

The Executive

Minutes of the meeting held on 28 July 2010

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

Also present as Members of the Standing Advisory Panel:
Councillors: Ali, Ankers, R Battle, Firth, Grant, Hassan, A Khan, Longsdon, Pearcey, Ramsbottom, Shannon, Smith and Wheale.

Exe/10/63 Urgent Business

Decision

To note the Chair had agreed to receive as urgent business two reports relating to the proposed acquisition of the Manchester Wholesale Flower Market at New Smithfield Market, and also a proposal that the public be excluded from the meeting when the second of these reports was considered.

Exe/10/64 Minutes

Decision

To approve the minutes of the Executive meeting held on 30 June 2010 as a correct record.

Exe/10/65 Consultation on Transport Strategy

In January 2010 the Council and the Integrated Transport Authority had published the draft Transport Strategy for Manchester City Centre (TSfMCC) for public consultation. The draft strategy looked at how the city centre was likely to develop and grow up to 2020. Forecasts suggested that employment in the city centre could grow by up to 50,000 jobs in that period, and the strategy examined the effect on the city's infrastructure and how that would adapt to accommodate the growth.

The consultation period ran until 22 March 2010, 10 weeks in all. There were 70 written responses received (by letter and email) together with comments received at a number of public and stakeholder meetings. A report was submitted to describe and analyse the responses received and to put forward revisions to the draft strategy to incorporate the views and comments of the consultees. A revised strategy incorporating all the proposed changes was appended to the submitted report, and we agreed to those changes. We also noted that the draft strategy and the proposed changes had been endorsed by the Economy, Employment and Skills Overview and Scrutiny Committee (Minute EES/10/32).

The Chief Executive was to decide the most appropriate date for the final version of the Strategy to be published, in consultation with the Leader.

Decisions

We agreed to note the outcome of the consultation process, approve the final strategy, and authorise its publication. We agreed to delegate to the Chief Executive, in consultation with the Leader, the power to finalise the details of the Strategy and its publication date.

Exe/10/66 Chorlton District Centre - Action Plan 2010-2020

One of the priorities identified in the South Manchester Strategic Regeneration Framework is that district centre action plans be prepared for the five district centres that serve the communities of South Manchester, including Chorlton. To ensure that the views of local people were taken into account early in the development of the action plan the Council commissioned Visiontwentyone to carry out public consultation on the key principles for the plan. The outcome of the consultation was reported to and discussed by the Economy, Employment and Skills Overview and Scrutiny Committee in March 2010 (Minute EES/10/18).

Following on from the successful public consultation work, two further projects were commissioned. The first was to develop a district centre action plan for Chorlton, and the second was to understand better what the Council can do to stimulate independent retail demand and support the growth of independent retail. Drivers Jonas Deloitte had carried out the first commission for the Council, and a report was submitted proposing the adoption of the district action plan they had produced. The Executive Summary of the action plan was included in the report.

The action plan presented a vision for the future of Chorlton centre. It stressed the importance of further development of the centre's offer so as to generate greater footfall and higher spend and protect the long-term success of the shopping centre. It set out a framework to encourage new investment in the centre and restrict inappropriate development. It included a spatial plan and set out a number of key interventions to enhance the centre's positive features while limiting the risk that the night-time economy will become detrimental to the overall health of the centre.

At a meeting on 12 July the Economy, Employment and Skills Overview and Scrutiny Committee had also considered the report and the executive summary of the action plan. Members there had supported the adoption of the plan (Minute EES/10/31).

Decisions

- 1 To approve the district centre action plan for Chorlton.
- 2 To adopt the district centre action plan as a material consideration for development control purposes.

Exe/10/67 Heaton Park Sports Facility Development

In 2007, following a competitive tender, Goals Soccer Centres Plc (Goals) were identified as the preferred partner to develop a multi-activity sports zone at Heaton Park to complement the existing bowls and croquet facility and provide a range of activity areas. Goals had now been granted planning approval for the scheme.

A report was submitted on the facilities to be developed and the community benefits that would result. The report also set out the work needed to progress the facility to completion, including the disposal of the site by the Council by way of a lease of the development land to Goals. The report also requested approval to advertise the proposed disposal of the site.

We were aware that the Communities and Neighbourhoods Overview and Scrutiny Committee had commended the proposals to us (Minute CN/10/40). We authorised the work to commence the disposal of the site.

