PURPOSE OF REPORT

To seek approval, in principle, to utilise Combined Authority powers and to delegate authority to the Chief Executives of Manchester and Trafford in consultation with their relevant Leaders to present a report to the Greater Manchester Combined Authority requesting that a Compulsory Purchase Order is made.

RECOMMENDATIONS:

1. That the Combined Authority approves in principle the exercise of its powers to acquire all interests in the Cornbrook Hub site, in order to achieve redevelopment of the site in line with the Cornbrook Hub Strategic Regeneration Framework subject to:

   i) a further report being submitted detailing the justification for a CPO in line with government guidance, and
   ii) agreement that all costs of making a Compulsory Purchase Order (including all Heads of Compensation) are to be met under the terms of an appropriate indemnity,

2. That the Combined Authority appoints Manchester City Council to act on its behalf in taking all necessary steps to prepare the case for the CPO, including but not limited to securing an appropriate indemnity in respect of the Combined Authority’s costs in promoting and making the CPO.

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Risk Management – see paragraph 3.7
Legal Considerations – see paragraph 3.7
Financial Consequences – Revenue – see section 5.
Financial Consequences – Capital – see section 5.

Background documents:

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report.

General documents

The Cornbrook Hub SRF (available on the council’s website)

Council Reports

Manchester
Cornbrook Hub Regeneration Framework, Executive, 18 December 2013
Cornbrook Hub, Executive, 03 September 2014
Cornbrook Hub, Executive, 29 July 2015
Cornbrook Hub, Executive, 14 December 2016

Trafford
Cornbrook Hub, Executive, 27 July 2015
Cornbrook Hub, Executive, 19 December 2016

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1. INTRODUCTION

1.1 The Cornbrook Hub site, shown on the plan at Appendix 1 to this report, is located within the Regional Centre in a strategically important gateway location at the South-Western gateway to Manchester City Centre. It is prominently situated adjacent to the A56 Bridgewater Way, which provides access to the Pomona Island strategic development location and the Bridgewater Canal. Located within the site is the Cornbrook Metrolink station, a key element and major transport hub of the regional public transport network.

1.2 Notwithstanding this strategically important location the site is presently underutilised, being occupied by a range of heavy industrial uses such as scrap metal merchants and open storage yards. These are uses which detract from the environmental quality of the area and which are increasingly incompatible with newly regenerated areas such as St George’s Island and the emerging proposals for Pomona Island situated within Trafford.

1.3 The contribution which the site makes to the economic and environmental success of the Regional centre/city centre is at present extremely limited. It has much more to offer.

1.4 Both authorities are committed to maximising the regeneration potential which is encapsulated within the subject area.

1.5 Redevelopment of the area will need to be of a scale and nature that will transform and regenerate not only the Cornbrook area, but the immediate surrounding area as well. This is considered a key priority in achieving a step change which will ensure that Cornbrook Hub, and surrounding area, become a place to live, work and invest.

1.6 Both authorities consider that only comprehensive coordinated holistic redevelopment of the site can achieve this and overcome the constraints to redevelopment which exist.

1.7 The Cornbrook Hub and St George’s area are situated on the fringe of Manchester city centre and are part of a ribbon of development around the Bridgewater Canal and railway lines that link the city centre with other parts of the Regional Centre in Salford and Trafford.

1.8 The Cornbrook Hub neighbourhood falls within the boundaries of both Manchester City Council and Trafford Borough Council. Manchester Ship Canal Developments (MSCD) has a significant landholding in the Cornbrook area, and proposes to develop large scale residential schemes around the adjacent Pomona area in Trafford.
1.9 The MSCD proposal for the Cornbrook Hub includes creating a new commercial, residential and leisure destination, recognising the importance of the site’s location as a “Gateway” between Manchester and Trafford. The regeneration proposals for Cornbrook will include significant environmental improvements to the immediate area and a potential new entrance and improved car parking to the Cornbrook Metrolink Station.

1.10 In order to support the regeneration of the Cornbrook Hub, Manchester City Council and Trafford Council have adopted a strategic regeneration framework (SRF) for Cornbrook. The Framework document identifies how the area could be transformed to create a new commercial and leisure destination, which supports significant new employment and business growth opportunities.

