

The Executive

Minutes of the meeting held on 24 November 2010

Present: Councillor Leese – in the Chair
Councillors Ali, Amesbury, Andrews, J Battle, Evans, N Murphy, S Murphy, S Newman, and Priest.

Also present as Members of the Standing Consultative Panel:
Councillors: Ashley, R Battle, Donaldson, Firth, Grant, Hassan, Khan, Longsdon, Pearcey, Ramsbottom, and Shannon.

Exe/10/110 Minutes

Decision

To approve the minutes of the Executive meeting held on 27 October 2010 as a correct record.

Exe/10/111 Comprehensive Spending Review

At our meeting in October we considered a report on the potential consequences of the government's 2010 comprehensive spending review (Minute Exe/10/96). The Chief Executive submitted a further report with more information on the impact of the spending review on Manchester's residents.

The report set out the extent of the expected overall loss of income to Manchester residents that would result from the welfare reform and benefit system changes that had been announced; it described how the announcements on tackling worklessness were likely to affect Manchester and outlined the changes to further and higher education; it outlined some of the predicted effects of the changes to housing and housing benefits, although we noted that in some areas further announcements were still awaited; the implications for families, children, adults and pensioners were explained.

We were also disappointed to learn that the Government had announced that funds would not be provided for the Collyhurst PFI scheme but we were told that work was already underway with residents to develop a new way forward for those neighbourhoods.

We expressed our concern that the hardship caused by these changes would be felt the most by those residents of Manchester already on low incomes and in need of public services and support. The loss of money into the local economy might slow down the creation of new jobs in the city and the overall level of economic growth.

Decisions

To note the contents of the report.

Exe/10/112 Safeguarding Vulnerable Children and Young People in Manchester

The Director of Children's Services submitted a report to bring us up to date on the strengthening of local multi-agency arrangements to safeguard children, describing progress made since a report in July 2009 (Minute Exe/09/95). The report also set out progress in key safeguarding performance indicators. We were notified that the Ofsted Announced Inspection into Safeguarding and Looked-After Children had taken place between 8 and 19 November.

We welcomed the report, noting it had also been considered by the Children and Young People Overview and Scrutiny Committee. We also wanted to record our appreciation for the front-line staff working to safeguard children in Manchester.

Decision

To endorse the contents of the report.

Exe/10/113 North West Evergreen Fund

A report was submitted to propose the establishment of the Northwest Evergreen Fund as the urban development fund for Greater Manchester, Lancashire, Cheshire and Cumbria sub-regions for the purposes of the European Commission's JESSICA infrastructure fund initiative (Minute Exe/10/53).

The Evergreen fund had been appointed to act as the urban development fund for the North West, excluding Merseyside, and a total of £30m of ERDF and Single Programme money had been allocated to it. Of this funding, £10m of the ERDF money had been allocated for projects in Greater Manchester and £10m ERDF money for the other three sub-regions. The £10m of Single Programme money could be invested across the whole of the Evergreen area.

The report described the rules that would govern the nature of the projects that the fund could support. The funds were to provide loans to projects that were capable of making a commercial return so that the debt was repaid and funds were again available to support further projects.

The governance of the Funds was described. It was to be constituted as a Limited Partnership, with each local authority being a limited partner whose liability was limited to an initial investment of £1. As a limited partner cannot participate in the management of a limited partnership, a separate company was to be established to act as General Partner to manage the partnership's business. Each authority would have a share in the General Partner company. The company's board will comprise of 3 nominees of each of the AGMA and County Area groups together with independent directors who may be appointed by the board.

Under the terms of the agreement between the Fund and the European Investment Bank, the partners must meet the operating costs of the Fund. The annual operating cost were forecast as being £500k and the initial set up costs in the region of £1m.

As the fund serves equally Greater Manchester and the other three county areas it was proposed that these costs were met by the two groups on a 50:50 basis, continuing until the end of the fund's initial five-year investment period in December 2015. For the ten Greater Manchester authorities the required contribution was to be in region of £51k on establishment of the fund in December 2010 and thereafter approximately £25k each year from 2011 to 2015.

We welcomed the proposals to set up the fund, and the governance and financial arrangements proposed for its operation. We also noted that this report had been considered by the Resources and Governance Overview and Scrutiny Committee (Minute RG/10/74). The Committee had commended the recommendations to us.

