

Manchester City Council Report for Resolution

Report To: Executive – 16th December 2009

Subject: The Regeneration of West Gorton – Summary of Progress to Date and Revised Proposals for Delivering the Regeneration of the Neighbourhood.

Report of: Chief Executive of New East Manchester Limited
Director of Housing Services
City Treasurer

Summary

This report provides details of a revised master plan and implementation programme to deliver the transformation of West Gorton over the next ten years. The report highlights changes that are necessary to regenerate West Gorton due to changed economic and funding circumstances since Executive approved original plans in March 2008.

Recommendations

Members are requested to –

1. Approve the revised master plan noted in appendix 2 to this report.
2. Note the phasing programme to deliver this master plan and the proposals to provide further reports to Executive at key stages in this programme.
3. Approve the proposed changes to the regeneration proposals for West Gorton including the proposal to demolish 380 properties including the Armitage/Wenlock Court and Ashover/ Benedict Court tower blocks which will be undertaken in the Phase 1 clearance programme.
4. Authorise the Director of Housing to suspend lettings, award rehousing priority and approve home loss and disturbance payments in respect of the properties which will be demolished (the financial consequences of which are detailed in the Part b report).
5. Authorise the Director of Housing in consultation with the Executive Member for Neighbourhood Services to introduce a phased suspension of Right to Buy Properties, produce a formal re-housing guarantee and to procure a partner to manage the rehousing of tenants as part of the overall demolition programme under a management agreement.
6. 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.

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 of this report

Financial Consequences – Capital

Details are provided in Part B of this report

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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. Proposals for the Regeneration of West Gorton. Report to Communities and Neighbourhoods Overview and Scrutiny 4th March 2008 and Executive 12th March 2008
3. Housing Investment Options – Stock Transfer Programme. Report to Executive 12th March 2008.
4. Homes and Communities Agency Local Authority New Build Programme Round 2 Bid – West Gorton. Report to Executive 10th September 2009.
5. Housing Capital Programme 2009-12. Report to Executive 10th September 2009.

1.0 Introduction

- 1.1 The Executive have previously approved outline proposals for the regeneration of West Gorton at its meeting of 12th March 2008. The aim was to deliver the holistic regeneration of West Gorton and provide for the area's long term sustainability. At the same meeting the Executive also approved proposals to transfer Council owned homes in West Gorton to a partner Registered Social Landlord (RSL).
- 1.2 A spatial master plan for the area was produced and approved at the March 2008 meeting of the Executive. The delivery of the master plan was predicated on a number of key assumptions. These included securing commitment to invest in the project from partners within the public sector and successfully reaching final terms of a Development Agreement with BASE who had been selected as the preferred development partner for this initiative.
- 1.3 Due to a number of factors, including the rapid deterioration in market conditions for new build homes, the changing priorities of key partner agencies and new funding opportunities which were not available in 2008, it has been necessary to redefine the master plan for West Gorton and develop an alternative approach to delivering the neighbourhood's regeneration. This report explains these changes and sets out new proposals to deliver the transformation of West Gorton within this revised context for neighbourhood regeneration.

2.0 Background

- 2.1 The Executive approved, subject to the conclusion of negotiations to agree the terms of their appointment, the BASE consortium (Barratt Homes and Artisan) as preferred developer to deliver the holistic regeneration of West Gorton at its meeting of 12th March 2008. Executive also approved an outline master plan (refer to Appendix 1) that had been developed by BASE in consultation with key stakeholders to inform the regeneration of West Gorton. Under an additional report at this meeting Executive also approved proposals to transfer remaining Council owned homes in West Gorton to a partner Registered Social Landlord (RSL) and following consultation with tenants the RSL was confirmed as Guinness Northern Counties (GNC).
- 2.2 The delivery of the master plan was predicated on a number of key assumptions. These included the likely capital receipts which would be achieved for land sales, the investment intentions of strategic funding partners, notably English Partnerships, now the Homes and Communities Agency (HCA), the production of a robust stock transfer business plan by GNC and the availability of additional private sector investment through BASE.
- 2.3 In addition, proposals to develop a replacement Medical Centre were predicated on the Primary Care Trust's commitment to this centre as the highest priority under their Strategic Service Delivery Plan which was then under development.

