

Report to: EXECUTIVE CABINET

Date: 27 November 2019

Executive Member/ Reporting Officer: Councillor Oliver Ryan Executive Member for Finance and Economic Growth
Jayne Traverse – Director of Growth

Subject: HATTERSLEY REGENERATION REVIEW

Report Summary: The report updates the Executive Cabinet on the governance review to enhance the delivery process concerning the regeneration of the Hattersley Estate.
The report also outlines the key aspects of the Collaboration Agreement between TMBC, Onward Homes and Homes England, and the operational business plan produced by Barratt Homes relating to the overarching Development Agreement between TMBC & Onward Homes.

Recommendations: It is recommended that Executive Cabinet:

- (i) Notes the success and positive progress made towards delivering the estate regeneration programme in Hattersley.
- (ii) Recommends the nomination and approval for the Executive Member for Finance and Economic Growth to act as Hattersley Land Board Member on behalf of TMBC.
- (iii) Recommends that Executive Cabinet authorises and provides delegated authority to the Executive Member for Finance and Economic Growth to make decisions on behalf of TMBC at the Hattersley Land Board pursuant to the provisions of the Collaboration Agreement and in consultation with the Director of Growth and Director of Finance and to seek further governance if any decisions require a substantial change to the nature of the project.
- (iv) Recommends that Executive Cabinet authorises and provides delegated authority to the Director of Growth in consultation with the Director of Governance & Pensions and Director of Finance to agree terms and enter into an Agreement relating to the delivery of Public Realm works to Hattersley between Onward Homes and TMBC.
- (v) Recommends that Executive Cabinet authorises and provides delegated authority to the Director of Growth in consultation with the Executive Member for Finance and Economic Growth, the Director of Governance & Pensions and the Director of Finance to undertake the role of accountable body and accept and incur all financial expenditure relating to the delivery of the £3.7m Public Realm programme of works as within the provisions of the Development Agreement for Hattersley.
- (vi) Recommends that Executive Cabinet authorises Delegated authority provided to the Director of Growth in consultation

with the Director of Governance & Pensions and the Director of Finance to review, amend and approve Base (Barratts) Annual Business Plan linked to the Development Agreement provided that further governance will be required should a change to the Business Plan result in a substantial change to the nature of the project.

- (vii) That Annual performance reporting updates to be provided to Executive Cabinet for information in relation to the delivery of the Public Realm programme at Hattersley. In addition the capital budget will be added to the Growth Directorate Capital Monitoring reports.

Corporate Plan:

The Council's ambitions for the regeneration of the Hattersley area are reflected in the Corporate plan by aspiring to build successful lives, strong and resilient new communities, invest in a local and vibrant economy and promote healthy lives in a revitalised area.

Policy Implications:

The redevelopment of Hattersley area is essential for a range of social and economic reasons in order to create a sustainable community and a new vibrant centre. The enhanced delivery programme will bring in new people, new spending power and new jobs to make the area of Hattersley much more self-sufficient.

Financial Implications:

(Authorised by the statutory Section 151 Officer & Chief Finance Officer)

There are no direct financial implications as a result of this report. Monitoring of the business plan needs to continue to ensure that everything is kept within the available funds.

The monitoring of the public realm will be included within the overall Council capital programme to ensure the scheme is delivered and managed within the approved budget.

Following completion of all the planned works any remaining monies will need to be allocated according to the collaboration agreement.

Legal Implications:

(Authorised by the Borough Solicitor)

This requires Cabinet approval as reflected in the requirements set out in the original collaboration agreement approved by Cabinet.

Risk Management:

Barratts will through the development agreement want to clawback public realm funding in the event there is a breach, including failure to hit milestones or outcomes.

There is also a wider reputational risk to the Council with Onward Homes and Homes England if there is not a successful delivery of the agreed regeneration programme through the Collaboration Agreement. Other risks are considered within the body of the report.