1.11 Regeneration Frameworks are produced to ensure that the development of a large site is comprehensive. They provide developers with information on expected development, and the public with information on timescales and phasing. All regeneration frameworks are subject to a public consultation period. Specific issues in relation to detailed design, roads, car parking, pedestrian access and accessibility will be examined by the relevant authority’s Planning and Highways committee when planning applications for individual developments are bought forward.

1.12 The area which is covered by the SRF is located on the city fringe of the Manchester and Trafford border and is bounded by Chester Road, and the Bridgewater Canal. The total site area includes around 2.3 hectares of land that is divided into two distinct parcels by the operational railway/ metrolink system. One parcel of the site is located within the boundary of Manchester, with the remaining parcel located in Trafford.

1.13 The Cornbrook Hub SRF aims to deliver high density commercially led, mixed use development of the land within Manchester and Trafford. It would create a new gateway to Manchester city centre from the West and would improve access to the Cornbrook Metrolink Station, a major transport hub. A broad range of uses are anticipated for the area that falls within the Manchester area including office space, residential, (circa 100 dwellings) retail and an 18 storey hotel. (Phase 1a appendix 1)

1.14 The land located in Trafford, is bounded by the Bridgewater Canal and the viaduct and divided into two sections by Cornbrook Road. The northern part is 1.10 hectares and is occupied by heavy industrial uses and the southern site is around 0.21 hectares and is vacant. The proposal is to deliver a new business hub within the proposed order lands which fall within Trafford (Phase 3 on attached appendix 1)
The regeneration of the Cornbrook Hub will not only provide a gateway to Manchester City Centre but will also form a new gateway onto the Pomona Island area in Trafford. This will enable the full redevelopment potential of the area which falls within Trafford, Pomona Island area to be achieved. In particular it would enable the delivery of a minimum of 1,100 new residential dwellings (Ref: Trafford Local Plan, Land Allocations-draft consultation January 2014) on the adjacent Pomona Island site, with the potential to increase this by a further 1,000 properties. This in turn will provide the impetus for the delivery of a real transformational scheme across the whole of the wider area.

It is estimated the above proposals could deliver around 1750 new jobs during construction and upon occupation, including local employment opportunities.

The Cornbrook Hub SRF sets out that a regenerated site could deliver an area that is integrated and well connected with its surroundings; the replacement of incompatible land uses with high quality buildings within a much higher quality environment; the reuse of the railway arches; the Bridgwater Canal and Irwell City Park and associated pedestrian/cycling routes and the provision of local amenities for the community, as well as improved permeability through the site providing improved access overall to the Cornbrook Metrolink station.

The regeneration of the Cornbrook Hub requires comprehensive large scale development and land assembly to transform the area, and deliver the step change required to ensure that it becomes a recognised new commercial, retail and leisure venue.

In July 2015, the Manchester City Council Executive considered a report in respect of the lands within Manchester forming part of the Cornbrook Hub neighbourhood seeking in principle the use of Town and Country Planning Act Compulsory Purchase powers to deliver the comprehensive regeneration of the lands. A similar report was also submitted to Trafford Council’s Executive in July 2015 in respect of the lands which fall within Trafford.

The above reports requested the executives to endorse an approach to the delivery of the Cornbrook Hub site, whereby both authorities would make their own Compulsory Purchase Orders in respect of the land falling within their respective areas. These Orders would be promoted in parallel through the confirmation process and managed by a project team made up of officers from both authorities with Manchester taking the lead role.

2. Vision

The comprehensive redevelopment of the Cornbrook Hub area will deliver;
• Creation of a new gateway in a prominent location on the A56- a signpost to Manchester City Centre, Trafford, Media City, Pomana Island and an enhanced Cornbrook Metrolink station.

• The relocation of existing heavy industrial uses which are incompatible with the area located at the gateway to one of Europe’s great city centres.

• New high quality contemporary urban buildings and areas of public realm alongside the A56 and Bridgewater canal.

• New investment, jobs (estimated 1750) and economic growth in one of the most deprived area in England. It will complement the existing and planned residential development of the area.

• An enhanced Metrolink station which will drive increased patronage and deliver sustainability benefits.

• A range of facilities for both local residents and visitors to the region. It will support city Manchester City Centre’s role as a global conference and business centre.

• Improved levels of integration between the site, surrounding areas and the waterfront of the Bridgewater canal and River Irwell.