- 2.4 Following Executive approval, officers from NEM and MCC worked closely with the HCA and BASE to formulate a gap funding bid to the HCA for circa £20m to support the delivery of the West Gorton programme, with an additional 'in principle' agreement with the HCA to provide a further £15m throughout the lifetime of the project to support the replacement of social housing proposed for demolition through the National Affordable Homes Programme (NAHP).
- 2.5 In order to satisfy its funding bid conditions the HCA required BASE to undergo a due diligence process. However, in July 2009 the HCA concluded that the proposals did not meet the HCA's stringent bid conditions and therefore if a bid was submitted it would not be approved. Further dialogue between the HCA and BASE has not resulted in any changes to this determination.
- 2.6 The City Council and New East Manchester have therefore reviewed the procurement process for the appointment of a development partner for the area. As BASE have been unable to develop a viable scheme that meets the City Council's requirements for the neighbourhood and/or attracts the necessary public funding to deliver any scheme on the site it has been concluded by officers operating under delegated powers that there is no reasonable prospect of the procurement being successful. On that basis the decision has been taken to terminate the process without making an appointment.
- 2.7 In addition, whilst NHS Manchester confirmed and prioritised the replacement of West Gorton Medical Centre at their October 2008 Board, MCC and NEM were advised that, although this remained a priority, limited capital resources presently available meant that an alternative method of procuring this development would be required.
- 2.8 Resident Steering Group members and local elected Members were advised in the summer of 2009 of these developments and, whilst all stakeholders voiced their considerable concerns at these events, it was agreed that an urgent review of the master plan be undertaken to produce a credible alternative approach to deliver the transformation of the neighbourhood.
- 2.9 To progress this urgent piece of work, in late September NEM commissioned SHAPE, a planning consultancy firm, to review the original master plan. This work is now complete and consultation with the West Gorton community undertaken in late November provides the backdrop to a number of changes proposed to deliver the transformation of the neighbourhood, whilst retaining the key elements of the original plan within a re-profiled delivery programme.
- 2.10 For reference, members are reminded of the original approved master plan proposals, which included:
- The refurbishment of existing council owned homes through the transfer of stock to GNC;
 - The development of circa 1200 new homes;

- The creation of a new high quality community park;
- A new replacement Medical Centre;
- New and replacement retail facilities;
- Significant public realm and environmental works; and
- Investment in Armitage Primary School – with the potential for its replacement in the longer term.

3.0 Revised Proposals for the Regeneration of West Gorton – Principles and Process

- 3.1 To ensure that the revised regeneration proposals for West Gorton deliver a proposition which meets the expectations of key stakeholders, is affordable, and will result in sustainable transformational change, a number of key principles were adopted throughout the review process. These included:
- To retain as much of the existing infrastructure as possible within a revised master plan for the neighbourhood;
 - To review the proposals from the original regeneration plan in respect of the residential tower blocks and residential development on the Fujitsu site;
 - To ensure that any reviewed scheme complied with the requirements of DFA2, the code for sustainable homes and the CABE Silver Standard for Sustainable Development;
 - To develop a phasing programme which could provide early delivery of elements of the master plan pending an upturn in the market and subject to resources being made available over a 10 year period; and
 - To promote both new residential and commercial development which will be 'Climate Smart' and which will make best use of new technologies and innovative construction methods, alongside the use of renewable energy.
- 3.2 Significant consultation has taken place with local elected Members and the residents' steering group during the review of the master plan. This has included fortnightly meetings with resident representatives, frequent progress meetings with local elected Members, an in depth consultation exercise with residents living in 62 flats within the Armitage/Wenlock Court and Ashover/Benedict Court Tower blocks, plus two community open days held on the estate in late November to explain and highlight the proposed changes.
- 3.3 The key messages emanating from the consultation exercise is the need to progress the early phases of activity as soon as possible to mitigate the delays caused by events highlighted earlier in this report, and only 5 of the tower block residents surveyed expressed a desire to remain within these buildings, although 77% were happy to remain within West Gorton.

