

NEW EAST MANCHESTER LIMITED ANNUAL REPORT 2008-2009 for Homes & Communities Agency and Communities and Local Government

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| Date Established 2000 |
| Core Partners Homes and Communities Agency; North West Development Agency; and Manchester City Council |
| Board members Robert Hough; Graham Alcock; Iqbal Ahmed; Father Tim Hopkins; Elaine Wright; Rita Birch; Cllr Sir Richard Leese; Cllr Neil Swannick; Cllr John Merry; John Huggins; Mark Hughes; David Chiltern; Garry Cook; and Deborah McLaughlin. |
| Chair Robert Hough Chief Executive Officer Eddie Smith |
| Staff Numbers 34 fte |
| Business Plan Period 2008/09 |
| URC Area (ha's) 1,990 |
| Population 64,546 (ONS Lower layer SOA estimate, 2007) |



Islington Wharf

General Overview

• Chairman's Review

New East Manchester's (NEM) work as a company has continued to develop over the past 12 months with the ongoing support of funding partners and resource commitment from the Homes and Communities Agency, Manchester City Council and North West Development Agency. Together with other public, private, and voluntary sector partners, this commitment supports the delivery of the East Manchester Strategic Regeneration Framework (SRF) that sets out the long term strategic response to the opportunities that present themselves within East Manchester and the wider City Region, along with continuing the significant progress made to develop the area as a sustainable place in which to work, invest, live and visit. The related three-year Implementation Plan has been updated and sets out the key actions that the Company intends to deliver and sponsor over the next 12 and 36 months.

NEM are seeking to promote and deliver against a backdrop of some of the most difficult economic conditions the country has experienced for more than a generation. However, the flexible nature of the SRF enables the Company to respond to the dynamics of the market over the long term. These conditions are having a significant bearing on the performance of local businesses, the number of employment opportunities available to residents and are having a negative impact on the commercial and residential development of the area. The New East Manchester Board has taken stock of these conditions and as a result has agreed that the focus of the Company over the next 12 – 24 months should be: -

- That existing commercial and residential investments made or being made within east Manchester are protected as far as possible so that they can continue to act as a positive influence on the future regeneration of the area;
- That east Manchester is prepared for an upturn in the economy and is capable of capitalising on opportunities for new commercial and residential development which, in the medium to longer term, enables the area to prosper and secure the outcomes that have been set in the 2008 - 2018 East Manchester Strategic Regeneration Framework; and
- That actions are put in place to ensure that the impacts of any economic downturn on east Manchester businesses and residents are minimised as far as possible and that there is a continued focus on supporting local businesses along with ensuring that residents are equipped with the necessary skills to enable them to compete for employment opportunities across the Manchester City Region and beyond.

Despite these difficult conditions, there are significant opportunities to be explored and exploited, a number of which may help the area to be in a much stronger position over the medium to longer term and contribute to helping to secure our goals. The work we have undertaken, and will continue to bring forward with Government through the Ministerial Group for Manchester will offer real and tangible benefits to the continued regeneration, through, for example development on the Sportcity site and proposals by Manchester City Football Club to achieve their long term aspirations. In addition, 2009 will see the commencement of the physical construction of the two Metrolink lines that will run through east Manchester, providing renewed confidence to prospective investors and occupiers.

We remain confident therefore that the area can look forward to a successful and prosperous future.

• Chief Executive's Review

This year, the potential impact of the economic downturn has been the Company's foremost consideration. An away day in September enabled the NEM Board to consider the direction and focus of the Company within this context, as well as agreeing future key investment priorities. The outcome of this debate provided clear direction, with NEM strategically planning to ensure the area gains maximum benefit and growth from potentially reduced levels of investment and exploring the potential of funding partners bringing forward public sector investment to stimulate development programme. In addition, opportunities for strategic land acquisitions are being explored to minimise speculation and land banking.

There has been a concentrated focus on key strategic projects. Crucially, the development of Sportcity presents a unique opportunity for east Manchester to rebrand itself and the Company is playing an important role working with Government through the Ministerial Group for Manchester in leveraging additional investment to create sustainable job opportunities and help tackle worklessness. The masterplanning and business planning process has progressed across the three major strands of investment – the sporting infrastructure; development of major leisure and entertainment visitor destination of national significance; and supporting Manchester City Football Club's (MCFC) aspiration to become a world leading football club. During the year a development competition for the new leisure destination began, a sole (but not preferred) bidder has been selected and dialogue is continuing. MCFC are preparing a 5-year Business Plan, which will include proposals for new related infrastructure and NEM continue to work closely with them to secure this investment in east Manchester. Sportcity has also been identified as a major opportunity to lead on the development of low carbon solutions and an environmental sustainability framework has been prepared.

