

**Manchester City Council
Report for Resolution**

Report To: Executive – 11th March 2009

Subject: Atlantic (Ocean) Gateway

Report of: The Chief Executive

Summary

This report seeks to inform Members about an initiative, initially by Peel Holdings, which has potential implications for the economic growth of the city region.

Recommendations

That Executive:-

- (a) Acknowledge that there maybe some opportunities arising as a result of the Atlantic Gateway concept which have the potential to support the Manchester City Region Growth agenda
- (b) Agree that these opportunities need to be explored and evidenced in the context of the emerging Regional Strategy
- (c) Agree that the Council cannot support Atlantic Gateway as a concept of growth until more detailed evidence is made available and the concept is better defined and understood
- (d) Agree that, in close collaboration with other AGMA Authorities, the Council stands prepared to work constructively with Government Office, the NWDA and other agencies to develop an evidential base to ensure that the concept is appropriately defined, and bring forward aspects of the overall concept which promote and complement city region regeneration priorities.
- (e) Urge the NWDA to commission an economic, environmental and social cost benefit analysis of the concept and emerging proposals to:
 - maximise long-term sustainable economic growth
 - understand the impacts (positive and negative) that the pursuit of the concept could have on the abilities of the city-regions to drive overall regional growth
 - assist in ensuring public investment/intervention is better aligned and appropriately targeted
- (f) Request that Officers report back to this Executive on progress on these matters at relevant times.

Wards Affected:

None directly by this report.

Financial Consequences – Revenue

None

Financial Consequences – Capital

None

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Background documents (available for public inspection):

Ocean Gateway – Draft Prospectus November 2008 : produced by Peel Holdings

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	This report is wholly about the potential of this project to contribute to the economic growth in the region and, as such, depending on decisions taken both locally and regionally, this project will impact on the economic performance of the sub-region. The extent of that impact and whether it is positive or negative will be determined by the outcome of further work set out in this report.
Reaching full potential in education and employment	None directly
Individual and collective self esteem – mutual respect	None directly
Neighbourhoods of Choice	None directly

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

1. BACKGROUND

1.1 The Concept

Ocean Gateway is a concept launched by Peel on the 5th September 2008. It describes “Peel’s proposed £50 billion investment strategy for the North West of England to be phased over the next few decades”.

Peel has a concentration of sites in an area over 50 miles long (see figure at appendix) reflecting in large part:

- Its long-standing ownership of the Manchester Ship Canal and landholdings related to it
- Its long-standing acquisition of Bridgewater Estates, including significant landholdings in the Worsley/Boothstown area
- Its more recent acquisition of the lands owned by the Mersey Docks and Harbour Company at Liverpool/Wirral; and
- Other land acquisitions which have sought to consolidate these substantial holdings – in Salford these include Manchester City Airport from Manchester City Council, land at Barton from United Utilities and others, green belt between the Barton strategic employment site from Land Improvement Holdings and local farmers, and most recently the Worsley Garden Centre.

The landholdings are extensive and Peel’s aspirations ambitious. “Through the Ocean Gateway, Peel is sharing ideas and attracting investment interest for its most significant projects in the area around the River Mersey and Manchester Ship Canal corridor”.

Peel’s prospectus includes a number of sites in Greater Manchester, most notably in Salford, Trafford and Manchester but also in Rochdale and Wigan. A number of the projects highlighted are already emerging through Core Strategies, and some are currently in development in the planning system whilst others are more longer term aspirational initiatives.

The Prospectus provides an outline of which Ocean Gateway projects Peel intend to bring forward in the next 1-5 years. These are as follows:

1.2 Transport and Logistics SuperPort:

- Commencement of construction of the Post-Panamax facility, as a key infrastructure investment for the North West supported by improved surface access both road and rail;
- The Port Salford development as the UK’s only inland water way served rail freight distribution park, with progress also to be made on Port Wirral and Port Warrington;
- Ongoing investment in the Liverpool John Lennon Airport Master Plan proposals including the Oglet World Cargo Centre and improved surface access, both site transport and the Eastern Access Transport Corridor.

1.3 **Communities and Regeneration:**

- Completion of phase one of MediaCity UK in 2011, the relocation of BBC departments and significant early wins through the clustering effect for a host of other media businesses at Salford Quays and Trafford Wharfside;
- The transformation of surplus and under-used dock and canal side sites for economic and housing growth through Liverpool and Wirral Waters, with permissions in place in Spring 2010 to allow the projects to be championed to worldwide markets at the Shanghai Expo;
- Major housing-led proposals for Ellesmere Quays, Runcorn Waterfront, Partington Village, Salford West and Wigan, Arpley Meadows and Trafford Quays, to create new sustainable communities.

