Manchester City Council
Report for Resolution

Report To: Community and Neighbourhoods Overview and Scrutiny Committee – 14th July 2009
Executive – 22nd July 2009

Subject: Miles Platting Joint Services Centre and Community Hub

Report of: Strategic Director Neighbourhood Services
Chief Executive – New East Manchester Ltd

Summary

This report seeks approval for the Miles Platting community hub master plan, to proceed with the stage 1 MAST Lift approval process of the Miles Platting Joint Services Centre (JSC), and to approve an increase to the capital resources required to deliver the community hub project.

Recommendations

Members are requested to –

1. Approve the proposals for delivery of the Miles Platting Joint Service Centre and Community Hub as set out in this report

2. Delegate authority to the City Council’s representative at the Strategic Partnership Board meeting to give the necessary approvals to secure approval of the Stage 1 New Project Proposal for the procurement of the Miles Platting Joint Service Centre via MAST Lift including:
   • Adoption of the new version 5 Lease Plus Agreement under the Strategic Partnering Agreement
   • Confirmation that the Miles Platting JSC is consistent with the Strategic Service Development Plan and that it satisfies the City Council’s requirements together with any other necessary positive approvals required to take this project forward

3. Approve the Miles Platting community hub spatial Master plan (as provided in appendix 1 of this report) as a basis for further detailed discussion with Lovells.

4. Approve an increase to the Council’s capital programme of £1,200,000 to be funded from a capital contribution from Adactus Housing Association of £75,000 and £1,125,000 unsupported borrowing to provide a new adopted highway and car park as required by the community hub master plan under authority delegated by the City Council. (In accordance with the decisions relating to the capital budget made by the Executive on 11th February 2009,
£1 million has already been reserved within the capital programme towards these costs).

5. Approve the funding of professional fees, detailed master planning and the project management costs of completing of the first phase of the Community hub of £0.211m from revenue contingencies in 2009/10 and revenue budgets in future years, £0.181m in 2010/11 and £0.112m in 2011/12.

6. Approve a capital budget increase for equity investment of £71,000 and use of part of the estimated capital receipt in respect of the lease to be provided to MAST Lift to fund this.

Wards Affected:

Miles Platting and Newton Heath

<table>
<thead>
<tr>
<th>Community Strategy Spine</th>
<th>Summary of the contribution to the strategy</th>
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<tbody>
<tr>
<td>Performance of the economy of the region and sub region</td>
<td>The Miles Platting community hub will enhance the quality of the public realm and the standard of public service provision and will therefore help to retain and grow the population in the area</td>
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<tr>
<td>Reaching full potential in education and employment</td>
<td>A range of family and adult learning services, together with information and advice services will be provided from the community hub plus possible employment opportunities within the retail element of the scheme</td>
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<tr>
<td>Individual and collective self esteem – mutual respect</td>
<td>The range of services (health, library and information, and housing) that will be provided will contribute to residents living longer, happier and healthier lives</td>
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<tr>
<td>Neighbourhoods of Choice</td>
<td>Access to quality services within a significantly improved public realm is central to the vision of developing Miles Platting into a neighbourhood of choice. The community hub is an essential component of this vision.</td>
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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 revenue consequences of procuring the Joint Services Centre through Manchester, Salford and Trafford Local Improvement Finance Trust (MAST Lift) were approved by the Executive at its meeting on the 24th March 2009 when approval was granted to finance a shortfall of up to a maximum of £150,000 per annum over a 25 year period between the required lease plus payments and the resources to be provided by PFI credits.

Once MCC has exercised its vote on the Strategic Partnership Board in favour of stage one approval, MCC is committed to the JSC scheme and its share of the costs, liabilities and associated risks to stage 2 of the MAST Lift approval process for new projects.

In addition revenue costs of up to £0.505m are needed to cover the professional fees, detailed master planning and the project management costs of completing of the first phase of the community hub. These costs will be met from unallocated contingencies agreed by the City Treasurer in 2009-2010 and will then be included in the City Council’s budgets for 2010-2011 and 2011-2012.

Financial Consequences – Capital

As a shareholder of the MAST Lift company Manchester City Council will need to contribute £71,000 towards the shared debt equity interest required to deliver the Joint Service Centre. The City Council will however receive a capital receipt in respect of the lease granted to MAST Lift to build on the land upon which the JSC is located which is intended to be used to offset this.

The delivery of the community hub in line with the master plan appended to this report will require a capital contribution of £1.2million to provide a new adopted highway and car park. Of the sum required, £1.125million will be provided through unsupported borrowing and £75,000 via a capital contribution from Adactus Housing Association.

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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.

General Documents

1. East Manchester Strategic Regeneration Framework 2008-2018

Council Reports

2. Report to Executive Committee 24th January 2006 – Miles Platting Housing Private Finance Initiative (PFI) Project – Selection of Preferred Partner

3. Report to Executive Committee 26th July 2006 – Regeneration of the Miles Platting Neighbourhood


5. Report to Executive Committee 24th March 2009 – Miles Platting Joint Services Centre
1.0 Introduction

1.1 This report seeks endorsement to proceed with Stage 1 Approval of the New Project Proposal for the Miles Platting Joint Services Centre (JSC) at the Strategic Partnership Board (SPB) meeting and to commit funds to the project in accordance with the procedure set out in the Strategic Partnering Agreement. The report also seeks endorsement of the Miles Platting community hub master plan including the capital resources required to deliver this scheme.

1.2 The SPB membership is drawn from representatives of MAST Lift, NHS Manchester, Salford City Council, Manchester City Council and Trafford Metropolitan Borough Council. The purpose of the SPB is to approve the MAST Lift Strategic Service Development Plan for the area and ensure that MAST Lift’s proposals for new projects are consistent with the delivery of local health and social care plans.