In terms of new world class sporting infrastructure at Sportcity, we have continued to work closely with the British Cycling Federation on the development of a Velopark concept, a key element of which will be the world's first indoor BMX arena. Funding and planning applications have been submitted and acquisitions progressed to create associated public realm including improved pedestrian links to Metrolink and development of a high quality public space.

At Central Park, terms for lease of part of the former Sharp building to Stone City and Red Vision were agreed this year, establishing the first lettings that will promote the creation of a UK centre for the digital animation and visualisation industry. We have also worked with Ask: Goodman to secure the relocation of Greater Manchester Police Headquarters onto Central Park.

Discussions with the Manchester College progressed and resulted in the acquisition of the Rolls Royce Crossley Works site to develop a local and sub regional resource centre for Greater Manchester for learners with complex needs and disabilities in partnership with the Together Trust's Bridge College, who will relocate from their current Stockport site.

NEM has continued to drive up educational standards with further significant improvement in Key Stage 2 and Key Stage 4 results. The Funding Agreement and Memorandum and Articles of Association for the East Manchester Academy have now been submitted for Ministerial approval. Work on the site for construction of the new £35 million Academy was formally launched in January 2009 with an official ceremony following in March. The Principal Designate has now taken up his appointment and is fully engaged in the scheme, co located in the interim at NEM's offices.

The Board have approved a range of actions to help sustain the east Manchester housing market, protect recent investment in priority schemes and identify future investment opportunities.

The Company will continue to constantly assess the impact of the downturn with intelligence supported by a series of recession monitoring indicators that will provide early warning about changes in conditions and where action may be required. This will be complemented by a comprehensive review of the Company's structure and focus in the short to medium term.

Area of Operation

Strategic Framework Overview

The 2008 – 2018 East Manchester Strategic Regeneration framework (SRF) sets out a comprehensive and long term regeneration agenda to maximise the contribution that East Manchester makes to national, regional and local competitiveness as well as ensuring maximum benefit for local resident and making the area an attractive, safe, accessible and friendly area in which to live and work.

To move forward, make further substantial progress building on the foundations already laid and ensure that the region makes the most of the opportunities within east Manchester to maximise economic growth, NEM and its partners will continue to:

- Work within a wider sub-regional context and focus our energy on encouraging those businesses within competitive economic sectors to locate into and remain within east Manchester;
- Renew the physical landscape of east Manchester so that it explicitly supports the development of a new economic base and new residential neighbourhoods through, for example, world class public realm, high quality amenity space, iconic buildings, and a modern tram and associated public transport system;

- Champion the need to drive up education standards in east Manchester schools and act as an advocate for the city's education system to be reshaped as part of a wider strategy of attracting and retaining working families who are an essential foundation of economic prosperity, financial vitality and neighbourhood stability;
- Implement strategies to enable residents to enhance their skills and secure employment within the City and the wider City Region. NEM will work with mainstream agencies to put in place coherent and appropriately resourced actions to address the needs of east Manchester residents, along with complementing these activities by focussing its own energies on those furthest away from the labour market; and
- Establish "neighbourhoods of choice" that can attract and retain working households, recognising that neighbourhoods function best when they contain families and households with a broad mix of incomes. In doing so NEM will promote a neighbourhood offer that encourages working households to live in east Manchester, which will demand access to quality public facilities – schools, GPs, and dentists, signature design of buildings and places, quality retail and other services and safe and secure environment that residents can enjoy. Creating popular neighbourhoods within east Manchester that can attract and retain working households is a critical component in helping accommodate the population and household growth at the heart of the Manchester City Region, thereby enabling the wider City Region economy to grow in a sustainable manner.

Care has been taken to ensure that the SRF is flexible and capable of responding to the challenge of the dynamics of the economy during the current market downturn. The annual Implementation Plan sets out actions that NEM is seeking to promote and deliver across three thematic programme areas: -

The Economy & Employment Programme

- Promoting new arcs of employment along the Alan Turing Way and Great Ancoats Street corridors;
- Maximising the opportunity of Metrolink investment: eight stops, eight places; and
- Creating working communities.

The People and Communities Programme

- Tackling crime and anti social behaviour in east Manchester; and
- Promoting outstanding educational achievement.

The Neighbourhoods & Places Programme

- Establishing family orientated neighbourhoods;
- Reviving east Manchester's high streets; and
- Greening east Manchester.