4.0 West Gorton Master Plan – Key Changes

- 4.1 In summary, the revised master plan for West Gorton (refer to appendix 2) includes the following proposed changes to the original:
- The demolition of the two tower blocks at Armitage/ Wenlock Court and Ashover/ Benedict Court;

- The development of 1,000 new homes;
- The demolition of 380 existing homes (inclusive of the tower blocks);
- The retention of the Fujitsu Tower and R&D building for employment uses;
- The reconfiguration of apartment development at the junction of Pottery Lane/ Wenlock Way and at Pottery Lane/ Hyde Road from private to social housing;
- The reconfiguration of the Community Park to provide a smaller park, with an adjacent kickabout area extending towards the existing green space at Kniverton Road;
- The inclusion of existing commercial sites at Bennett Street/ Hyde Road for future residential development;
- A reconfiguration of the Community Hub to potentially provide a new Health Centre, Estates Office for GNC with community room facilities, and a sustainable retail offer of 400 sq m, with increased visibility from Hyde Road into west Gorton;
- The redevelopment of Gortonvilla Walk to include a through route, a greater number of semi detached homes and increased in curtilage car parking;
- A new vehicular and pedestrian route for Hyde Road to provide access from Hyde Road though to Pottery Lane;
- The inclusion of a new small allotment facility at Clowes Street;
- The retention of a greater number of existing homes around Hoyland Close and;
- A new car park for the Climbing Centre at Bennett Street.

5.0 Regeneration Proposals – Key Issues, Phasing Plan and Delivery Model

Key Issues

- 5.1 There are a number of issues which will affect the delivery of the transformation of West Gorton that will be addressed during the phased programme of activity mapped out in this section of the report.
- 5.2 Included within the master plan are a number of sites currently in third party ownership. At this time the intention is to both assemble a number of sites under the ownership of the City Council, and in addition secure agreement with the landowners of a number of other key sites to develop these sites for

residential development in line with the overall master plan requirements (including key design and sustainability standards such as DFA2 and level 4 of the Code for Sustainable Homes). The use of CPO powers may be required to underpin this approach to site assembly and a further report will be submitted to Executive for consideration at the appropriate time.

- 5.3 To further support the land assembly and demolition process, Executive approval is sought to authorise the Director of Housing in consultation with the Executive Member for Neighbourhood Services to introduce a phased suspension of Right to Buy properties, produce a formal re-housing guarantee and to procure a partner under a management agreement (subject to satisfying the relevant procurement legislation) to manage the properties scheduled for demolition and the re-housing of tenants as part of the demolition programme. This management agreement may also be extended to include the Local Authority New Build properties once they are completed in Spring 2012.
- 5.4 The Carrisbrooke Centre will need to be demolished and the staff within it relocated. The Centre is currently occupied by staff from Adult Social Care and Children's Services together with the Mental Health Trust, which is a joint organisation run by the City Council and PCT. Under the revised master plan, the site is required to make ready an additional site for further housing re-provision requirements. It is proposed to temporarily relocate staff from Carrisbrooke to the nearby former Fujitsu site on Wenlock Way and steps are currently being instigated to facilitate these relocations. Once vacant possession has been secured the building can be demolished and the site prepared for development.
- 5.5 To progress with the transfer of properties to GNC a ballot of eligible tenants whose homes are due to be transferred will take place in March 2010 and work is under way to agree terms of the formal offer which will be put to them. A tenancy agreement has been drafted and will be issued in January 2010 following further consultation with the West Gorton Residents' Steering Group. (In order for GNC Partnership Board to give full support to this stock transfer the City Council needs to provide them with the confidence that the regeneration of West Gorton remains a strategic priority underpinned by a credible master plan that will be delivered within a phased programme).
- 5.6 Significant investment in Armitage School was envisaged under the previous master plan through the possible use of section 106 agreements or commuted sums with third party landowners. In common with other areas in the city, an increase in demand for places is projected due to rising birth rates and extra families moving into the area due to regeneration activity.

Over £300,000 has been invested in the school since 2005 to provide new boundary treatments, toilets and a standalone community room (from which extended school activities for pupils and parents are now being delivered).

The school is therefore taking on an increasingly important role in the life of the local community and improvements in outcomes for children and their

families through engagement with the school are anticipated during the regeneration programme.

Any further capital investment in the school will be considered as part of the feasibility work currently being undertaken by Children's Services as part of the primary school review exercise which will be reported to Members in due course.

- 5.7 Due to the scale of the regeneration proposals and the environment within which this programme is being launched, it has been necessary to plan the delivery of the transformation of West Gorton across three interlinking phases of development. The timing and key outcomes from each phase is summarised below.

Phase 1 (2009/10-2012/13)

- 5.8 The objective of the first regeneration phase is to secure outline planning approval for the new master plan that will guide the neighbourhood's transformation, ensure key projects are delivered which produce clear benefits for local people, and provide the basis for further regeneration activity in Phases 2 and 3.