Decisions

We agreed to:

1. note the benefits of the proposed development of a multi activity sports zone in partnership with Goals Soccer Centres plc in Heaton Park;
2. authorise the City Solicitor to advertise the City Council's intention to dispose of the site for the purposes of the project in accordance with s123(2A) of the Local Government Act 1972;
3. authorise the Chief Executive to consider any objections and representations in relation to the proposed disposal and determine whether to dispose of the land;
4. subject to the Chief Executive being satisfied that the disposal should proceed, to approve the disposal of the site to Goals Soccer Centres plc and authorise the City Treasurer to negotiate and agree final terms of the transaction;
5. authorise the City Solicitor to enter into the agreement for lease and all ancillary documentation required to give effect to the proposals.

Exe/10/68 Regional Development Agencies

In June the Government had confirmed that Regional Development Agencies (RDAs) were to be abolished with effect from April 2012, and that Local Enterprise Partnerships (LEPs) would be created to provide strategic leadership for their areas. The Government had invited local authorities, working with business partners, to submit by 6 September 2010 an outline case to create an LEP in their area.

We considered a report from the Chief Executive that outlined what was currently known about the direction of Government policy, the status of local and regional negotiations, and the known timeline for future guidance and decisions. The report

explained the work underway by AGMA to develop and submit proposals for a Greater Manchester LEP.

The Chief Executive also reported orally on the recently reported announcements from the North West Development Agency, the RDA for the North West region, on the projects it would and would not be able to support before its abolition. The agency had reevaluated its funding commitments in response to the cuts made to its budget. It was no longer going to be able to support all the projects it had previously indicated would be funded.

Decision

To note the contents of the report and to delegate to the Leader of the Council to approve, on behalf of the Council, AGMA's proposals for a Greater Manchester LEP and associated strategies, to be submitted to the Government by the 6th September.

Exe/10/69 Departmental Budget Outturn 2009/10

A report was submitted report with details of the departmental financial outturn position for the year 2009/10. The summary was

	Revised Budget £000	Outturn £000	Over / (under) spend Variation £000
Strategic Directorate			
Chief Executive's	75,525	75,380	(145)
Corporate Services	14,325	12,888	(1,437)
Children's Services	144,184	144,119	(65)
Directorate for Adults	133,427	133,686	259
Neighbourhood Services	99,589	102,567	2,978
Totals	467,050	468,640	1,590

and the report included detailed reasons for each directorate's variation.

The report set out for approval any requests received to carry forward underspends or not carry forward any overspends into 2010/11. We agreed to the requests that the Revenue Gateway Group had recommended, as set out in the report's appendices.

The report also proposed the use of money held in central contingency funds, in the main to meet costs associated with the severe weather during the 2009/10 winter. We agreed to the proposed use of the contingency funds for:

Corporate Services:	£000
Single Status – Legal and Admin. costs	75,823
Neighbourhood Services:	
Additional costs associated with severe winter weather	450,000
Pot Hole expenditure	494,000
Total	1,019,823

Decisions

1. To note the final departmental outturn positions as identified in the report.
2. To agree not to carry forward overspends on Neighbourhood Services and Adults' Services.
3. To approve the requests for carry forward of underspends as recommended by the Revenue Gateway Group and identified in Appendices 1 and 2 to the report.
4. To approve the requests for contingency funding as set out above.

Exe/10/70 HRA Outturn 2009/10

A report on the outturn for the Housing Revenue Account (HRA) for 2009/10 was submitted. The summary of the account was:

	Budget	Outturn	(Under) / Overspend
	£000	£000	£000
Brought Forward (Surplus)	(39,934)	(46,613)	(6,679)
Total Service Income	(87,485)	(85,295)	(2,190)
Total Service Expenditure	63,603	69,075	5,472
Total Other Income and Charges	23,453	13,844	(9,609)
Balance / (Surplus)	(429)	(2,376)	(1,947)
Cumulative Balance / (Surplus)	(40,363)	(48,989)	(8,626)

And the report gave reasons for the variations from the budget. The end of year position of the HRA reserves was:

Closing Balance for 2009/10	£000
General Reserves	4,487
Earmarked for Residual Liabilities	11,050
Ardwick PFI	14,525
Heating PFI	1,842
Miles Platting PFI	13,896
Brunswick PFI	1,540
Collyhurst PFI	1,649
Total HRA Reserves	48,989

Decisions

1. To note the final outturn position of the HRA for 2009/10.
2. To note the HRA Reserves position as at 31 March 2010.

Exe/10/71 Global Budget Monitoring - May 2010

A report was submitted providing a summary of the position of the 2010/11 revenue budget at the end of May 2010. The report gave details of the projected variances to budgets, the position of the Housing Revenue Account, the current projections for the Area Based Grant available to the thematic partnerships, Council Tax collection, prudential borrowing indicators, and the use of reserves, including a request for a release of money from a reserve, which we supported.