Key projects within the strategic priorities

| Project Name & Description | Current Position on Previous Milestones as at 31 st March 2009 | Project Milestones 1 st April 2009 to 31 st March 2010 |
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| COMMERCIAL PROPERTY DEVELOPMENT IN EAST MANCHESTER | | |
| SPORTCITY | | |
| <p>Sportcity is currently the largest cluster of international sports facilities in the country. The City of Manchester stadium provides a powerful and positive locational image for the area.</p> <p>The strategy for the development Sportcity has evolved through several phases; the initial plan saw the core sports facilities, the major food store, associated community facilities, and canal-side housing developed.</p> <p>Co-ordination of future activity across the three major strands of investment is continuing with the</p> | <p>The procurement for a partner in the development of a major new leisure development continues. A strategy is being developed to identify the necessary public sector funding required to deliver the outcomes identified in the Sportcity Collaboration Agreement.</p> <p>MCFC are considering their requirements and NEM continue to work closely with them. The Club are preparing a 5 year Business Plan, which is going to their Board in May.</p> <p>NEM are working in Partnership with the University of Manchester, the Hospital Trust, English Institute of Sport, World Academy of Sport and elite teams to</p> | <p>Sportcity masterplan update completed – June 2009;</p> <p>Work with MCC to complete tendering process to determine preferred leisure attraction bidder named – July 2009;</p> <p>Work with MCC and appointed contractors to ensure BMX construction starts on site – September 2009;</p> <p>Work with MCC to achieve planning consent for first phase of leisure attraction – February 2010.</p> |

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| <p>ambition to develop the hub of sporting excellence. Further investment is being made in new sports infrastructure, including a national indoor BMX centre and freestyle BMX arena; the City Council is seeking a partner to operate a leisure and tourism destination of international significance on land around the stadium; and Manchester City Football Club, under new ownership, is committed to creating a world leading club with its home in Sportcity.</p> | <p>develop Sportcity as a centre of excellence for sports science, medicine, coaching, training and education.</p> <p>Sportcity has also been identified as a major opportunity to make a positive contribution towards achieving the objectives of Manchester's Climate Change Call to Action. A Sportcity wide environmental sustainability framework is being prepared.</p> <p>NEM continues to work closely with the British Cycling Federation (BCF) on the development of the Velopark concept and, critically, to ensure that they remain committed to Sportcity as home to British Cycling.</p> <p>The planning application for the BMX facility will be submitted shortly. NEM is working to assemble the funding package for the facility and associated Velopark. Application for grant funding to Sport England has secured a £3m commitment towards the development and funding applications are being progressed with NWDA. There is however a significant shortfall in funding for the facility and related public realm and infrastructure.</p> | |
| <p>ANCOATS</p> | | |
| <p>Ancoats, the world's first industrial suburb, forms part of a potential World Heritage Site within East Manchester and its buildings include former cotton spinning mills, housing, community facilities and commercial buildings of every period from the 1790s. Following decades of post-industrial decline, Ancoats is now being brought back to life as an urban village with an emphasis on mixed use development.</p> | <p>NWDA has reviewed with NEM its current Development Agreements in Ancoats and assessed the performance of each developer. The outcome is that where there is clear evidence of continued intention to develop NWDA is prepared to re-negotiate the timetables and milestones. Where there is no demonstrable commitment, NWDA is currently considering action to take back the sites into public ownership, to be held pending market improvement. Discussions are also proceeding with NWDA to acquire a number of property interests with a view to securing these in public ownership until the market improves.</p> <p>There have also been discussions to accelerate provision of infrastructure to connect Ancoats to and through New Islington and to the Metrolink stop on Pollard Street.</p> <p>Handovers commenced on Urban Splash properties within the CHIPS development. To assist with sales potential the HCA has provided further 'Homebuy Direct' support to this project.</p> | <p>Conclude work on the Spatial Review of Great Ancoats Street Corridor in conjunction with North Manchester Regeneration Team - June 2009</p> <p>Completion of final phase of Ancoats Public Realm project – December 2009.</p> |