Key outcomes from the first phase of the regeneration of west Gorton will be -

- A revised master plan which has outline planning approval to guide the regeneration of the neighbourhood;
- Completion of up to 171 Local Authority new build homes delivered through grant funding from the HCA and Prudential borrowing as reported to Executive on 10th September (a decision on this funding bid is expected from the HCA in late December 2009);
- Review and promote the future employment potential of the Fujitsu complex;
- Complete the stock transfer of Council owned homes on the estate to Guinness Northern Counties (GNC) and works to improve them to Decent Homes Standard in accordance with the proposals previously approved by Executive on 12th March 2008;
- Further bid submissions to the HCA through GNC for National Affordable Homes Programme funding will be submitted to complete the delivery of the remaining replacement housing requirements of existing West Gorton residents in Phase 2;
- Demolition of Armitage/Wenlock Court and Ashover/Benedict Court;
- Relocation and demolition of the Carrisbrooke Centre and;
- Improved learning outcomes through Armitage School

- 5.9 Further details of the costs associated with the delivery of phase 1 of this programme are provided in a Part B report on this Executive's agenda.

Phase 2 (2012/13 – 2016/17)

- 5.10 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 offer a suite of residential sites to the market for development.

The key outcomes from the second phase of regeneration will be –

- Assemble all sites required to deliver the regeneration of the neighbourhood;
 - Complete the demolition programme in line with the master plan requirements so that sites are cleared and new residential development is promoted;
 - Complete 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, a convenience store and new estates office for GNC with community use space incorporated within it, plus ancillary servicing and parking spaces;
 - Complete the development of a new community park in line with the master plan recommendations and;
 - Complete the programme of replacement housing for existing West Gorton residents.
- 5.11 Further details of the costs associated with the delivery of phase 2 are provided in Part B of this report.

Phase 3 (2016/17-2019/20)

- 5.12 All new residential and public realm developments incomplete at the end of phase 2 will be finished in this phase of development. The pace at which sites for residential development are completed will be determined by the market. It is not possible at this juncture to confirm which development sites will be completed by the end of Phase 2 and which ones will need to run into this third phase of development.

Delivery Model

- 5.13 Given existing economic conditions, NEM and MCC are exploring alternative regeneration delivery models to secure the overall delivery of the West Gorton

programme. A range of options will be considered including a consortium developer approach or an open market competition for discrete build plots. The outcome of this work will take account of the new residential delivery timetable and the most appropriate financial model going forward.

Further reports will therefore be submitted to Executive for consideration to provide an updated analysis of progress against the overall regeneration programme and before the commencement of any new phases of regeneration beyond phase 1.

6.0 Conclusion

- 6.1 The revised proposals to regenerate West Gorton have been produced in very challenging economic conditions. Due to the scale of transformation required for West Gorton, the delivery of the overall regeneration programme will need to be phased over a period of up to 10 years.
- 6.2 Officers have therefore sought to identify activities and resources to commence the first Phase of the area's transformation and to prepare for the delivery of Phase 2. Further key decisions relating to the ongoing delivery of the programme and associated resource requirements will be submitted to Executive for consideration at the appropriate time.
- 6.3 Approval is sought pursuant to Rule 14 of the Overview and Scrutiny Rules that the decisions set out in the recommendations above are urgent as the 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.
- 6.4 In order for GNC Partnership Board to give full support to this stock transfer the City Council needs to provide them with the confidence that the regeneration of West Gorton remains a strategic priority underpinned by a credible master plan that will be delivered within a phased programme. If the current decision was called in it would prevent the GNC Partnership Board from considering the matter until the new year which would result in a delay in the programme for the delivery of the proposed stock transfer. The proposals contained within this report have already been verbally reported to the Communities and Neighbourhood Overview and Scrutiny Committee and therefore, in order to avoid the risk to the project due to delay it is considered prudent to exempt the decisions from call in.

7.0 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.