Decisions

We agreed:

1. to approve the proposal to establish the fund to act as the area's urban development fund in accordance with its Investment Strategy;
2. to approve the City Council becoming a Limited Partner in the North West Evergreen Fund Limited Partnership;
3. to authorise the Chief Executive in consultation with the Leader to nominate from time to time a person to act as the City Council's partner representative at the annual partnership meeting;
4. to approve the City Council becoming a shareholder in the General Partner;
5. to approve the City Council's annual contribution from the Capital Fund towards the operating costs of the fund and request that the Council increase the Capital Programme to meet these costs; and
6. to authorise the Chief Executive and City Treasurer to negotiate and approve the final terms of the agreements necessary to implement the proposals and authorise the City Solicitor to arrange for the execution of the final agreements on behalf of the City Council.

(Councillors Amesbury, Andrews, Ankers, Ashley, J Battle, R Battle, Fairweather, Firth, Khan Leese, Longsdon, S Murphy, S Newman, Pearcy, Ramsbottom and Shannon all declared a personal interest in this item of business as members of the Greater Manchester Local Government Pension Fund).

Exe/10/114 Payments to Precepting Authorities

The City Council has in the past agreed to pay precepts from the Collection Fund to Manchester City Council, Greater Manchester Fire and Civil Defence Authority and the Greater Manchester Police Authority by 12 equal payments of 23rd of each month (Minute Exe/09/166). The other nine Greater Manchester authorities also followed this arrangement. We agreed that this should be continued for next year.

Decision

To approve precept payments, by twelve equal instalments on the 23rd of each month (or the first working day thereafter) from the Collection Fund to: Manchester City Council, the Greater Manchester Fire and Rescue Authority and the Greater Manchester Police Authority

Exe/10/115 Capital Programme – proposed increases

A report concerning requests to increase the capital programme was submitted. We agreed to make five changes under delegated powers. Taken together these changes will increase the capital budget by £10,616,000, financed by £10,506,000 government grant and £110,000 external contributions.

Decisions

Under delegated powers, to approve the following:

1. Chief Executives Regeneration – Victoria Baths Toilet Refurbishment: To increase the capital budget by £110,000 in 2010/11, funded by external contribution.
2. Children's Services BSF Wave 4 grant: To increase the capital budget by £10,111,000 (£6,000,000 in 2011/12, and £4,111,000 in 2012/13), funded by government grant.
3. Children's Services – Youth capital Fund: To increase the capital budget by £149,000 in 2010/11, funded by government grant.
4. Transport – Congestion Target Performance Fund: To increase the capital budget by £187,000 in 2011/12, funded by government grant.
5. New East Manchester – Nutsford Vale: To increase the capital budget by £59,000 in 2010/11, funded by Forestry Commission grant £55,000 and Neighbourhood Strategy Fund £4,000.

Exe/10/116 Capital Programme Monitoring

A report from the City Treasurer informed us of the current estimates of forecast spend and resources for the 2010/11 capital programme and explained the major variations since the previous monitoring report in July 2010 (Minute Exe/10/72).

The original approved capital budget for 2010/11 was £453.780m. This had been revised to £399.763m to take into account approved in year budget increases, slippage from 2009/10 and re-profiling into future years. The changes were explained in detail in the report, including budget transfers between schemes to make the most

efficient use of the resources available. The figures were summarised in the appendix to the report.

Decisions

The Executive is requested to:

1. Note the changes to the forecast spend 2010/11 attributable to movement in the programme that occurred after the 2010/11 capital budget was agreed by Council in March 2010.
2. Agree that the capital budget 2010/11 be amended to reflect movement in the programme and note that the capital budget 2010/11 as amended is £399.763m.
3. Approve the in year budget transfers between capital schemes to maximise use of funding resources available to the city council.
4. Note the inclusion of approved increases to the capital programme since the previous monitoring report in July 2010.
5. Note that the latest forecast capital outturn 2010/11 is £391,277m.
6. Note that capital resources will be maximised and managed to ensure the capital programme 2010/11 remains fully funded and that no resources are lost.

Exe/10/117 New Housing Allocations Scheme

The Allocations Scheme sets out the criteria that the Authority uses to assess the eligibility and priority of applicants for the social housing the Council has available. In March 2010 we had adopted a revised Scheme intended to help to bring about balanced and sustainable neighbourhoods in the city (Minute Exe/10/35). A report from the Director of Housing sought our approval for an additional policy in relation to applicants who deliberately worsen their circumstances, as well as proposing other minor amendments to the approved Scheme.

Research with other local authorities had confirmed there are a small number of applicants each year who carry out deliberate acts to worsen their circumstances so as to be awarded a higher level of priority in relation to their housing need. Consultation responses had supported the revision and addition to the approved Scheme so that an applicant would be given reduced preference if the council was satisfied they deliberately did or failed to do something which, in consequence, led to a worsening of their housing circumstances.

Appendix 1 of the report set out a schedule of other minor changes intended to improve or clarify the Scheme, and we endorsed those changes.