1.3 Endorsement by the SPB of the Stage 1 Approval for the Miles Platting Joint Services Centre is required as part of the process to secure £3.8million PFI credits towards the Council’s elements of the JSC from the Department of Communities and Local Government.

1.4 Endorsing the report will also enable officers to proceed with the community hub project as per the master plan appended to this document.

2.0 The Miles Platting Joint Services Centre (JSC)

2.1 Members were advised that the services which will be provided by the City Council from the JSC will include a new library, adult education, advice and information services, services for young people, plus spaces that can be hired for community, recreation and leisure use, and community focused outreach work. (Executive Report 24th March 2009). NHS Manchester have confirmed that a range of health services focussed upon the overall health needs of the area will be provided from the JSC. The scope of this provision will include 3 GP practices, chronic disease management, maternity and children’s health services, drugs misuse and sexual health services, counselling and therapy services, breast screening and minor surgery. A pharmacy will also be located within the JSC.

2.2 Further work to develop the design of the building in line with the requirements of the Lift stage 1 approval process has been undertaken jointly by the City Council, NHS Manchester and MAST Lift, and MAST Lift have confirmed that the scheme is still deliverable within the financial limits set by the City Council and NHS Manchester.

2.3 This proposed scheme will now go forward for approval to the Strategic Partnership Board. This is a key element of the Approvals Process for New Projects procured through MAST Lift and once approved by the SPB indicates a clear commitment to proceed with the project and transfers elements of project liability and risk to the City Council. Any withdrawal from the project
after stage 1 approval (other than in very limited circumstances) will result in MCC being liable for costs whether or not final approval for the scheme is granted by the Strategic Partnership Board.

2.4 As a shareholder of the MAST Lift company Manchester City Council has to provide a proportion of the shared debt equity investment required to deliver this scheme. This figure is currently estimated to be £71,000 but will be offset by the capital receipt Manchester City Council will receive from MAST Lift in respect of the lease that will be granted to MAST Lift to build on this site. The exact figures will be confirmed upon the financial close of the scheme which is planned in May 2010.

3.0 The Community Hub Master Plan and Project Delivery

3.1 A spatial master plan for the community hub has now been produced for member endorsement. A copy is provided in appendix 1 of this report.

3.2 The master plan provides detail to the proposal for a community hub at the junction of Varley Street and Oldham Road which was included within the Miles Platting Neighbourhood Plan endorsed by members on 26th July 2006. The plan therefore clearly locates the JSC, retail provision, swimming pool and housing office on this prominent corner of the neighbourhood.

3.3 In order to configure these services in accordance with this plan a new adopted highway will be built to replace the existing Sawley Road together with a new car park which will service the whole site. In order to make adequate provision for the full range of services that will be on offer to local residents (and passing trade) the level of parking provision allocated to the site should be increased. The master plan illustrates the optimum level of car parking, this will require agreement with Lovell to accommodate this increase in capacity. The outcomes of these negotiations will be reported to a future meeting of the Executive.

3.4 The cost of providing the highway and car park was recognised within the capital budget reported to Executive on 11th February 2009. Resources of £1million were reserved from unsupported borrowing subject to further clarification of costs. Following clarification of master plan cost estimates, the Executive is requested to approve a capital budget increase of £1,200,000 to be funded from a capital contribution from Adactus Housing Association of £75,000 and £1,125,000 unsupported borrowing.

3.5 Members were advised in the report to Executive on 24th March 2009 that the community hub will be delivered in two phases. The first phase will deliver the JSC, housing office, convenience store, post office and pharmacy, plus a new adopted highway and car park and is projected to be complete by the Autumn of 2011. Officers are continuing to identify funding options for a new swimming pool which will be included in the phase 2 development of this site together with additional retail units. Until a replacement pool has been built the existing pool on Varley Street will remain open.
4.0 Recommendations

4.1 Recommendations are set out at the beginning of this report

5.0 Contributing to the Community Strategy

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

The Miles Platting community hub will enhance the quality of public realm and the standard of public service provision and will therefore help to retain and grow the population in the local area

(b) Reaching full potential in education and employment

A range of family and adult learning services, together with information and advice services will be provided from the community hub plus possible employment opportunities within the retail outlets situated within the community hub

(c) Individual and collective self esteem – mutual respect

The range of services that will be provided from the community hub will contribute to residents living longer, happier and healthier lives

(d) Neighbourhoods of Choice

A significantly improved public realm is central to the vision of developing Miles Platting into a neighbourhood of choice. The community hub (including Joint Service Centre) is an essential component of this revitalised public realm

6.0 Key Policies and Considerations

(a) Equal Opportunities

The Miles Platting community hub will make a significant contribution to the promotion of equal opportunities by enabling the delivery of high quality services in partnership with a variety of key agencies such as the Primary Care Trust and Adactus Housing Association.

(b) Risk Management

In line with the Council’s risk management policy a risk register has been established for both the community hub and the Joint Service Centre to support the identification and management of all risks associated with this project. To effectively manage the risks associated with this development robust project management arrangements are being put in place and will be funded through the Council’s revenue budgets
(c) Legal Considerations

MAST Lift was procured in accordance with relevant public procurement rules by a consortium of public authorities including the City Council. This will be the first project drawn down by the City Council under the framework. The City Council will enter into a lease plus agreement with the contractor under which the City Council will pay a rental that reflects its proportionate share of the initial build costs together with the ongoing management costs. Specialist internal and external legal advice will continue to be sought throughout the duration of this project to ensure all relevant legal considerations are appropriately dealt with.