

**Manchester City Council
Report for Information**

Report to: Executive – 18 January 2012
Resources and Governance Overview and Scrutiny Committee –
9 February 2012

Subject: London Road Fire Station

Report of: Chief Executive and City Solicitor

Summary

This report seeks to update the Executive on the outcome of the Compulsory Purchase Order (CPO) for the London Road Fire Station and the proposed next steps to ensure that Britannia honour the undertaking they gave to the Inquiry to implement their planning consent for conversion of the building to a 4* destination hotel.

Recommendations

- 1) To note the outcome of the CPO and the analysis of the inspector's decision.
- 2) To note the terms of the Chief Executive's letter dated 19th December 2011 attached at Appendix A and to confirm that the Council wishes to work constructively to secure the implementation of the planning permission 093372/FO/2010/C2 and listed building consent 093373/LO/2010/C2 for the Fire Station so that a new Manchester hotel is developed to 4* or equivalent standards as soon as possible in accordance with the commitments given by Britannia and set out in the report.
- 3) To note the financial position regarding the costs of the CPO Inquiry.
- 4) To authorise the City Treasurer to meet any approved claim for costs from the Capital Fund. Any amount required will be reported back to the Executive and may be a Key Decision at the time the delegation is exercised, dependant on the sum involved.

Wards Affected:

All wards with particular implications for City Centre

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	Redevelopment of the Fire Station will result in an improved hotel offer and support the growth of the tourist economy.

Reaching full potential in education and employment	Redevelopment of the Fire Station will generate new employment opportunities
Individual and collective self esteem – mutual respect	Redevelopment of the Fire Station in this key location will improve visitor and resident impressions of the city
Neighbourhoods of Choice	Redevelopment of the Fire Station will improve the Whitworth Street Conservation Area as a place to live, work and visit.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The costs of the CPO have been met from the capital fund. £395,000 has been met from the Capital Fund in previous years. A further £305,000 was released from the Capital Fund in 2011/12 to cover the balance of the Manchester City Council costs of the inquiry. These costs will need to be treated as revenue as they are no longer related to the acquisition of land.

Britannia has made a claim for their costs which if awarded will also be met from the Capital Fund. The amount of the potential claim for costs is not yet known.

Financial Consequences – Capital

None

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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.

- Inspector's Report dated 28th November 2011
- Letter from Alex Langsam dated 9th June 2011
- Timetable for redevelopment of the Fire Station by Britannia Appendix 2
Statement of Micheal Owen Paul of McBains Cooper dated 21st March 2011
- Report to Executive 15th February 2006 London Road Fire Station
- Report to Executive 26th July 2006 London Road Fire Station
- Report to Executive 22nd November 2006 London Road Fire Station
- Report to Executive 27th May 2009 London Road Fire Station
- Report to Executive 16th December 2009 Proposed City of Manchester
(Former London Road Fire Station) CPO 2010
- Report to and decision of Chief Executive dated 28th and 29th July 2010
- Report to Planning and Highways Committee 16th September 2010
- Report to Executive 13th July 2011

Introduction

- 1.1 The London Road Fire Station has been largely empty and neglected since it was acquired by Britannia Hotels in 1986. Previous reports to the Executive have described increasing concern about the negative effect of this imposing Grade 2* listed building from English Heritage and local stakeholders and its vital importance to the delivery of the future regeneration ambitions of the Council and key stakeholders. The Executive authorised the Chief Executive to make a CPO in December 2009. The Order was made in July 2010 and a public inquiry was held during 2011 to establish whether the Order should be confirmed. The CPO was supported at the Inquiry by the attendance of witnesses from English Heritage, Piccadilly Partnership, the Corridor Partnership and Bruntwood Limited.
- 1.2 By the start of the Inquiry, the Council had started a procurement in accordance with European regulations. During the Inquiry, Argent Estates Limited emerged as the sole qualifying developer. Argent Estates wrote to the Inquiry confirming their willingness to complete the procurement process and if appointed as the Council's preferred partner, to bring forward a high quality redevelopment of the Fire Station as a four star or equivalent hotel and leisure destination. Argent's offer to provide evidence to the Inquiry was not taken up by the Inspector.
- 1.3 On 28th November 2011 the Secretary of State for Communities and Local Government following the report of an Inspector decided that the Order should not be confirmed.
- 1.4 The Chief Executive authorised the making of the CPO on 29th July 2010. At this time Britannia had submitted their first fully detailed application for planning permission and listed building consent to convert the building into a 4* hotel. All previous commitments to convert the building and bring it into use which were made when there was no likelihood of a CPO had not resulted in Britannia applying for and obtaining the necessary planning permission. The application was not accompanied by any commitment to implement the planning permission and for this reason the CPO was made with the support of English Heritage.

2.0 The Inspector's Recommendation

- 2.1 The Inspector concluded that redevelopment of the Fire Station as a 4* hotel would contribute to the regeneration of Manchester, its social, economic and financial well being but found that the financial viability of the Council's proposals was not proved, that the urgency of the regeneration case was not made out and that on balance "redevelopment of London Road Fire Station with the regeneration benefits would be more likely to come forward under Britannia's auspices than the Council's"
- 2.2 The Inspector's conclusion is disappointing because Britannia was offered the opportunity both before and during the Inquiry to enter a binding contractual commitment to redevelop the Fire Station. This offer was made in recognition of the Council's sole motivation of satisfying itself that the planning permission

(093372/FO/2010/C2) and listed building consent (093373/LO/2010/C2) would be implemented so as to support the long term regeneration of the area and so as to guarantee the future of such an important heritage asset. Before the Inquiry the Chief Executive offered to not to promote a CPO if a binding contractual commitment was given and during the Inquiry offered not to take ownership of the building for so long as Britannia kept to their own timetable. Both offers were rejected by Britannia.