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| | Officers are continuing to broker discussions between the current owner of Central Retail Park and a potential purchaser. | |
| THE ASHTON OLD ROAD CORRIDOR | | |
| <p>Rolls Royce have this year closed their facility at Crossley Works on Pottery Lane and outline proposals have subsequently been developed to bring forward a new college facility on the site under the stewardship of the Manchester College and the Together Trust, developing a local and sub regional resource centre.</p> <p>The future of the New Smithfield wholesale market continues to be a key priority for NEM, the city and the wider city region. There is a key need to develop a robust business case for the possible redevelopment that takes into account the future shape and role of wholesale food markets within the UK.</p> <p>Chancellors Place is a mixed use development which will provide a proposed scheme of circa 4 million sq ft, including 1,300,000 sq ft of commercial floorspace with a focus on developing a private sector led healthcare and health related activity. Negotiations on the development agreement between the City Council and NEM have sought to provide the developer with a flexible phased agreement recognising the poor market conditions currently prevailing and to provide an agreement that is capable of funding and finance in such adverse market conditions</p> | <p>NEM has completed the acquisition of the Crossley Works premises, and is currently working up a strategy for demolition and remediation.</p> <p>Consultants are in the process of being procured to bring forward such a review with a view to determining the future development strategy for the market.</p> <p>Outline planning approval granted subject to conditions on development and office demand.</p> <p>Development agreement close to being finalised.</p> | <p>Procure the remediation and demolition contractors for Crossley Works – June 2009;</p> <p>Commence remediation and demolition of Crossley Works site – August 2009;</p> <p>Agree layout and development masterplan for Bridge College scheme – October 2009; and Confirm proposal and funding for the Bridge College development - February 2010.</p> <p>Undertake a strategic review of the New Smithfield Wholesale Market following the outcomes of detailed feasibility study – November 2009.</p> <p>Work with Grangefield to bring forward detailed planning application for 1st Phase Health Mall proposals – December 2009;</p> <p>Work with Grangefield and MCC to bring forward compulsory purchase orders to complete land assembly of early phases – Dec 2009/March 2010;</p> <p>Work with Grangefield to agree the design of the public realm and 'green' bridge – March 2010.</p> |
| CENTRAL PARK | | |
| <p>Central Park covers some 182 ha with a capacity to accommodate up to 500,000 sq m of commercial floorspace, of which the first phase has an outline planning consent for 130,000 m2 of high quality offices. It has excellent links to Manchester City Centre and the region's transport networks, including its own Metrolink station, and is destined to become the city's business park.</p> | <p>Strategic review of Ten Acres Lane corridor to be undertaken which will consider potential junction improvements</p> <p>Development proposals with Regatta for the Weir Pump Site not progressing. NEM and HaCA are progressing alternative enquiries.</p> <p>Terms for lease of part of the former Sharp building to Stone City and Red Vision have been agreed, establishing the first lettings that will promote the creation of a UK centre for the digital animation and visualisation industry.</p> | <p>Undertake a strategic review of the Grimshaw Lane/ Ten Acres Lane corridor to optimise relocation and business development opportunities through development of the key sites at Weir Pumps and Jackson's Brickworks – November 2009.</p> <p>Bring forward phase 1 of works on the Sharp building for completion – September 2009.</p> |

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| | <p>Further proposals for an Internet Hub at Central Park linking it to the Oxford Road Corridor through next generation broadband connectivity is now being reviewed by North West Development Agency.</p> <p>Detailed terms agreed with Greater Manchester Police for new Force Headquarter facilities at Central Park. Planning permission secured. The new Divisional HQ is the subject of a review being undertaken by the Greater Manchester Police Authority, regarding design, accommodation and cost.</p> | <p>Work with Ask:Goodman to ensure GMP Force HQ starts on site – November 2009;</p> <p>Work with Ask:Goodman to ensure GMP 'A' Division planning application submitted – March 2010;</p> |
| Project Name & Description | Current Position on Previous Milestones as at 31st March 2009 | Project Milestones 1st April 2009 to 31st March 2010 |
| RESIDENTIAL PROPERTY DEVELOPMENT IN EAST MANCHESTER | | |
| BESWICK | | |
| <p>Beswick The redevelopment of Beswick is one of the largest opportunities for new housing and mixed use development in East Manchester. Lovell and Gleeson are as joint developers and have worked closely with NEM and local residents to agree a neighbourhood plan for the area that includes a new state of the art primary school, local shopping provision and a new East Manchester Academy.</p> | <p>Progression of the Beswick redevelopment has been significantly affected by the recent downturn in market conditions. Gleeson have completed their phase 1 development but are presently unable to deliver their Phase 2 programme despite receiving planning approval, including the former Beswick Neighbourhood Centre site necessary to facilitate the construction of the East Manchester Academy. Officers have been working with Gleeson on alternative proposals to facilitate commencement of works on the Academy, and to provide and maintain safe and secure interim shopping facilities during construction period.</p> <p>The residential demolition programme phases 2 to 5 has been completed, however Lovell have confirmed that they will not be progressing development north of the proposed Green Route, until such time as market recovery is evident. NEM is working with the City Council to resolve the impact of these proposed changes on the wider Beswick development.</p> | <p>Work with RSL partners/ Lovell/ Gleeson to ensure completion of the Academy site housing re-provision programme -July 2009;</p> <p>Completion of the demolition programme- January 2010.</p> |
| CLAYTON | | |