Access to Information:

Information relating to this report can be inspected by contacting the report writer, Gregg Stott Interim Assistant Director of Growth and Nawaz Khan, Economic Growth Lead

Background Information:

The background papers relating to this report can be inspected by contacting Nawaz Khan.



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1. INTRODUCTION

- 1.1 The Hattersley estate was built in the early 1960s by Manchester City Council to rehouse tenants decanted from inner-city areas such as Gorton that were subject to 'slum clearance'. Hattersley was originally home to around 15,000 people – the second largest overspill estate in Greater Manchester. By 2006 the population had declined to around 6,600 and suffered from socioeconomic isolation, unemployment, spatially-concentrated poverty, crime, housing vacancies, physical neglect and territorial stigma.
- 1.2 In 2006 Manchester City Council transferred housing stock in Hattersley to Peak Valley Housing Association with an agreement that only a radical change of image and the injection of significant investment would succeed in regenerating the Hattersley area.
- 1.3 The regeneration of Hattersley has been driven by a partnership between Peak Valley Housing Association (now Onward Homes), Tameside Council, English Partnerships (now Homes England). The parties entered into an agreement to govern the financial and land input required to facilitate the regeneration as well as setting out the roles of each of the parties. This agreement is named the Collaboration Agreement.
- 1.4 The Collaboration Agreement is overseen by the Collaboration Board (known colloquially as the Hattersley Land Board) whose membership should comprise of one representative from each of Onward Homes, Homes England and the Council. Other attendees comprise of local residents and local Councillors as well as other representatives of Onward Homes, Homes England and the Council.

2. REVIEW OF HATTERSLEY REGENERATION

- 2.1 A recent review of Hattersley Regeneration & Governance has been undertaken to enhance delivery processes including that across the contractual framework of the overarching Collaboration Agreement, Residential Development Agreement & Commercial District Centre Agreement (split into phases for delivery).
- 2.2 Overall there has been significant success achieved under Hattersley Regeneration. It is important to note that whilst not specifically covered under the contractual framework and the focus of the report as above, there has been a huge amount of wider investment, delivery and success provided including:
 - Hattersley Station - in 2016 Hattersley Road West were re-aligned towards the station. The scheme improved rail passenger usage from the station by approximately 24% year on year and in 2017/18 the numbers went above 80,000 for the first time.
 - Creation of jobs, training & skills opportunities provided for the area
- 2.3 In addition to the key deliverables outside of the Collaboration there also remains key projects being looked at and developed including site of the former District Centre located on Hattersley Road East and further continued investment into the Hattersley Train Ticket Office.

Collaboration Agreement

- 2.4 Overall there has been significant success and progress made in delivering the main objectives of the Collaboration Agreement in Hattersley since 2006. Key delivery includes:
 - New Homes - Barratts are planning to build 656 homes in total with a total of 414 sold to date. Their aim is to complete the build programme within the next three years (2021).

- Refurbishment of existing homes - Onward have demolished in excess of 900 residential properties and undertaken the refurbishment of a further 1475 homes and completed development of 155 new homes.
- New District Centre - Phase 1 which includes Tesco's and the Hub building with offices, library and community facilities was completed in 2011.

- 2.5 Whilst the objectives of the Collaboration Agreement have largely been met, there still remains the delivery of a new District Centre for Hattersley under the provisions and as part of the Collaboration Agreement. Onward Homes entered into a Development Agreement with Maple Grove Developments Limited, for development of the site at Stockport Road/Ashworth Lane, with a new retail park. Planning permission was secured in February 2018. Effectively, this development would form the second phase of the new District Centre for the area and is on land owned by Onward (the first phase District Centre was completed in 2011 including Tesco's and the Hub).
- 2.6 TMBC are currently considering a proposal put forward by Maple Grove around the new District Centre above and which may be subject to another report.
- 2.7 Under the Collaboration Agreement and as per the current business plan there is a total of £0.969m remaining in the Hattersley regeneration programme that has not been allocated to any project, together with £3.809m of expenditure that has been committed against projects that haven't been completed, expended or materialised. Some of which will need to be reallocated or transferred into the main fund but £3.7m is ring fenced for Public Realm. The Hattersley Land Board is responsible for the funds sitting within the provisions of the Collaboration Agreement but under the agreement with the Council acting as the Accountable Body.
- 2.8 There is no long stop date to the Collaboration Agreement other than the date the stock transfer had to take place. When the agreement ends which inevitably it will, any surplus funds remaining will be split in the agreed proportions across the partners (TMBC 35.85%, Onward 63.62%, Homes England 0.53%).