2.2 As a result of the above the area will become a place to;

• To stay
• To eat
• To work
• To connect
• To meet a friend

3 Strategic delivery approach

3.1 Under the Greater Manchester Devolution Agreements and consequent legislation, the Combined Authority has now been given powers to purchase land compulsorily. For the reasons explained below, it is considered appropriate to utilise these new powers to promote a single CPO for the site.

3.2 The Greater Manchester Combined Authority (Functions and Amendment) Order 2016 (the Order), containing the devolution powers, was laid before Parliament in November 2016 and came into effect in December 2016.

3.3 Under the Order, the power to make a CPO will rest with the CA until
such time as the elected Mayor takes office. After that time the CPO powers will be exercisable by the elected Mayor, subject to the consent of the Combined Authority members for the areas affected by the proposed CPO.

3.4 The Order was made on 22 December 2016 and, by Article 1, it came into force on 23 December 2016. Powers in relation to the utilisation of CPO powers are contained within Articles 5 and 6, and these grant powers to the CA corresponding to those contained in (amongst others) section 9 of the Housing and Regeneration Act 2008 (Homes and Communities Agency CPO powers), section 226 Town and Country Planning Act 1990 (planning CPO) and section 17 of the Housing Act 1985 (housing CPO).

3.5 However, as with any CPO, the acquiring authority must demonstrate a compelling case in the public interest for the use of the CPO power. This would include demonstrating that there are no impediments to the proposed development/regeneration taking place, including any physical or legal impediments such as planning issues or funding issues.

3.6 Therefore, in relying on the existing regeneration framework as a basis for the CPO, it is likely that some of the elements of work required to submit a planning application would have to be undertaken in order to provide reassurance to the Inspector, in the event of a Public Inquiry, and to the Secretary of State that no impediments to the proposed development exist.

3.7 A project team of officers from both authorities will be formed to deliver the Compulsory Purchase Order which will include representatives from legal in order to ensure compliance with the legislation and relevant guidance and thereby mitigating the risks associated with the promotion of a CPO. The project team will meet on a regular basis and review any issues, risks which may arise.

4 Resolutions to date by Trafford and Manchester

4.1 Reports were submitted to both Manchester and Trafford’s Executive’s on the 14th and 19th December 2016 respectively seeking agreement to approve the delivery strategy set out above and the Recommendations below were agreed.

- Approve the alternative delivery strategy as detailed in section 2 below utilising the Greater Manchester Combined Authority Compulsory Purchase powers.

- Delegate authority to the Chief Executive in consultation with the Leader to present a report to the Combined
Authority requesting that a Compulsory Purchase Order is promoted by the Combined Authority in respect of the Cornbrook neighbourhood, as detailed in Appendix One. The report to the Combined Authority will ask the Combined Authority to appoint Manchester City Council to act on its behalf in taking all necessary steps to prepare the case for the CPO, including but not limited to securing an appropriate indemnity in respect of the Combined Authority’s costs in promoting and making the CPO.

5 Financial Consequences.

5.1 As with the previous CPO strategy being pursued using Town and Country Planning Act powers, subject to Agreement with MSCD, MSCD will underwrite the total cost of the CPO process. Under an agreed and signed CPO Indemnity Agreement MSCD initially agree to indemnify both Manchester City Council and Trafford Council for internal officer time commitments, and any external consultant time, incurred through the CPO process. They will also provide an indemnity for all compensation liabilities associated with the CPO. Subject to approval of the recommendations in this report, an indemnity would also need to be provided by MSCD in respect of any costs incurred, and compensation payable, by the Combined Authority in promoting and making the CPO.

5.2 The CPO Indemnity Agreement envisages that a project team, comprising representatives from MSCD, Manchester City Council and Trafford Council will be established that will meet regularly to oversee the making and confirmation of any CPO. Given that the project team has been meeting to discuss the early stages of the CPO and Manchester City Council has been taking the lead role, it is proposed that the Combined Authority appoints Manchester City Council to act on its behalf, in consultation with Trafford Borough Council, to take all steps necessary to prepare the case for making the CPO; to prepare a report to the CA setting out the justification for the CPO and seeking authority to make the Order, and; thereafter to take all necessary steps to secure the confirmation of the Order in compliance with applicable legislation and guidance.