Decisions

1. To note the report.
2. To approve a request for an allocation of £50,000 from the 'Low Carbon Reserve' as matched funding for a Carbon Trust grant to complete a second phase of preparatory work for establishing a district heating network in Manchester City Centre.

Exe/10/72 Capital Programme Monitoring 2010/11

The City Treasurer submitted a report to inform us of the latest departmental estimates of capital expenditure for 2010/11 compared to the approved budget; and to confirm to us that there were adequate levels of resources available to finance the capital programme.

The Council approved capital budget for 2010/11 was £453.780m. That original budget had now been revised to incorporate balance transfers from the 2009/10 budget of £19.896m, bringing the 2010/11 capital programme to £473.676m. In addition we have already this year approved increases to the capital budget totalling £41.517m, making the total approved budget £515.193m.

The report forecast an actual programme of £494.557m for 2010/11. The reduction of £20.636m from the approved budget arose from the some schemes being moved back to 2011/12, and reductions in funding allocations for some scheme. The details of those changes were set out in the report.

Decisions

1. To 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. To agree that the capital budget 2010/11 be amended to reflect the above movement in the programme and note that the capital budget 2010/11 as amended will be £515.193m, an increase of £61.413m over the original approved capital budget. Also to note that this monitoring report reflects the first review of the revised capital budget 2010/11 and the most up to date forecast capital outturn was £494.557m.

3. To note the inclusion of approved increases to the capital programme since the previous monitoring report in March 2010.
4. To 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/10/73 Capital Programme – Proposed Increases

A report concerning requests to increase the capital programme was submitted. We agreed to recommend to the Council one change, and to make a further four changes under delegated powers. Taken together these changes will increase the capital budget by £703,000, financed by £669,000 of government grants, £10,000 of revenue and £24,000 of Section 106 contributions. A further £1,370,631 could also be needed from the Capital Fund, if funds from the NWDA were not available to support the Sportcity remediation works (Minute Exe/10/68).

Decisions

To recommend that the City Council approve:

1. New East Manchester – Sportcity remediation and site servicing works: a proposal that the Council underwrites £1,370,631 of NWDA match funding to secure the ERDF funding of £3,606,924 for the scheme. If needed this could be funded from the capital fund.

Under delegated powers, to approve:

1. New East Manchester – Galston Street Phase 2: To increase the capital budget by £24,000 in 2010/11, funded by Section 106 contribution;
2. Transport – Congestion Target Performance Fund: To increase the capital budget by £264,000 in 2010/11, funded by government grant;
3. Chief Executive's Regeneration – North Manchester Metrolink Station: To increase the capital budget by £92,000 in 2010/11, funded by Community Infrastructure Fund;
4. Leisure Services – Mancunian Way City Centre Skatepark Phase 2: To increase the capital budget by £323,000 in 2010/11, funded by £117,000 Youth Capital Fund, £196,000 Sport England and £10,000 revenue contribution.

Exe/10/74 AGMA Executive Board

Decision

To receive the decision notice for the AGMA Executive Board meeting on 25 June 2010.

Exe/10/75 Acquisition of the Manchester Wholesale Flower Market at New Smithfield Market
(Urgent Business)

A report was submitted to seek our approval for the acquisition of a building from the administrators of Manchester Wholesale Flowers Limited on New Smithfield Market. The acquisition was to facilitate the long-term redevelopment of the market, helping to sustain employment and create additional jobs in the food services sector.

The Market is an important employer of local residents providing opportunities for employment at a range of skill levels and supporting in excess of 600 gross direct jobs. The market contributes an estimated Gross Value Added (GVA) of £27.1m per year within Manchester. However, over recent years the condition of the buildings on the market had deteriorated, threatening its long-term viability. This situation was recognised within the 2008 -2018 East Manchester Strategic Regeneration Framework which highlighted the need to consolidate and improve the site.

Recent work had examined options for the consolidation and improvement of the existing market and opportunities to rationalise and improve the facilities. A key part of that work had been consideration of the future of the fish market, which was in poor condition and potentially at risk of closure.

A new option had arisen with Manchester Wholesale Flowers (MWF) going into administrative receivership and vacating the building they occupied. The Manchester Wholesale Flowers facility within the market site was to become vacant in January 2010. This relatively newly constructed purpose built warehouse was held on a long leasehold from the City Council, which the administrators were trying to sell as quickly as possible. The building was considered to be a viable and suitable new location for the fish market. The demolition of the current fish market building would then create a development site of 2.41ha with a front onto Ashton Old Road. Subject to consultation with the market traders, the funds for acquiring the lease could come from the New Smithfield Market reserve. Work has been commissioned on the business case for the relocation of the fish market and the redevelopment of that site and that would be available later in August. However, the business case would be predicated on the council acquiring the leasehold on the vacated building.