1.4 **Sustainable Resources:**

- The commencement of Ince Resource Recovery Park, bringing major innovations in the waste and energy sector to the region;
- Proposals for the Mersey Tidal Power project will be consulted upon and applied for;
- A major green infrastructure project at Salford Forest Park.

It should be noted that Government Office/NWDA are now widening the concept out to something now described as “Atlantic Gateway” within which Peel’s Ocean gateway proposals are said to sit. This appears to be a concept which might be described as “Peel Plus” – the 50 sites identified by Peel, plus other sites in other ownerships which might be put forward by other parties, both public and private. This is a response to early feedback that the Ocean Gateway concept was focussed on sites in one ownership, and to have any strategic relevance needed to be widened out.

2.0 **ACTIVITY TO DATE**

2.1 **Peel**

At a meeting with CLG and Treasury in October 2008 Peel raised Ocean Gateway as a strategy to drive economic prosperity and highlighted to Government Peel’s view as to some of their obstacles to progression including most noticeably the planning system. Peel’s proposal appeared to have included a single planning authority model, similar to the UDC arrangements for the Thames Gateway which covers six different London boroughs.

2.2 **Government Office North West**

Government Office were at the meeting with CLG and Treasury. Following the meeting they called together a group of some of the authorities included in the prospectus.

- The aim of their meeting was to gain consensus that there was something worth exploring; and to identify how to take this forward in a more structured manner.

In terms of actions they agreed:

- there would be no separate planning framework - the prospectus would be brought forward under Local Authorities existing planning powers.
- the Ocean Gateway prospectus would be developed into a regionally-owned product of which Peel was a key stakeholder, and over the coming weeks GONW/NWDA/HCA would work with Local Authorities and development partners to flesh this out.
- the projects identified as short to medium term priorities (1-5 years) would be reviewed to identify barriers to delivery and mechanisms to resolve these.
- regional partners would identify how the statutory planning system could facilitate the augmented (i.e. regionally-owned) prospectus.

Government Office held a further meeting in December, and have subsequently asked authorities to identify other key projects / stakeholders which could be included in the strategy thus expanding the concept of Ocean Gateway (predominantly Peel) to Atlantic Gateway (addition of sites in other ownership).

A third meeting involving all of the Councils affected by the proposal including, Manchester City Council, was held on 18th February at NWDA offices in Warrington, chaired by GONW, following an invitation issued by NWDA on the theme "maximising long term potential" but specifically about Atlantic (Ocean) Gateway.

A consultancy company (SQW) commissioned by the NWDA gave a presentation on the conclusions of their study. Peel presented their vision of Ocean Gateway, GONW and NWDA provided some context and there was a general discussion. The matters arising from this meeting are summarised below.

2.3 Joint Economic Commission

As part of preparing for the upturn, the newly formed (Regional) Joint Economic Commission has agreed four long term strategic priorities for the region one of which is Atlantic (Ocean) Gateway.

2.4 North West Development Agency (NWDA)

NWDA Officers have agreed that any discussion about this emerging strategy needs to be linked clearly into the single regional strategy. They have also agreed that there needs to be detailed economic evidence for any long term priorities for investment and that the single strategy will need to show how we can maximise the benefits of the transport, labour market and business inter-relationships that exist.

To move this forward the NWDA, alongside GONW and 4NW, have established a Task and Finish Group which met on 18th February comprising each local authority, sub regional partnerships, the Homes and Communities Agency, the Highways Agency and Network Rail. Peel were also invited and they plan to invite other developers in due course. Their intention is to take as a starting point the fact that Peel have set out how their assets might contribute to our economic potential and they are seeking to ensure that the region works together to agree how we can make best use of the linkages and assets we have across the region.

At a political level the NWDA is arranging a meeting of all the Leaders of the relevant Councils to bring them up to speed on Atlantic (Ocean) Gateway.

3.0 ISSUES FOR CONSIDERATION

- 3.1 It is clear that the scale of ambition which the Ocean Gateway Prospectus represents is huge. It is also clear that, as it develops, its rationale needs to be soundly underpinned by a strong economic argument, and priorities for investment need to be identified through the single strategy.

AGMA have already agreed, through the Multi Area Agreement (MAA), to develop a very clear plan for the city region which will in turn be embedded into the regional strategy. In doing this therefore we need to be aware of the developing work around the Atlantic (Ocean) Gateway. We need to be clear how this will dovetail into the processes for developing the Greater Manchester Strategy.