5.3 The Indemnity Agreement also envisages that an account will be held by MSCD’s solicitors into which MSCD will pay in advance a sum equivalent to both Councils and, where appropriate, the CA’s best estimates of the likely costs involved in each stage of the CPO process. The Authorities will then be able to draw funds down from this account to fund their internal and external costs incurred through the CPO process. The CA will not be obliged to exercise its CPO powers to acquire any remaining third party interests unless and until MSCD has paid into the account a sum equivalent to the total outstanding CPO liabilities of the CA and/or Councils, as agreed between the CA, the Councils and MSCD.
6 Progress to date

6.1 Since July 2015 significant progress has been made through the negotiations in assembling the land required for the proposed development, all the former lease holders, holding over have now vacated, the formal closure of Westminster Street has been obtained, terms have been agreed with Clear Channel (who own an advertising sign on the site) and the demolition of vacant properties and subsequent hoarding off of the sites has been completed.

6.2 Extensive negotiations have been held with Hutchinson 3G UK limited (in respect of a telecommunications mast on the site), as well as with the principal occupiers of the site, Bennett recycling and Mancunian Springs, and their appointed surveyors. These negotiations have included extensive accompanied visits to potential relocation sites across the region. The negotiations are ongoing and will continue as long as necessary.

6.3 Planning approval for the creation of access road and new car parking beneath existing arches to provide 71 parking spaces for new residential development of 164 apartments at Pomona Wharf was approved under application ref 9034/FO/2015/C14 on the 10 August 2015. Alongside the above application an application in Trafford was approved under ref 85822/FUL/15 for the erection of 11 storey building of 86 apartments and 10 storey building of 78 apartments with ground floor link, provision of car parking, access from Hulme Hall Road, new landscaping and refurbishment of footpath alongside Manchester Ship Canal/River Irwell. This is on site and is due for completion September this year.

7.0 Proposed Indicative Redevelopment timetable

7.1 MSCD has worked with both local authorities to prepare a delivery strategy for the Cornbrook Hub site, which has been derived from the key principles set out in the Cornbrook Hub Regeneration Framework. A copy of the illustrative delivery plan for the Cornbrook Hub site is attached at Appendix 1.

7.2 The City Council propose to utilise the approved and adopted Cornbrook Hub Regeneration Framework, plus additional supporting planning studies to support the CPO process in order to ensure and demonstrate that there are no planning or other impediments in respect of the proposals for the Cornbrook Hub scheme in order to promote a successful CPO. The existing approved and adopted Cornbrook Hub SRF, provides an agreed framework for the scale, mass and type of new development on the site.

The draft delivery programme includes:-
Phase 1a (being the part of the Cornbrook Hub site falling within Manchester): Creation of a new hotel destination: Start on site proposed late 2019.

Phase 1b (being the part of the Cornbrook Hub site falling within Trafford): Site remediation and decontamination in readiness for a new commercial business hub: Works could commence late 2019

Phase 2: Development of the 1st residential apartments at Pomona Island: Commenced onsite April 2016 – completion expected September 2017

Phase 3/4: Delivery of future residential and commercial phases at Pomona Island will be over a period of 5 - 10 years following completion of the CPO process/securing vacant possession of the Cornbrook site

The above draft timescales assume that land assembly can be completed by the end of 2018.

8. Environmental and Climate Change Impacts

8.1 The regeneration proposal set out in the Cornbrook Hub SRF includes a vision for new high quality public realm as part of the overall development, which would significantly improve the environment of this part of the city centre. The Cornbrook area benefits from a Metrolink station within the vicinity, reducing dependence on car borne journeys. The SRF seeks to develop new improved access ways, which will provide residents with linkages to surrounding neighbourhoods and city centre districts.

8.2 The SRF includes a commitment to the highest possible standards of urban design and sustainability within the proposed commercial development through innovative building design, promoting low energy use. Sustainable design and development principles will be tested at planning application stage.

9.0 Concluding Remarks

9.1 The proposed change of strategic delivery will ensure that the full objectives of the SRF adopted by Trafford and Manchester will be delivered holistically and in a controlled, phased approach in order to create a new commercial destination which supports significant employment and business opportunities.

10.0 Recommendations

10.1 Recommendations are at the front of this report