We agreed the acquisition as proposed, and the need for urgent action to be taken.

Decisions

We agreed to:

1. approve the acquisition of the Wholesale Flower Market on the terms set out in the report;

2. authorise the Director of Commercial Services, Neighbourhood Services, to consult with the New Smithfield Market traders in relation to use of the New Smithfield Market Reserve;
3. authorise the Chief Executive of New East Manchester and the City Treasurer to negotiate and agree the final terms of the acquisition;
4. approve in principle the proposal to refurbish the Wholesale Flower Market in order to relocate the existing fish market to the site subject to the development of an economically sustainable business plan for the redevelopment and request that detailed proposals be submitted to a future meeting for approval;
5. in accordance with paragraph 14 of Part 4, Overview and Scrutiny Procedure Rules of the Council's constitution, and having consulted with the relevant statutory officers, approve the matter as urgent, in that any delay caused by the call-in process, would seriously prejudice the legal or financial position of the Council or the interests of the residents of Manchester and exempt it from call in.

(Councillor J Battle declared a personal interest in this item as a member of the Board of New East Manchester Ltd).

Exe/10/76 Equity Investment Funds

The Director of Housing submitted a report to us outlining a proposal to develop housing equity investment funds that would offer an innovative opportunity to finance developments in the city during the housing market downturn, and so provide good quality rented homes to help meet housing demand.

An equity investment fund is an innovative partnership with the private sector where a special purpose vehicle is established through a Limited Partnership or Limited Liability Partnership to raise finance to acquire completed residential units or raise development finance to bring forward residential schemes in a tax efficient manner. These types of partnership are 'tax transparent' meaning that the partners are taxed individually. They are therefore efficient vehicles for the City Council, which is not liable to pay corporation tax that would be levied against the profit of a limited company of which the Council was an owner. The Council's participation in the establishment of an equity investment fund could take a number of forms but is likely to involve the investment of land for development on behalf of the fund. Such investments would be on terms that represent best consideration having regard to the City Council's statutory obligations for disposal of land.

The report explained to us the current state of Manchester housing market, that much of the housing stock is unaffordable for many Manchester residents, and how the city's private rented sector was potentially going to continue to grow in size and importance. An example of how such an investment fund might operate in practice for a 25 unit housing development showed the return on investment that the Council might receive.

Decisions

1. To consider the report in the context of a changing housing market and the need to support house building within Manchester.
2. To delegate authority to the Director of Housing and City Treasurer in consultation with the Leader and Executive Members for Finance and Neighbourhood Services to enter into formal negotiations with relevant partner organisations on the development of specific equity based partnerships.
3. To note that once these negotiations are complete a further report will be brought back to us for approval with details of the sites and developments involved and the expected financial returns.

Exe/10/77 Local Development Framework – Core Strategy Pre-publication partial consultation (Councillor S Murphy in the Chair)

In October 2009 we approved the draft 'Core Strategy Proposed Option' for public consultation (Minute Exe/09/137). Since then, a number of amendments to policy approaches have been considered, including a decision on the final approach to Manchester Airport. These changes have been made in response to advice or comments from consultees and other stakeholders, developments in Council priorities and changes in national policy. We were therefore advised to allow another six week period of consultation on these key changes. This partial consultation would focus only on the amended policies.

We were aware that the Communities and Neighbourhoods Overview and Scrutiny Committee had recommended us to approve the draft for consultation (Minute CN/10/41). We accepted that recommendation and approved the draft for consultation.

Decisions

1. To approve the draft 'Core Strategy Pre-Publication Partial Consultation' for public consultation in August 2010.
2. To delegate to the Head of Planning in consultation with the Executive Member for Environment, the approval of any amendments prior to the start of consultation and the approval for consultation of the Sustainability Appraisal report and draft Infrastructure Plan.

(Councillor Leese declared a prejudicial interest in this item of business and withdrew from the meeting.)

Exe/10/78 Exclusion of Public (Urgent business, Councillor S Murphy in the Chair)

Decision

To exclude the public during consideration of the following item 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/10/79 Acquisition of the Manchester Wholesale Flower Market at New Smithfield Market (Urgent business, public excluded, Councillor S Murphy in the Chair)

A report from the Head of Corporate Property set out the terms for the acquisition of the leasehold on the vacated building that was the Wholesale Flower Market at New Smithfield Market (Minute Exe/10/75).

Decisions

We agreed to:

1. approve the acquisition on the terms and conditions as set out in Section 3 of the report; and
2. recommend to the City Council that the capital programme be increased by the sum shown in the report funded from the New Smithfield Market Reserve Fund.

(Councillor J Battle declared a personal interest in this item as a member of the Board of New East Manchester Ltd).