- 2.3 Given that Britannia objected in principle to the making of a contractual commitment to deliver redevelopment of the Fire Station and given that steps to both protect and redevelop the building have only been taken by Britannia when the Council has applied pressure, the Inspector's finding is somewhat surprising and significant doubts remain as to whether progress will now be made with a quality redevelopment of this important building. While the Council may not agree with the Secretary of State's decision it means that the Council and local stakeholders will now wait to see whether redevelopment does indeed come forward.
- 2.4 One positive outcome of the CPO process is that Britannia supplied a detailed timetable for redevelopment of the building as part of their evidence to the public inquiry. Further, towards the end of the inquiry on 9th June 2011 Alex Langsam, owner of Britannia wrote to the Inspector saying "I can guarantee to the Inspector and the Secretary of State that I will fund BCL to ensure that, in the event that the CPO is not confirmed, the planning permission and listed building consent granted in respect of the London Road Fire Station are implemented as soon as reasonably possible and that a fine new Manchester hotel is developed to four star standard or equivalent."
- 2.5 It is clear that the timetable weighed strongly in the Inspector's mind and he noted that there was nothing to stop Britannia now entering an agreement with the Council to deliver the promised redevelopment. The Council had offered an agreement in those terms to Britannia in order to avoid the need for a CPO but Britannia refused the offer, so the Inspector's finding is hard to follow on this point.

3.0 Next Steps

- 3.1 Following the publication of the Inquiry Inspector's report, the Chief Executive has written to Britannia to confirm the Council's commitment to constructive joint working to ensure the redevelopment of the Fire Station is brought forward as soon as possible. A copy of the letter is attached as Appendix A. At the time of writing no reply has been received.
- 3.2 English Heritage have written to the Council expressing their disappointment about the CPO decision and stressing their ongoing support in respect of future discussions with Britannia about discharge of planning conditions and any action the Council may need to pursue to safeguard the building. The Council will pursue a joint approach with English Heritage.
- 3.3 Britannia have written to the Secretary of State asking that an award of costs is made against the Council. It is intended to oppose the award of costs since

the undeveloped state of the building over a protracted period of time, the lack of any commitment by the owner to tackle the problem and the support of English Heritage justified the making of the CPO in exceptional circumstances. If an award is made and an amount agreed, the final sum will be reported to the Executive

4.0 Conclusion

4.1 Whilst the outcome of the CPO Inquiry is a great disappointment, every effort will now be put into working with Britannia to encourage them to bring forward their redevelopment proposals at the earliest opportunity.

4.2 A further report will be brought back to the Executive in 3 months to report back on progress with Britannia's scheme and possible courses of action if the scheme is not progressing at an acceptable pace.

5.0 Contributing to the Community Strategy

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

Redevelopment of the Fire Station will result in an improved hotel offer and support the growth of the tourist economy.

(b) Reaching full potential in education and employment

Redevelopment of the Fire Station will generate new employment opportunities

(c) Individual and collective self esteem – mutual respect

Redevelopment of the Fire Station in this key location will improve visitor and resident impressions of the city

(d) Neighbourhoods of Choice

Redevelopment of the Fire Station will improve the Whitworth Street Conservation Area as a place to live, work and visit.

6.0. Key Policies and Considerations

(a) Equal Opportunities

Not applicable

(b) Risk Management

Progress of redevelopment by the owner of the Fire Station will be monitored and the Council will work constructively with the owner to ensure a positive outcome and reduce the risk of further neglect and decay.

(c) Legal Considerations

Not applicable



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CEX/LSH

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19 December 2011

Dear Mr Langsam

London Road Fire Station

The publication of the Inquiry Inspector's Report following the CPO Inquiry underlines the importance of both of us to work constructively to ensure the re-development of this important building is brought forward as soon as possible. I am therefore writing to confirm my commitment and that of the City Council to this end, and to propose that we meet early in the New Year with our colleagues to discuss arrangements for achieving this objective.

I would propose that at this first meeting we discuss the following issues;

1. The discharge of planning conditions; at the Inquiry it was stated that your team were taking forward all of this work. There are a number of issues which need to be progressed including acoustic arrangements, the use of the roof space, the design of the roof and how it relates to the historic fabric and the restoration of the original features. It will be helpful at our meeting to understand what progress has been made on these issues, and what assistance we can provide to move these matters forward.

2. Full Timber and Damp Surveys; we recognise that you did not feel able to commit to this work but progress is essential for the discharge of planning conditions and the implementation of planning consents. Your master programme given in evidence during the Inquiry stated that the scope of these surveys would be agreed in consultation with the Council and English Heritage. We would like to take forward agreement on the detailed method of these surveys if only to ensure that the proposed works do not

themselves require listed building consent. It would be helpful to discuss draft terms of reference at our meeting. If there was a prospect of your Conservation advisors meeting heritage specialists from the Council and English Heritage before our meeting to discuss the technical detail that would be even more helpful. Please let me know if you wish to do this and I will facilitate it.

3. Development Programme; it will be necessary of course to update the master programme which was presented to the Inquiry and which your company committed itself to deliver. It would be helpful to discuss at our meeting a revised timetable taking into account the 19 week delay in securing the Inspector's findings. This timetable should of course provide the basis for monitoring progress going forward.

I want to re-state that the Council's only objective here is to secure the implementation of the planning permission and listed building consent are implemented, and that a new Manchester hotel is developed to 4 star standard or equivalent as soon as possible. This objective mirrors your own statement to the Inquiry and we stand prepared to work hard with you to ensure these are achieved.

I look forward to your reply and to us meeting with English Heritage as soon as possible to move things forward.

Yours sincerely



SIR HOWARD BERNSTEIN
CHIEF EXECUTIVE

