on Gortonvilla Walk about the acquisition of land and properties for redevelopment purposes the intention being that these facilities remain in place until such time as the Community Hub is built.
- 7.3 The City Council will endeavour to acquire all outstanding third party interests by agreement. However, if it is not possible to secure the acquisition of all third party interests, the City Council has Compulsory Purchase powers to underpin this acquisition strategy. A further report will be put before Executive at a future date if it is considered that the City Council may have to resort to the exercise of Compulsory Purchase powers to complete the requisite land assembly strategy. This matter will be reviewed once the Outline Planning Application has been determined.

8.0 Development of the Community Hub

- 8.1 The City Council has appointed commercial property consultants Lambert Smith Hampton to seek expressions of interest from the development market for the redevelopment of the site on the junction of Hyde Road / Clowes Street identified in the Masterplan to provide a new Community Hub to serve the area.
- 8.2 The proposed Hub would include up to 5,000 sq ft of retail / commercial space, a relocated Doctors' Surgery and pharmacy and office space for GNC.
- 8.3 The deadline for submission of commercial Expressions of Interest is 17th February 2012. Subject to this process successfully identifying market interest it is proposed that an assessment process would be undertaken in February / March 2012 with a view to selecting a preferred development partner and agreeing the Heads of Terms for a Development Lease by the end of April 2012.

9.0 Development of a Community Park and public open space

- 9.1 New open space is an important part of the regeneration proposals for West Gorton. The new Masterplan sets out a series of proposals including:
 - A new community park between Bennett Street and Ainsdale Street
 - A range of smaller spaces to support and encourage leisure and recreational opportunities, such as play spaces and/or community gardens/allotments;
 - A series of walking trails that form part of an enhanced walking and cycle network; and;
 - Generous private gardens.
- 9.2 The Outline Planning Application will set out the key provisions of these proposals and feedback generated through the recent community consultation event will be taken into account. More detailed consultation will be required to determine the final form of these open spaces; ensure that designs provide appropriate natural surveillance; and that robust management and maintenance regimes are developed and implemented. Further reports will be brought to Executive on this matter as development proposals are firmed up and a funding strategy, including the use of Section 106 Agreements with developer partners, is established.

10.0 Completion of Replacement Social Housing Programme

10.1 GNC have secured an additional allocation of NAHP resources to construct a further ten homes to complete the re-provision strategy for the neighbourhood. Discussions are on-going between the City Council and GNC to agree the site on which these properties will be built but the intention is that a planning application will be submitted in March 2012 to enable a start on site in the summer of 2012 and completion of the construction programme in March 2013.

11.0 Programme of External Improvement Works to Retained Housing Stock

11.1 GNC have committed resources within their Business Plan to undertake a programme of remodelling works to the existing housing stock that is to be retained. A planning application has been submitted to the City Council and the programme of works is expected to commence in April 2012.

12.0 Highways and Public Realm Improvements

12.1 Upgrades and modifications to existing highways and public realm will be required across the West Gorton as the overall development programme is taken forward. The Outline Planning Application will identify where junction improvements and traffic calming measures will be necessary. The timing and detail of activity will be determined as the new build housing programme is developed and implemented. Further reports on this matter will be brought to Executive as this detail emerges.

13.0 Delivering new Housing Development

- 13.1 The Outline Planning Application will identify the proposed phasing of new housing development within the development plots that are being created in West Gorton.
- 13.2 Given prevailing economic and housing market conditions the City Council is exploring the most appropriate methods of bringing forward development on a number of sites across the City and is working in collaboration with partners, including the HCA in its role as the national housing and regeneration delivery agency for England. The development of delivery options will take into account the housing development stimulus packages that the Coalition Government has recently announced. It will be critical that the development strategy agreed for West Gorton secures the quality of housing required by the planning framework established for the area, but also ensures that any development schemes are financially viable for house-builders and affordable as family housing within the West Gorton market-place.
- 13.3 A report on a proposed Housing Investment Model to stimulate housing development in key priority areas in Manchester was approved at the January 2012 Executive meeting and work to deliver a pilot scheme in 5 locations, including West Gorton, is currently underway.