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| <p>The Clayton neighbourhood is bounded by Droydsden to the west, Ashton New Road to the south and Clayton Vale to the north.</p> <p>The western fringe is Clayton West, situated 2 miles east of Manchester City centre and adjacent to Sportcity. This area contains three major assets: Philips Park, Medlock Valley and the Sportcity development. A key objective for Clayton West is to maximise the benefits of these resources, whilst stabilising the current population and providing new residential choice.</p> | <p>A detailed planning permission has been submitted for Alpine Street and a development agreement is in place. However, due to market conditions a revised offer for the adjoining former Infant School site has been received from the developers which is now being considered by NEM. The future strategy needs to be considered in light of present market conditions. Voluntary acquisitions are progressing well.</p> <p>Subject to the outcome of negotiations with owners, there may now be no need to promote a CPO on this site. It is proposed to land bank pending improvements in market conditions.</p> <p>An approved planning permission is required to support the promotion of the Viola Street CPO. However a review of the funding viability of the proposed scheme is presently underway.</p> | <p>Complete remaining acquisition of properties in the Ilk/ Alpine Streets area – June 2009; and</p> <p>Work with MCC/ ID4Living to complete review of development opportunities for Viola Street - November 2009.</p> |
| <p>GORTON</p> | | |
| <p>The focus of NEM's regeneration effort in the Gorton neighbourhood has been to pump prime the redevelopment of the Gorton District Centre to provide a catalyst that will stimulate the residential, retail and commercial markets within the locality.</p> <p>The Company has also supported the restoration of the Monastery of St Francis which will become not only become a conference centre and community facility for the area but will act as another stimulus for investment in the wider area.</p> | <p>Commence a programme of traffic management at and around the District Centre</p> <p>Confirmed site for new high quality health centre</p> <p>Monastery Village housing development – developer not progressing due to current conditions of housing market. Alternative options being assessed</p> <p>Indoor market refurbishment completed</p> | |
| <p>OPENSHAW</p> | | |

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| <p>Two key projects are being taken forward in Openshaw: the redevelopment of the Toxteth Street area by Lovell and the construction of a new Openshaw District Centre by Dransfield Properties.</p> | <p>Toxteth Street CPO confirmed in January, 2009. Work to ensure that the process of relocation of owner-occupiers is closely managed in tandem with the development programme is being progressed.</p> <p>Lovell have highlighted poor market conditions which could result in a number of homes due to be promoted for open market sale in the early phases of development not being advanced. However agreement has been reached to secure an additional 15 homes within the first phase of development to promote the relocation of an additional 15 existing owner-occupiers funded through Housing Market Renewal Fund resources.</p> <p>A CPO has been confirmed that will allow the redevelopment of Openshaw District Centre which will see a new Morrisons supermarket constructed in July 2009</p> | <p>Work with Lovell to implement Toxteth St Phase 1b residential development – March 2010;</p> <p>Commence facelift improvements to retained homes at Toxteth Street – March 2010.</p> <p>Work with funding partners, NWDA, to secure financial support for a facelift scheme for shops and commercial premises on Ashton Old Road – June 2009;</p> <p>District Centre start on site - September 2009.</p> |
| <p>HOLT TOWN</p> | | |
| <p>Holt Town aims to be a new family friendly urban quarter for Manchester meeting the needs of purchasers who wish to have easy access to the City Centre but find that the existing offer are not suitable for their needs. Holt Town is critical to achieving the successful regeneration of the surrounding neighbourhoods including the Lower Medlock Valley, New Islington and Miles Platting.</p> | <p>Cibitas Investments secured a planning approval to bring forward the Holt Town scheme. A Development Agreement was signed and outline planning approval granted. However over the last 12 months it has become clear that current market conditions are impacting on the ability to bring forward the first phase of development. Cibitas are now seeking support from the HCA who have indicated that any consideration of this proposition should be within the context of the single conversation with City to agree short, medium and longer term investment priorities for Manchester.</p> | <p>Work with Cibitas and MCC to complete a review of development density across the whole site – September 2009;</p> <p>Complete a review of proposals for the Chesshyre Avenue properties – September 2009.</p> |
| <p>LOWER MEDLOCK VALLEY</p> | | |
| <p>The Lower Medlock Valley lies directly east of the City Centre, bordered by Great Ancoats Street and Ashton Old Road to the south. The Glossop railway line borders to the east with Albert Street and Purslow Close to the North. The Western border is defined by Merrill Street, Cruthers Street and Every Street. In 2006 housebuilders Bellway, Taylor Woodrow and Lovell's were selected as the preferred developers to work as a consortium on the regeneration of the area and appointed Taylor Young as Masterplanners.</p> | <p>The development of Lower Medlock Valley has been withdrawn at this time and the developer consortium has been informed of NEM's intention not to proceed.</p> | |