Development Agreement with BASE (Barratts)

- 2.9 Alongside the Collaboration Agreement sits the Development Agreement with BASE (Barratts). It provides Barratts with a licence to build on the land and sell the properties. The freehold remains with the landowner until the properties are sold. The vast majority of the housing development sites are owned by Onward Homes. It has been recognised that the collaboration between the partners and the approach to controlling the land and releasing it for development to Barratts under licence has been one of the key success factors.
- 2.10 The operational aspect of the Development Agreement is through a Business Plan. It is produced on an annual basis by Barratts in consultation with the Council, Onward Homes and Homes England. Once agreed, it is signed by all the partners. A review/update of the 2019 business plan is due to start in October 2019 with the view of informing, presenting and seeking approval of the Business Plan for 2020. The long stop date for the Development Agreement is December 2021, by which time Barratts believe they will have completed their housing delivery programme in Hattersley.
- 2.11 The original Development Agreement set out provisions for a programme of Public Realm works to be delivered by Barratts. However through negotiations and a variation to the Agreement with the Council and Onward Homes, Barratts agreed to provide a total budget of £4m (in phases as development sites are drawn down) towards a ring fenced Public Realm programme and agreed by all partners to be delivered on an estate wide basis.

- 2.12 The programme and delivery of public realm works has to be agreed between Onward and the Council pursuant to the provisions of the Development Agreement. This review will enhance the delivery of public realm works.
- 2.13 An overarching public realm masterplan was produced (see Appendix 1) with an extensive programme of public consultation held in 2018 with local residents, businesses and other stakeholders. The consultation identified a number of key priorities for the area especially with regards to the quality of life issues including the urgent need to address lack of formal and informal play and recreational spaces, and finding a solution to the growing number of parking and highway issues. There are a number of public realm projects being developed between the Council and Onward Homes to deliver on the public consultation outcomes.
- 2.14 Further to the identified priorities of the consultation and to drive investment and delivery of the public realm programme, it is recommended that an agreement relating to such public realm works is created and entered into between Onward Homes & TMBC (within the provisions of the Development Agreement). This agreement will identify specific project leads, agreed outputs/milestones, funding and delivery arrangements. Whilst at a practical level this already takes place between partners, the agreement will further enhance the ability to deliver on key schemes.
- 2.15 Development Agreement – The total budget for public realm is £4m of which £3m has been received and a further £1m is expected either on the drawdown of development sites 23, 24 and 28 (all owned by Onward Homes) or the long stop date 31 Dec 2020 whichever is the sooner. £300k has been spent on public realm programme and project development to date.
- 2.16 The proposed agreement relating to public realm work allows for Onward and the Council to produce a strategic plan for the public realm programme and, agree on the individual projects and their implementation. Overall programme delivery and specific project update reports will be provided to Hattersley Land Board for information. Annual reports on performance will also be provided to Executive Cabinet.

3. RECOMMENDATIONS

- 3.1 As set out at the front of the report.

APPENDIX 1 – Public Realm Masterplan



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| | | | | | | | | | |
| Improved pedestrian experience | Slower vehicular speed & safer roads | Improved habitats & access to nature | Enhanced streets | Defined gateway | Enhanced green space | Improved cycle experience | Opportunities for sports | Community events space | Improved connections & way-finding |