14.0 Redevelopment of the former Fujitsu Complex

14.1 To secure new employment within West Gorton that can help transform the image of the area, help underpin local retail provision and offer local employment opportunities, the former Fujitsu works complex on Wenlock Way has been developed by the City Council as a key back-office location for Council services with circa 800 staff located there. Further work is now underway to determine if a significant proportion of the remaining space within this building complex could support the development of the City's creative and media sector that builds on the opportunities being stimulated by The Sharp Project on Oldham Road, Newton Heath. This work is at an early stage and will be reported to the Executive in due course.

15.0 Neighbourhood Management

- 15.1 West Gorton is a mixed use neighbourhood with a significant concentration of industrial and commercial uses to the north and south of the predominantly residential central part of the neighbourhood.
- 15.2 Current commercial uses within the boundary of the revised Masterplan include a former Demolition Yard and a Freight Container Depot. As stated above, the Outline Planning Application seeks their future redevelopment for residential use. However, until such time as this redevelopment takes place the City Council will need to work with local stakeholders and partners to develop and implement a robust neighbourhood management plan to ensure that ongoing commercial activity at these sites does not have a negative impact on existing local residents or on redevelopment plans as they are taken

forward.

- 15.3 There are also significant concentrations of industrial / commercial use in areas of land outside the boundary of the Masterplan area both to the north and south of the Masterplan area including a waste transfer station to the south of the neighbourhood on Redgate Lane.
- 15.4 The success of the regeneration programme West Gorton will, in part, depend on the Council's ability to work with local stakeholders and partners to manage and influence land use in the area and to monitor the commercial operations of existing parties to ensure that such uses are compatible with and complementary to the proposals for residential development set out in this report. While a balance is required to support the ongoing use of land for employment purposes, this use should not negatively impact on the lives of existing residents or act as a disincentive for future development to take place.
- 15.5 Accordingly the Council commits to the development of a Neighbourhood Management plan that will co-ordinate the activities of Corporate Property, Regeneration, Planning and Neighbourhood Services in relation to: -
 - Influencing the use and management of land and property within and adjacent to the West Gorton Masterplan area; and,
 - The monitoring of relevant planning conditions and, where necessary, the use of enforcement powers in the event of any issues of non compliance from existing landowners or businesses, including any liaison with other relevant statutory agencies such as the Environment Agency if required;
- 15.6 This Neighbourhood Management Plan will be overseen by the Ardwick Ward Co-ordinator and reported through the Ward Co-ordination process established.

16.0 Contributing to the Community Strategy

(a) Performance of the economy of the region and sub region

The regeneration of West Gorton will help to attract and retain economically active residents and workers to the area. Developing a neighbourhood of choice will help to enhance and improve the image of Manchester

(b) Reaching full potential in education and employment

Opportunities for improved partnership working between key agencies, contractors and developers will deliver local labour initiatives and improved educational attainment for the residents of West Gorton.

(c) Individual and collective self esteem – mutual respect

Opportunities created to deliver transformational change within the locality will improve individual and collective self esteem by improving residents' homes,

local environment and neighbourhood. Remodelling of estates will increase connectivity and natural surveillance and design out crime

(d) Neighbourhoods of Choice

Delivery of a high quality scheme has the potential to make a major contribution to transforming West Gorton into a neighbourhood of choice. This will encourage local people to stay in the area and attract people and businesses from outside the West Gorton boundary.

17.0 Key Polices and Considerations

(a) Equal Opportunities

As an area of significant disadvantage, transforming the physical environment and performance of key public services in West Gorton will make a significant contribution to the City Council's equal opportunities targets and aspirations

(b) Risk Management

The risks attached to delivering the regeneration of West Gorton will be managed at programme and individual project level in line with best practice set out in the Manchester Method.

(c) Legal Considerations

The programme will be delivered following standard practice on the procurement of physical regeneration projects. A representative from the City Solicitor will continue to advise on legal aspects of the area's regeneration and is a member of the West Gorton Programme Board.