| MEDLOCK VALLEY | | |
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| <p>Within the Medlock Valley NEM is working with partners and local residents to provide a safe attractive green space along the River Medlock, through the heart of East Manchester for the benefit of the local and wider community and wildlife. It incorporates Clayton Vale, Philips Park and the Lower Medlock river valley</p> | <p>NEM has led on the improvement of the space since the publication of the Medlock Valley Strategy in 2002 and in March, 2009 won the Area Based Regeneration category and received a commendation in the Community category of the BURA / Waterways Renaissance Awards. Future plans are being reviewed to ensure they take into account the potential for future development, for example at Sportcity.</p> | |
| MILES PLATTING | | |
| <p>Miles Platting covers an area from the border of Ancoats Urban Village and New Islington to Hulme Hall Lane, Oldham Road and Bradford Road. NEM have been working with Manchester City Council and other stakeholders to develop a coherent plan to regenerate this neighbourhood since 2001.</p> <p>The centre piece of the regeneration of this neighbourhood will be funded through a Housing Private Finance Initiative programme involving some £160 million of public money along with a similar amount of private sector funding. This marks a major step towards the transformation of this 107 hectare (264 acre) area of East Manchester, two miles east of the city centre.</p> | <p>Miles Platting CPO confirmed. Lovell are working with MCC and NEM to review the overall new housing development programme including a significant reduction in the number of apartments.</p> <p>Regarding the Joint Service Centre, a report seeking approval to submit the final Business Case for PFI credits was approved by City Council Executive in March.</p> | <p>Work with MCC, NHS Manchester Age Concern and Community Hub construction starts on site – by January 2010</p> <p>Work with MCC to ensure completion of Park View School phase 1 – February 2010</p> <p>Work with CLG and MCC to secure confirmation of PFI credits for new library – March 2010</p> <p>Work with MCC to complete the assembly of sites included within the CPO process – by March 2010</p> |
| NEW ISLINGTON | | |
| <p>The New Islington Millennium Community is a £250m development on a 12.5 ha (29 acre) site at Ancoats, East Manchester. It was the third Millennium Community to be identified as part of English Partnerships' national programme.</p> <p>The development site includes the former Cardroom Estate, which was built in the late 1970s. By the 1990s, the estate's community was suffering the effects of massive depopulation, poor services and high levels of crime. Only half the 204 homes were occupied when the site was identified for development as a Millennium Community.</p> | <p>To sustain momentum and to enable other sites to be prepared for development, Urban Splash, NEM and the NWDA have been in discussions with a view to investment for infrastructure works focused on public realm that will connect Ancoats and New Islington through to the Metrolink stop on Pollard Street. Urban Splash are also in discussions with HCA and NWDA over a number of development sites across New Islington that they may consider disposing of.</p> <p>Taylor Wimpy have now formally withdrawn from the Botanic development. Implications for the overall sub-development agreement between partners are being progressed.</p> <p>Handovers have commenced on the Urban Splash properties within the CHIPS development. A number of reservation fees have been forfeited due to a lack of availability of mortgage finance. Great Places, who are providing shared equity opportunities within CHIPS, are also</p> | <p>NWDA scheme approval – May 2009</p> <p>Main contractor awarded – November 2009</p> <p>Start on site – January 2010</p> |