The City Solicitor had advised that the new Scheme should address the transfer of

applicants from the old to the new Scheme, defining their priority in the new Scheme and, wherever possible, giving credit for their previous award dates and qualifications on the old Scheme. This would ensure that equitable transition from the current Scheme to the new Scheme was transparent and consistent. We agreed to delegate authority to the Director of Housing to develop a Transfer of Applicants Policy.

It had also been advised that an Operational Manual should be made part of the Scheme. This would describe, for the purpose of the staff of the Council and its Partners, an explanation of how the Part VI Allocations Scheme was to be operated and implemented. Again, we agreed to delegate authority to the Director of Housing to develop this Manual.

Decisions

1. To approve an additional policy as set out in the report required to address the issue of applicants who deliberately worsen the circumstances of their household thus gaining priority on the new Allocation Scheme.
2. To approve and adopt minor amendments in Appendix 1 of the report by way of clarification to the Scheme as adopted by the Executive on 10 March 2010.
3. To delegate authority to the Director of Housing in consultation with the Executive Member for Neighbourhood Services to develop and adopt a "Transfer of Applicants Policy" that will form part of the new Allocation Scheme and that will determine the transfer of applicants between the current 2007 Allocations Scheme and the new Allocations Scheme when it comes into effect.
4. To delegate authority to the Director of Housing to develop and adopt an "Operational Manual" that will also form part of the new Allocation Scheme.

Exe/10/118 Development Framework for First Street

In October 2008 we considered and endorsed an updated Development Framework for the First Street area of the Southern Gateway (Minute Exe/08/141). The Chief Executive submitted a report on the adoption of a revised Development Framework to address the lack of success to-date in securing the development of the area.

The Council's success in leading high quality office development in strategic sites in the city centre meant that First Street had to become extremely competitive. The area had to have a headline rental profile at a level which did not seek to compete with established core destinations in the city centre; although a premium over and above out of town locations would be justified having regard to closer access to the City Centre, and the multiple benefits this would provide to an occupier.

To deliver this positioning First Street had to become a sustainable, midrange, commercially-focused location which was developed within a dynamic but attractive new environment. Key to this was the need to drive footfall and new amenity provision. The proposals set out within the revised Development Framework

responded to these requirements. Three key interventions were put forward:

- i. establishing a Cultural Hub;
- ii. redeveloping and integrating the Oxford Road Station area; and
- iii. delivering an Integrated Anchor Destination.

which, if delivered in a co-ordinated fashion, would deliver transformational change providing amenities, jobs, pedestrian footfall and, crucially, the critical mass and "sense of place" required to ensure that First Street had a dynamic and sustainable future as one of Manchester's most significant regeneration areas.

A food retail store could be utilised to anchor a new destination at the southern end of First Street so as to help create a critical mass of related public type activities. This would have to comprise a range of facilities and amenities as part of a single development which would attract and retain footfall within the area. It would have to be a development of the highest architectural quality incorporating a majority of the following uses:

- a food retail store;
- a range of small scale retail uses for cafes, bars, coffee shops and independent users;
- opportunities for studios and workshops;
- an hotel;
- a small amount of student accommodation;
- multi-storey car parking;
- a new environmental context and setting;
- new public realm; and,
- improved connectivity both within the site and to adjacent areas.

The next stage in the development of a revised Development Framework for First Street was consultation with the residents and stakeholders. We agreed that the Chief Executive should undertake a public consultation and report the outcome of that to us.

Decisions

We agreed:

1. to note the challenges in bringing forward major new development at this important southern gateway entrance to the City Centre;
2. to endorse, in principle, the updated Development Framework for the First Street area as summarised in the report;
3. to request the Chief Executive to undertake a public consultation exercise on the revised Development Framework with local residents and businesses;
4. authorise the Chief Executive to submit a further report on the outcome of the consultation exercise; and

5. to endeavour to secure third party funding towards appropriate development, infrastructure and public realm works within the area.

Exe/10/119 First Street: Proposed Cultural Facility

A further report from the Chief Executive built upon the proposed Development Framework for First Street and described a unique opportunity to develop a new Cultural Facility to the north of the site. An integrated cinema, gallery and theatre space would provide an enhanced option for the relocation of the Library Theatre Company together with much needed expansion for Cornerhouse. The report sought approval to an overall project budget of £19m together with approval to develop the proposal further and report again in the New Year.