In particular, as the Manchester Independent Economic Review (MIER) reaches its conclusions we will need to discuss its impact on our plan and therefore the Regional Plan. Particular attention will need to be taken to understand MIER's view on agglomeration and what this means for Greater Manchester priorities for investment.

It is also clear that the area described contains many assets which can contribute to regional economic growth.

- 3.2 The current state of play with Atlantic (Ocean) Gateway is, however, confused:-
- Peel is seeking to get strong regional backing through the development plan system for 50 big (and not so big) projects. The new Regional Strategy – because it will succeed the current Regional Spatial Strategy for the region following an examination in public process – will do that job, as once adopted it will form part of all our development plans, with full statutory weight. Peel's aim therefore is for their proposals to be supported by all agencies (including local planning authorities) through the Regional Strategy process. Their Ocean Gateway concept is a means to achieve that end.
 - The concept has, it appears, been successfully communicated to Government and the NWDA, who are anxious to push forward with its

development. The translation of Ocean Gateway into Atlantic Gateway, which appears to be a much broader concept, is an early result of this enthusiasm.

- However, the concept is undermined by the results of the SQW's work, which addresses the rationale for an economic corridor stretching from Liverpool to Manchester. Their work confirms that there is no evidence base (and few stakeholders) to support the Atlantic Gateway concept as a key priority driving the region forward over the next 20 years. Instead they identify a series of growth nodes including, principally, the two city regions although the extent of their study did not include all the Manchester city region
- If a corridor approach is pursued it will be important to clearly understand what this would mean for public investment. The dangers are many as it could:
 - detract focus from completing the task of creating strong city regions which are already evidenced as a core drivers of regional growth;
 - undermine the efforts to deliver carbon efficiencies;
 - spread existing mainstream resources across a wider area;
 - be contrary to MIER's emerging findings of the benefits of agglomeration;
 - exacerbate environmental sustainability problems including congestion;
 - undermine regeneration efforts within the city region
- The concept also needs to be viewed in the context of present and future demand for commercial development in the Region. It is not clear from the information currently available what the relationship would be with demand and the supply of very significant amounts of commercial floorspace within the Corridor as proposed, and how this will impact upon priority areas for investment of grant.
- Having said that, the list of projects produced by Peel includes many that the Council might want to support and which have the prospect of driving forward city regional growth.
- If badged in the right way, these and other key projects might describe an Atlantic Gateway that would make sense. One way of doing this might be as follows:
 - Transport and Logistics around airports and sea ports. This would include all those port projects around the Ship Canal and Mersey (including Port Salford, the Post-Panamax facility, Liverpool Airport, but in addition Manchester Airport)
 - Sustainable Resources, including significant energy and waste projects such as the Mersey Barrage and the Ince Recovery Park. We might want to add others.
 - Strategic employment sites in the two city regions (and not

- restricting these to an area around the Ship Canal but looking at the area as a whole)
 - The emerging Regional Park proposal between the conurbations, within which the Salford Forest Park proposals sit.
- Describing the concept in this way would give it a “city region” twist, focus on the economic assets of the two city regions, but also provide support to much of what Peel are seeking to achieve.
 - Housing projects should be excluded from the Atlantic Gateway, as these issues need to be considered on a sub area or city region by city region basis. Housing markets do not operate coherently across a corridor stretching from Liverpool to Manchester. In addition, conversations with Government Office suggest that the issue of Green Belt review is now under discussion, and Peel have a direct interest in opening this issue up (indeed the West Salford/Wigan location identified in Ocean Gateway may well include green belt land). It may well be that this is an issue that the Regional Strategy work will open up (RSS says there should not be any review of the green belt before 2011, which provides an opening if the evidence is there), but to mix it up with the Atlantic Gateway concept would be a mistake and would be very unlikely to be supported by local planning authorities in the first instance.

4.0 CONCLUSION

The Atlantic (Ocean) Gateway concept as set out is not supported by an evidence base. However, there are key assets across the area which will form the core basis for the growth of the North West over the next 20 years, and if the concept is narrowed on the one hand so that it focuses on a particular set of issues, and then widened on the other so that it is rooted in the two city regions rather than being described as a corridor around the Ship Canal and Mersey, then it may have some value and indeed support our own aspirations. In this respect we need to be careful about the GONW/NWDA “call for additional sites”, as there is a danger that it could form an incoherent list with no strategic rationale. More work is required to define what the ‘it’ is in terms of Atlantic Gateway, and it is suggested that we progress discussion with partners on that basis.