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| | experiencing similar difficulties. | |
| NEWTON HEATH | | |
| <p>The Newton Heath neighbourhood sits along the A62 Oldham Road, approximately 3 miles from Manchester City Centre. As with a number of other important District Centres in the East Manchester area NEM are keen to promote investment in Newton Heath District Centre so that it can support the development of sustainable residential, retail and commercial markets.</p> | <p>Works package for traffic management improvements to Old Church Street agreed.</p> <p>Development brief for District Centre subject to further review considering economic conditions.</p> <p>Development of brief for disposal of and masterplanning for Jacksons Brickworks site delayed pending discussions with administrators KPMG who intend to dispose of the site for development. Disposal hampered by current market and poor ground conditions.</p> <p>Appointment of development partner to bring forward masterplan for the Newton Heath District Centre delayed and subject to further review having regard to economic conditions, current demand from developers and the investment market.</p> | <p>Work with selected contractor to complete traffic management improvements to Old Church Street – March 2010.</p> <p>Appoint masterplanner for Newton Heath District Centre – July 2009;</p> <p>Public realm works District Centre – March 2010;</p> |
| WEST GORTON | | |
| <p>Within West Gorton New East Manchester has been working in partnership with preferred developer consortium BASE, a joint venture between Artisan and Barratt and their masterplanners, BDP, on proposals for an extensive regeneration programme for the West Gorton neighbourhood, which is one and a half miles from the city centre and covers 52 hectares (128 acres).</p> | <p>Ballot of eligible tenants for the small scale stock transfer has been delayed, to be determined by MCC and Guinness Northern Counties and will tie into the approval process for HCA Housing gap funding as part of the 'single conversation' between MCC and HCA on funding priorities.</p> <p>Funding for replacement primary school will be included in the 2011 – 2014 primary strategy for change, DSCF package. In the short term a pre fabricated community room will be operational on the site for extended activities by summer 2009.</p> <p>New medical centre approved as priority scheme as part of NHS Manchester Board Strategic Service Development Plan Negotiations taking place with GPs and PCT regarding third party development brief.</p> | <p>Secure gap funding through HCA – August 2009;</p> <p>Work with developer to secure outline planning approval for masterplan – September 2009;</p> <p>Work with MCC to secure Ballot Approval for transfer of homes – September 2009;</p> <p>Work with developer to commence building works on Phase 1 sites - January 2010.</p> |
| <p>Value For Money</p> <p>Intelligence gathered over the past 12 months confirms that investment has provided excellent value for money.</p> <p>The 2008 Resident Perception Survey confirmed overall satisfaction with the neighbourhood continuing to improve with 65% of residents being happy with their neighbourhood (compared with 64% in 2005 and 58% in 2002). When asked to rate aspects of their local area, residents were most positive about services such as refuse collection, local health facilities, street lighting, quality of schools and public transport. These aspects were rated as good or fairly good by at least 65%. Residents' knowledge and awareness of regeneration work in the area has improved with 81% of residents being aware of improvements. This compares to three quarters of residents in 2005.</p> <p>76% of residents renting a home are satisfied with the overall service provided by their landlord, compared to 71% in 2005. Satisfaction with the state of repair of their home has also increased from 75% in 2005 to 79% in 2008.</p> | | |

The numbers of smokers in east Manchester has continued to fall, standing at 37% in 2008 compared to 42% in 2005 and 52% in 2002.

2 in 5 residents receive earnings from paid employment, compared to 34% in 2005 and 30% in 2002.

Education This year there has been a 6.7 percentage point rise in east Manchester in the number of pupils achieving five or more good GCSE passes at grades A*-C, against a national increase of only 3.3 percentage points. 63.7% of pupils in NEM achieved 5 or more A*-C grade GCSEs compared to only 57% of pupils city wide.

When we look at those achieving 5 or more GCSEs at grade A*-C inclusive of English and Maths, St Peters RC High School in Gorton was the 5th most improved school in the country, with an impressive 23 percentage point increase, nearly half (49%) the pupils achieved 5 or more A* -C grade GCSEs inclusive of English and Maths compared to only 27% the previous year.

Acquisitive Crime Serious Acquisitive crime rates in east Manchester have dropped by 20% in the last year. Acquisitive crime includes crimes where the perpetrator derives material gain from the crime and includes Burglary, Robbery and Vehicle Crime. Largest decreases have been in Theft from Motor Vehicle (TFMV) in east Manchester; in 2007/8 there were 20 TFMV crimes per 1000 residents which reduced to 12 TFMV crimes per 1000 residents in 2008/9.

Unemployment Although east Manchester has seen an inevitable rise in unemployment as a consequence of the economic downturn, the rate of increase of Job Seeker Allowance claimants in east Manchester is only half that of the national rate of increase and is 15% lower than Manchester.

| Area | % of working age population claiming Job Seekers Allowance (JSA) | | |
|---------------|--|--------|------------|
| | Feb 08 | Feb 09 | % increase |
| NEM | 5.4% | 7.3% | +35% |
| Manchester | 3.4% | 5.1% | +50% |
| North West | 2.7% | 4.3% | +59% |
| Great Britain | 2.2% | 3.8% | +73% |

Teenage Conception East Manchester saw a 14% reduction in the rate of teenage conceptions for the most recent data available (3 year average 2003-5), narrowing the gap towards the Manchester average which saw an 8% increase over the same period.

House Prices The average prices in east Manchester have been relatively resilient to the economic downturn, with several peaks over the last year caused by high quality developments, even in a generally stagnant market. 2008/9 has seen a reduction of 2.8% in the average house price in east Manchester, less than half of the Manchester reduction of 7.5%.

Qualifications 1 in 6 residents now has a qualification at level 4 or higher i.e. first degree or above, compared to only 1 in 10 in 2001 (Census). There has also been a reduction in the proportion of residents without any qualifications from nearly half of all residents (49%) in 2001 to 37% in 2008.