In October 2009 we had approved the Theatre Royal site as the preferred location for the Library Theatre Company (Minute Exe/09/131). Since then a significant amount of work had been done with the Company to review its artistic ambitions and potential in a new location and, in particular, to develop a business model that ensured the company's sustainability in the future. Theatre consultants had been engaged to work alongside the management team to explore how the company might extend its already strong community and outreach programme and optimise commercial income by new partnerships and better exploitation of spaces. The scale of the potential for a revitalised theatre company had emerged just as the limitations of the space at the Theatre Royal had become increasingly apparent. It was now believed that the Theatre Royal was not a viable new location for the Library Theatre Company.

The previous five years had also seen Cornerhouse re-align its business model and add an extension to its estate of buildings. As a result of those changes it had become more sustainable and provided increased public value. However, its site restrained further growth of the business and improvements in artistic and educational outputs. Cornerhouse was restrained by the configuration of its buildings, which were expensive to run and not ideal for a range of exhibitions and other events. Feasibility studies had looked at redevelopment of the existing Cornerhouse sites and expansion along Oxford Street but it had not been possible to develop a viable plan. It had become evident that the true potential of the organisation and the benefits for the city and region could not be realised on its existing site.

It had become clear that a stand-alone, purpose designed and built space for the work of the Library Theatre Company alongside Cornerhouse offered considerable artistic, functional and commercial advantages. In particular it would be possible to deliver all of the theatre company's brief, including significant new spaces for income generation and welcoming, accessible front of house foyer spaces. It would also offer opportunities to introduce the degree of transparency to the work both front and back of house that the company aspire to, whilst achieving best practice in terms of stage access and offer new opportunities for collaboration and cross over in arts practice. All this would be made easier with Cornerhouse's considerable venue management experience. The creation of an outdoor performance space would mean the company could facilitate a much wider range of community events with partners across the city and region. It would also be possible to accommodate a larger auditorium of around

500 seats, so optimising the opportunities for audience expansion and increase the number of touring production companies to the City.

Work had indicated the potential for a stunning building on the corner of the northern part of the First Street site close to the railway arches. It would incorporate up to five cinemas, a major floor of contemporary gallery spaces, a 500 seat theatre and smaller studio space, an impressive café/open foyer space and all the associated technical back of house spaces. The overall capital cost was forecast as £19m. Previous reports had identified that £10m is available in the Town Hall budget as a result of capturing the benefits of deflation on construction costs and this will be vired to this project. Up to £6m had previously been identified within the Capital Fund for the purchase of the Theatre Royal and a further £3m would be made available from the Capital Fund, which was expected to be secured from third party contributions and future capital receipts.

Decisions

1. To note that the current proposal to relocate the Library Theatre Company in the Theatre Royal no longer offers a viable and sustainable proposition and officers support the view that alternative development proposals should be identified for this historic site.
2. To approve the principle of developing a new cultural facility at First Street to provide a new home for the Library Theatre Company and Cornerhouse.
3. To seek City Council approval to an overall project budget of £19m funded by a virement of £10m from the Town Hall project budget and £9m additional contribution from the Capital Fund, up to £3m of which would be expected to be refunded from third party contributions and future capital receipts.
4. To authorise the Chief Executive, Head of Corporate Property and City Treasurer to commence negotiations with the developer to vary the existing development agreement and agree such further documentation as may be required in order to implement the proposals.
5. To authorise officers to develop an application with Cornerhouse to the Arts Council of England new national portfolio funding programme for future revenue funding. To finalise a business plan early in the New Year and report back to a future meeting.
6. To agree to receive a further report in the New Year outlining detailed arrangements in respect of governance, procurement and associated project programme.

Exe/10/120 AGMA Executive Board

Decision

To receive the decision notice for the AGMA Executive meeting on 29 October 2010.

Exe/10/121 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 public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Exe/10/122 Disposal of Land in West Gorton (Public Excluded)

A report was submitted seeking approval to grant an Option to Purchase the freehold interest in land off Abbotsbury Close, West Gorton to Keepmoat Homes to affect a Land Swap and to proceed with the disposal of residential development sites in West Gorton, Manchester to Guinness Northern Counties Housing Association at an undervalue.

Decisions

1. To approve the proposal to grant the Option to Purchase the freehold interest in a plot of land off Abbotsbury Close, West Gorton to Keepmoat Homes as part consideration for the acquisition of the residential development site off Haverford Street, West Gorton, Manchester.
2. To approve the disposal of the residential development site off Haverford Street, West Gorton and the site being the former Carrisbrooke Resource Centre, Wenlock Way, West Gorton to Guinness Northern Counties Housing Association at an undervalue in order to secure the development of 29 new homes on the sites.
3. To authorise the Head of Corporate Property in consultation with the City Treasurer to finalise the terms of the transactions with Keepmoat Homes and Guinness Northern Counties Housing Association in order to implement the proposals.
4. To authorise the City Solicitor to complete all documentation required to give effect to the transactions.