8. Key Policies 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.

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NOTES

- RESIDENTIAL DWELLING
- RESIDENTIAL APARTMENTS
- B1 OFFICE
- COMMERCIAL / SHOPS
- SCHOOL
- HEALTH CENTRE
- EXTG DWELLINGS / APARTMENTS

FIRST ISSUE

PREPARED BY DATE	CHECKED BY DATE
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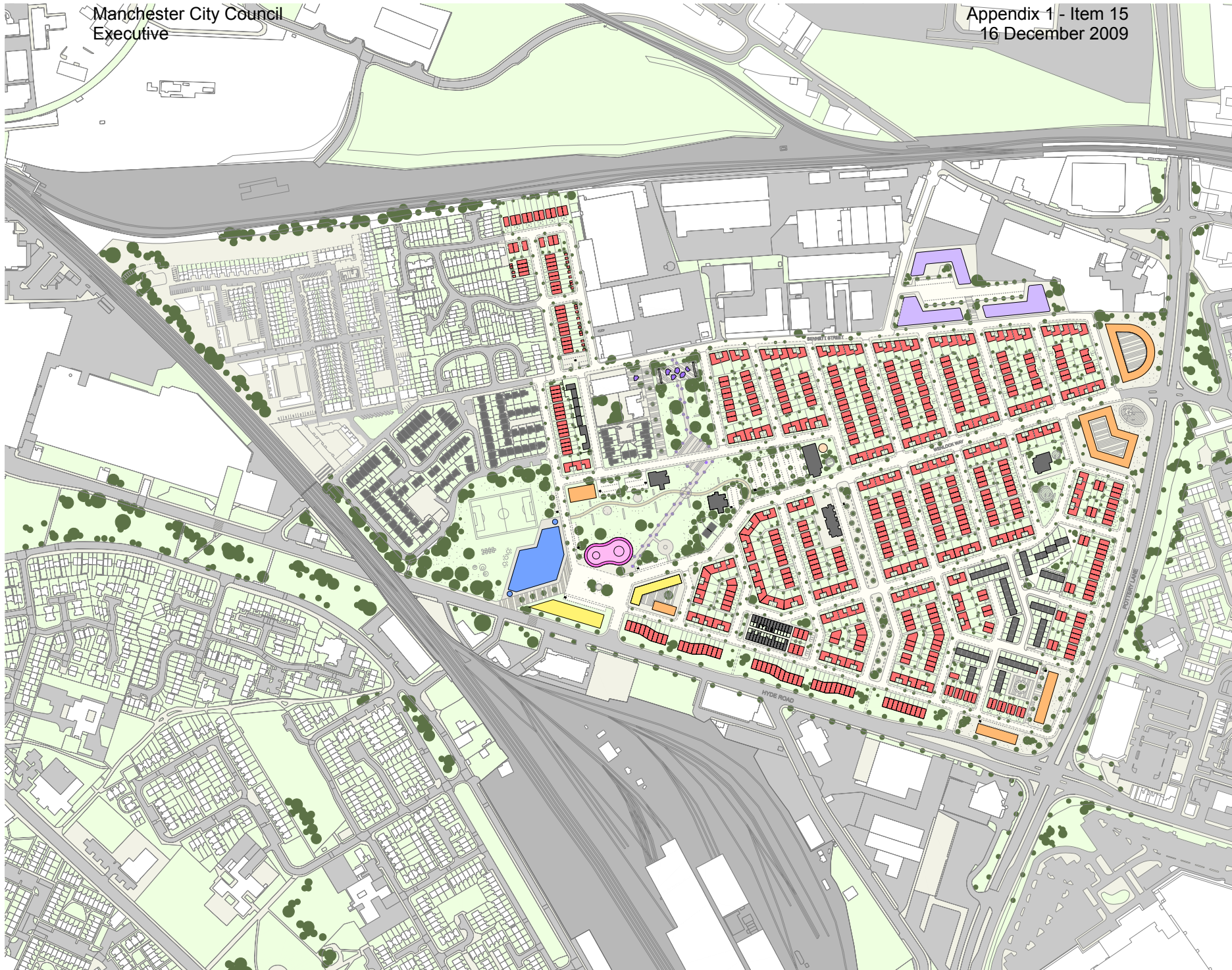
APPROVED BY DATE	COMMENTS DATE
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PROJECT NAME WEST GORTON	
DRAWING NUMBER P2000902	SCALE 1/2000 @A1
DRAWING TITLE WEST GORTON MASTERPLAN	
DRAWING CODE SK(CABE)001	DATE 30/05/08