Good News Opportunities For The Year Ahead

We are looking forward to continuing to work with the Ad hoc Ministerial Group for Regeneration to bring forward the detailed actions that will help generate employment opportunities jobs and foster greater long-term growth that benefits the people of East Manchester.

Key projects include further progression of the three major strands of investment on to develop the hub of sporting excellence at Sportcity; the development of the Sharp building at Central Park as a UK centre for the digital animation and visualisation industry; completion of the East Manchester Academy; work with Manchester College and the Together Trust to develop the Crossley Works site on Pottery Lane as a local and sub regional resource centre for young people with disabilities; the development by Dransfield of a new Morrisons Supermarket as the anchor store for the new Openshaw District Centre; and the progression of discussions regarding next generation digital infrastructure in east Manchester.

Links to Other Programmes

The Company is the fulcrum for the co-ordination of resources benefiting the area – for example NDC, HMR and NRF - and plays a critical co-ordinating role in influencing the programmes of other key public sector partners, primarily through the East Manchester SRF Delivery Group.

Evaluation and Succession Planning

There will be a continuing assessment of individual projects, programmes and activities within the broader context of a revised performance management framework agreed by the Board in April, 2001. This will inform evaluation and succession planning.

The Beacons for a Brighter Future (NDC) Programme is due to complete in March, 2010 and a draft succession strategy for the Programme has been produced in accordance with detailed guidance from Communities and Local Government (CLG). The draft

strategy has been agreed by the Beacons Board and submitted to CLG for their consideration. Approval to the strategy is due by the end of 2009. In 2008, the North West Development Agency commissioned an interim evaluation to assess the impact of the SRB investment made across the area also examining NDC funded activity, recognising the two funding streams are inextricably linked. A detailed end of scheme evaluation is planned at the conclusion of the NDC Programme.

CLG's indication in February 2008 to extend NEM to 2014/15 has led to detailed work with each of the three funding partners to secure agreement on the focus and direction of the Company until this time. This will be supported by a clear resourcing plan for key initiatives along with a review of staffing and associated required to continue to deliver a transformational regeneration programme in East Manchester.

| Direct Output | Lifetime | Achieved up to 31/3/09 | % of lifetime outputs |
|---------------------------------|-----------------|-------------------------------|------------------------------|
| Public Sector investment (£m) | 720 | 518 | 72 |
| Private Sector investment (£m) | 1,357 | 625 | 46 |
| Commercial Floor Space (sq m) | 157,802 | 99,802 | 63 |
| Jobs Created | 12,301 | 2,651 | 22 |
| Housing Units | 4,620 | 1,648 | 36 |
| Land brought back into use (ha) | 187 | 127 | 70 |

Lifetime gearing 1.9

| Brokered Output | Lifetime | Achieved up to 31/3/09 | % of lifetime outputs |
|---------------------------------|-----------------|-------------------------------|------------------------------|
| Public Sector investment (£m) | 278 | 121 | 44 |
| Private Sector investment (£m) | 403 | 117 | 29 |
| Commercial Floor Space (sq m) | 17,843 | 12,500 | 70 |
| Jobs Created | 200 | 155 | 78 |
| Housing Units | 2,745 | 1,130 | 41 |
| Land brought back into use (ha) | 16 | 13 | 81 |

Finance

Income & Expenditure account for 1st April 2008 to 31st March 2009

| | Budget Annual £000 | Budget YTD £000 | Actual YTD £000 | Forecast Outturn £000 |
|------------------------|-----------------------|--------------------|--------------------|--------------------------|
| Income/Funding | | | | |
| HCA | 475 | 475 | 475 | 475 |
| RDA | 682 | 682 | 682 | 682 |
| Council | 572 | 572 | 572 | 572 |
| ERDF | 50 | 50 | 70 | 70 |
| Other | 25 | 25 | 30 | 30 |
| TOTAL | 1,804 | 1,804 | 1,829 | 1,829 |
| Expenditure | | | | |
| Staff Costs | 1,280 | 1,280 | 1,312 | 1,312 |
| Offices/Premises Costs | 204 | 204 | 189 | 189 |
| Travel/Transport | 20 | 20 | 18 | 18 |
| Consultants PI/Proj | 180 | 180 | 180 | 180 |
| PR/Marketing | 120 | 120 | 130 | 130 |
| Other | | | | |
| TOTAL | 1,804 | 1,804 | 1,849 | 1,849 |
| Surplus/(Deficit) | 0 | 0 | (20) | (20) |

Average No. of Staff

34

Financial and output returns are subject to confirmation of outturn statements from partners.