

NEW EAST MANCHESTER LTD

BOARD MEETING: 23 JULY, 2008

ACTING CHIEF EXECUTIVE'S REPORT

1.0 Current Market Conditions For Information

- 1.1 As Members will note in both the residential and commercial property update reports elsewhere on this agenda East Manchester is continuing to experience a considerable slow down in these markets and this is very clearly on the deliverability of a number of our key schemes.
- 1.2 Members have previously requested a detailed analysis of the current challenging housing market conditions be undertaken with a view to NEM implementing a series of short-term policy responses to help meet its regeneration and housing priorities. I am proposing that this analysis and the responses to be adopted form a key element of the Board Half Day Away Day on the 19th September where Members, amongst other things, will be considering the 2007/8 Annual Report, reviewing in-year activity and progress, along with an initial draft of the 2009/10 Implementation Plan.

2.0 Rolls Royce For Information

- 2.1 Rolls Royce Power Engineering Ltd, who occupy the Crossley Works site near the Pottery Lane / Ashton Old Road junction, have announced that the future of the business at this location is subject to a review. The core business is the manufacture and maintenance of marine engines. The review lasts for 90 days (with just under one month left) and it will assess the viability of the operation and determine whether closure will follow.
- 2.2 NEM is endeavouring to engage with senior representatives to understand if any opportunity exists to assist the continued use of the works. The current workforce is approximately 80 staff, but in discussions we are led to believe that 30-40 key design engineers could be retained in the area within a relocated office element. The remainder would receive redundancy support from Rolls Royce following any closure decision.
- 2.3 NEM has met with Rolls Royce's property representatives, who requested a meeting to discuss the future development potential of the Pottery Lane site. We have requested that the site is jointly brought forward and the suggestion of future public sector involvement was received positively. A meeting is currently

being arranged with their Global Property Director to talk further about development opportunities that would arise following any closure of the business.

3.0 B of the Bang

For Information

- 3.1 At recent Board meetings Board Members have been regularly updated on the legal proceedings being taken by the City Council against Thomas Heatherwick for the breach of his contract with the Council, and against the other Defendants under collateral warranties they had entered into with the Council following their appointment by Heatherwick. As Members are aware a number of recent events, such as the need for a new remedial strategy, have impacted on the legal proceedings with Thomas Heatherwick. Discussions between all parties are still continuing in advance of the High Court hearing fixed for November 2008.

4.0 Staffing

For Information

- 4.1 The Chief Executive's Post has now been advertised with a closing date for applicants of the 11th August 2008.
- 4.2 Since the last meeting when we discussed the issue of staffing in some detail we have strengthened or are in the process of strengthening the staffing of the company in the three key areas of Programme & Project Management, Development and Marketing.
- 4.3 With regard to the Programme and Project Management Capacity of the Company we have recruited one senior project manager post and are intending to use the City Council's Capital Programme's Group Framework Contract to employ four further project managers to work on a number of key schemes such as Sportcity and the Sharp Project (see the Commercial Property Update Part A Report).
- 4.4 In terms of Development we have agreed with the Head of Corporate Property at the City Council to utilise their current recruitment process to help fill a number of the vacant posts within the Development Team. This current round of recruitment for Senior Development Surveyors will be completed by the end of July. Subject to the outcomes of this exercise further consideration will be made to the use of recruitment consultants to fill the vacant positions.
- 4.5 Finally, as the Marketing Report outlines elsewhere on this agenda steps have been taken to put in place interim arrangements for the Marketing & Communications Team which will see a strategic marketing manager position created within Marketing Manchester and seconded into the Company.

5.0 District Public Service Boards

For information

- 5.1 The City Council's Resources and Governance Overview and Scrutiny Committee and Executive have recently considered how elected members should be engaged in District Public Service Boards (DPSBs). The conclusion was that in fulfilling their role of ensuring delivery of the Community Strategy and Strategic Regeneration Frameworks, DPSB meetings so far have tended to include broad discussions of the objectives of partner agencies and discussions on specific issues of particular importance for the area or neighbourhoods within it.
- 5.2 Whilst this may be useful in building the culture of partnership working, it was agreed that to achieve these objectives, the Boards do not need to be organised formally on a district basis, given the policy framework of the city-wide Strategy and neighbourhood focused delivery - public sector agencies must work together to deliver the SRF but these deliberations should add value to delivery, not be administrative functions in themselves.
- 5.3 Discussion also took place on the role of elected Members. It was agreed that their focus should be the Local Area Agreement (LAA) as the Community Strategy delivery plan for the next three years. It was felt that general discussion of objectives at DPSBs risked weakening ownership of the LAA by Members and as a result it has been agreed to discontinue DPSBs, noting that the specific issues of importance to particular areas or neighbourhoods need to be taken forward as projects or tasks.
- 5.4 In future all Members are to meet twice yearly with NEM staff and, where appropriate, other partners to receive a general update on delivery of the Community Strategy and SRF and monitor delivery of specific projects and tasks. The first of these meetings will take place in East Manchester in early autumn.
- 5.5 A key purpose of DPSBs was to develop a culture of partnership working across agencies and in East Manchester their engagement is recognised as crucial to the successful delivery of the SRF and the realisation of long-term ambitions for the area. This Board has already agreed that DPSBs must be at the heart of delivering the Framework, taking responsibility for defining actions that will achieve overall aims and influencing budgets so that sufficient resources are committed to the delivery of the SRF. Partners have also committed to taking ownership of the actions within the Implementation Plan and being accountable for progress.
- 5.6 It will be important to maintain and further develop this commitment by public agency partners in the absence of DPSBs and in East Manchester it has been agreed to do this through the establishment of a Strategic Regeneration Framework Delivery Group. The first task of the group will be to develop a workplan that focuses on issues where the Group can add most value through

specific projects, ensuring all partners take responsibility for achieving the aims and objectives.

- 5.7 Worklessness and the development of District Focussed Workforce Learning have been suggested as two priorities within the workplan. The Board are requested to consider whether there are any other issues that would identify joint actions that will add value to delivery; identify gaps not already being addressed through other thematic or district structures; and ensure ownership of the SRF targets and the actions within the 2008/11 Implementation Plan.

6.0 Regeneration and Renewal Magazine Awards - 2008 For information

- 6.1 The Board will recall NEM's success at the 2007 Regeneration and Renewal Magazine Awards when the Company won in the Regeneration Agency of the Year and Regeneration Skills Development categories. This year it was agreed to submit entries in three categories – Social Regeneration Led Project of the Year; Heritage Led project of the Year; and the individual award of Leadership in Regeneration.
- 6.2 In the Social Regeneration Led Project of the Year category, the Super Respect project was put forward. Members will recall receiving a report on the positive impact of the Super Respect initiative in the Social Programme update submitted to the meeting on 20th February, 2008. The project successfully targeted neighbourhood nuisance, anti social behaviour and youth nuisance in the Clayton and Newton Heath areas.
- 6.3 In the Heritage Led project of the Year, Gorton Monastery was submitted as an ideal example of a scheme that clearly demonstrates social, economic and environmental benefit involving the conservation of a historic building.
- 6.4 We nominated Tom Russell for the individual award of Leadership in Regeneration, in order to recognise at national level his significant contribution to the regeneration of East Manchester and contribution to the continuing economic growth of the City Region.
- 6.5 We have now been informed that we have been shortlisted in all three categories. Members of the judging panel visited staff responsible for co-ordinating the Super Respect project on 17th July and will similarly be visiting the Monastery on 22nd July. The Award ceremony will be held on 18th September at the Hurlingham Club in London when the winners will be announced.