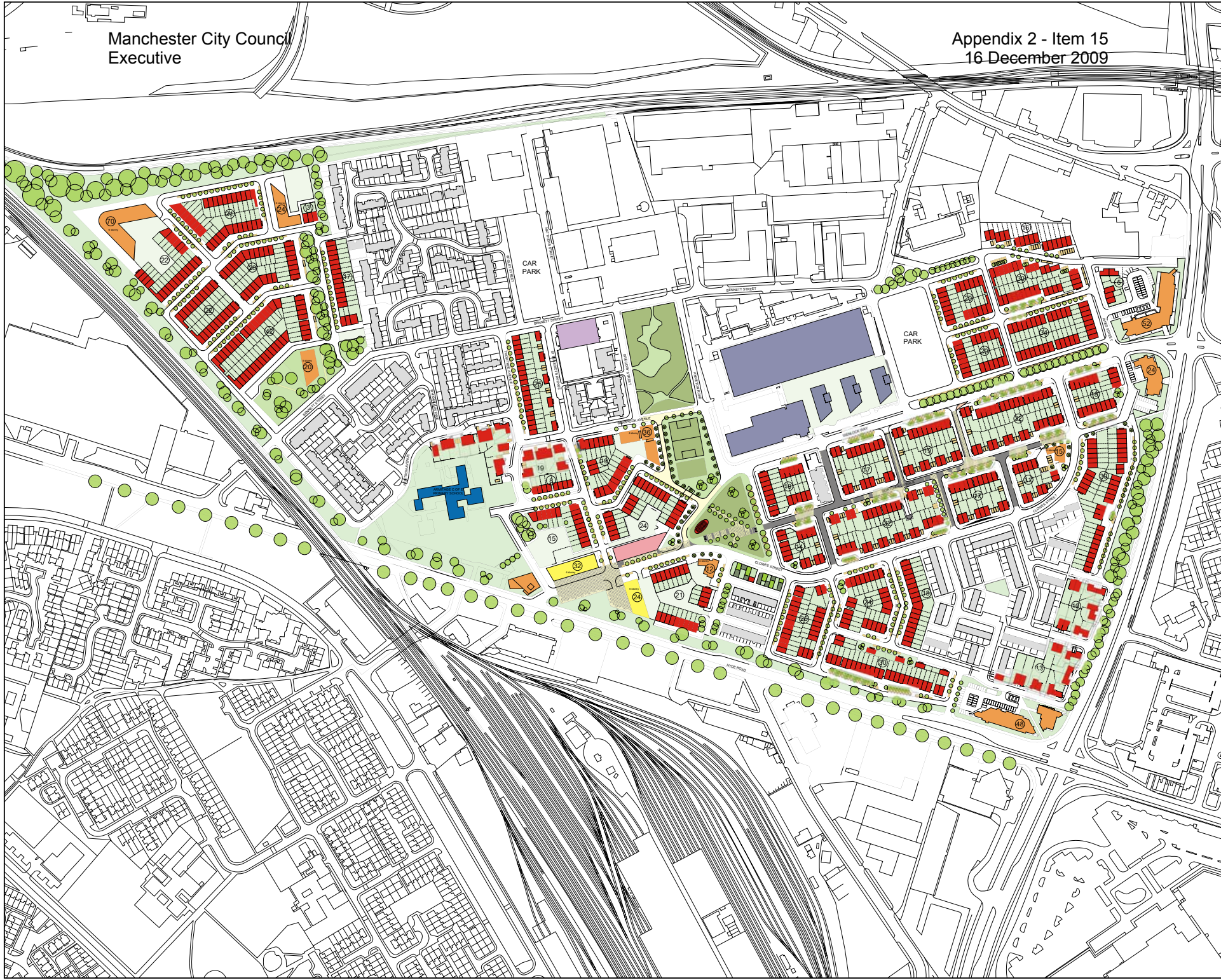


**HOUSE TYPE
SCHEDULE**

HOUSES - 792
APARTMENTS - 357
TOTAL - 1119

KEY

- RESIDENTIAL DWELLING
- RESIDENTIAL APARTMENTS
- EMPLOYMENT
- COMMERCIAL/SHOPS WITH APARTMENTS ABOVE
- REFURBISHED SCHOOL
- PCT BLOCK WITH PHARMACY
- EXISTING DWELLINGS/ APARTMENTS
- EXISTING CHURCH



Rev	Date	Drawn	Description	Checked	
Project Title: WEST GORTON					
Drawing Title: MASTER PLAN					
Drawn by: ST		Checked by: MT			
Date: 22/10/09		Date: 22/10/09			
Scale @ A0: 1:1250		Drawing Number: 5409.01			
Job number: 5409		Revision:			
					
					