5.0 RECOMMENDATIONS

That Executive:-

- (a) Acknowledge that there maybe some opportunities arising as a result of the Atlantic Gateway concept which have the potential to support the Manchester City Region Growth agenda
- (b) Agree that these opportunities need to be explored and evidenced in the context of the emerging Regional Strategy

- (c) Agree that the Council cannot support Atlantic Gateway as a concept of growth until more detailed evidence is made available and the concept is better defined and understood
- (d) Agree that, in close collaboration with other AGMA Authorities, the Council stands prepared to work constructively with Government Office, the NWDA and other agencies to develop an evidential base to ensure that the concept is appropriately defined, and bring forward aspects of the overall concept which promote and complement city region regeneration priorities.
- (e) Urge the NWDA to commission an economic, environmental and social cost benefit analysis of the concept and emerging proposals to:
 - maximise long-term sustainable economic growth
 - understand the impacts (positive and negative) that the pursuit of the concept could have on the abilities of the city-regions to drive overall regional growth
 - assist in ensuring public investment/intervention is better aligned and appropriately targeted
- (f) Request that Officers report back to this Executive on progress on these matters at relevant times.

6.0 Contributing to the Community Strategy

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

- 6.1 This report is wholly about the potential of this project to contribute to the economic growth in the region and, as such, depending on decisions taken both locally and regionally, this project will impact on the economic performance of the sub-region. The extent of that impact and whether it is positive or negative will be determined by the outcome of further work set out in this report.

(b) Reaching full potential in education and employment

- 6.2 None directly

(c) Individual and collective self esteem – mutual respect

- 6.3 None directly

(d) Neighbourhoods of Choice

- 6.4 None directly

7. Key Polices and Considerations

(a) Equal Opportunities

7.1 None

(b) Risk Management

7.2 None.

(c) Legal Considerations

7.3 None.

Appendix 1 – The 50 Projects

1. Mersey Wind Farms – (Sefton, Wirral, LCC?)
2. Royal Seaforth Post-Panamax Container Terminal – (Sefton)
3. Port of Liverpool Surface Access- (LCC, Sefton)
4. Switch Island – (Sefton)
5. North Liverpool Docks and River Terminal – (LCC)
6. Liverpool Waters – (LCC)
7. Princes Dock and Cruise Terminal – (LCC)
8. Birkenhead Docks and Twelve Quays – (Wirral)
9. Wirral Waters – (Wirral)
10. Woodside – (Wirral)
11. Cammell Laird – (Wirral)
12. Bromborough Recovery Facility – (Wirral)
13. Eastham Waste Management and Biofuel – (Wirral)
14. Port Wirral – (Wirral)
15. Liverpool International Business Park – (LCC)
16. Speke Garston Coastal Reserve – (LCC)
17. Land adjacent to Liverpool John Lennon Airport – (LCC)
18. Liverpool John Lennon Airport – (LCC)
19. Liverpool John Lennon Airport Surface Access – (LCC)
20. Mersey Tidal Power – (Sefton, Wirral)
21. Merseyside Biomass - ?
22. Manchester Ship Canal – (MCC, SCC, Trafford through to Wirral)
23. Ellesmere Quays – (Ellesmere Port, Neston)
24. Pioneer Business Park – (Ellesmere Port, Neston)
25. Ince Resource Recovery Park – (Ellesmere Port, Neston)
26. Frodsham Deposit Grounds – (Vale Royal, West Cheshire)
27. Runcorn Waterfront – (Halton)
28. Bridgewater Canal and Way – (Halton and beyond (inc. SCC))
29. Port Warrington – (Warrington)
30. Arpley Landfill – (Warrington)
31. Arpley Meadows – (Warrington)
32. Warrington Quays – (Warrington)
33. Woolston Deposit Ground – (Warrington)
34. Haydock Park – (St Helens)
35. Partington Village – (Trafford)
36. Carrington Wharfside – (Trafford)
37. Salford West and Wigan – (SCC, Wigan MBC)
38. Port Salford – (SCC)
39. Western Gateway Infrastructure Scheme – (SCC, Trafford)
40. Salford Forest Park – (SCC)
41. City Airport Manchester – (SCC)
42. Sports Village and City Reds – (SCC)
43. Trafford Quays – (Trafford)
44. Trafford Centre Rectangle – (Trafford)
45. MediaCityUK – (SCC)
46. Salford Quays- (SCC)
47. Trafford Wharfside – (Trafford)
48. Cornbrook and Pomona – (Trafford)

- 49. St. Georges and Castlefield – (MCC)
- 50. Scout Moor Wind Farm – (Rochdale)