



The Fourth Happold Medal Lecture

4 April 2005

The Regeneration of Manchester - The Rebuilding of The City

**Sir Howard Bernstein
Chief Executive, Manchester City Council**

The Happold Trust

Forewords

Michael Dickson
Chair of the Happold Trust

The Happold Medal Lecture is given regularly in honour of the late Sir Edmund (Ted) Happold, a distinguished Engineer and CIC's first Chairman. Thanks to the generosity of the Institution of Civil Engineers (ICE) this year's lecture was held in the main lecture theatre at the ICE.

Sir Howard's lecture 'The Regeneration of Manchester' revealed the exceptional civic leadership and wide ranging and holistic principles that are the prerequisite of civic, economic and social regeneration. It laid out a useful model for the creation of Regional Centres elsewhere in the UK, where high quality design in the broadest sense is central to the creation of outstanding urban brand. His story was a fascinating illustration of a city seizing the opportunity to make itself relevant and sustainable through a set of measurable goals. Indeed urban sustainability was the theme that linked this year's CIC Happold lecture to those given previously by Sir Crispin Tickell, Amory Lovins, and Tessa Tennant – whose title was Building Sustainable Britain plc.

Stuart Henderson
Chairman of the Construction Industry Council

At a time when regeneration and sustainability are such important issues we were delighted that Sir Howard Bernstein agreed to give the Fourth Happold Lecture. Sir Howard is Chief Executive of Manchester City Council. He played a key role in the regeneration of Hulme, the first area in the UK to attract City Challenge Status; the construction of Manchester Stadium and Sport City Complex; and the rebuilding of the city centre after the 1996 bomb blast. He was also instrumental in securing Manchester as Host City for the XVII Commonwealth Games in 2002, the largest multi-sport event ever hosted by the UK and the most successful Games ever.



Photo: Michael Dickson – Chair of the Happold Trust, **Sir Howard Bernstein** – Chief Executive of Manchester City Council and recipient of the 4th Happold Medal, **Stuart Henderson** – Chairman of CIC, and **Graham Watts** – Chief Executive of CIC.

Fourth Happold Medal Lecture

The Regeneration of Manchester - The Rebuilding of The City

Introduction

Thank you for inviting me to talk about Manchester, and our regeneration plans. I am aware that previous lectures have focussed on sustainability, sustainable development and also the 'next industrial revolution! This has caused me to reflect on how important these topics will be to the success of Manchester's current regeneration policy and programme. Manchester was the birthplace of the industrial revolution where the first factory in the UK was built. The wealth of the city was reflected in the buildings erected during the 19th to early 20th century. Some are still being used for the original purpose intended. A particular case in point being our Town Hall, built in 1875 and still accommodating many of our staff, the very heart of the industrial revolution and at 130 years old, clearly sustainable! The procurement process for the Town Hall would make a fine lecture subject in itself – a flawed design competition where the winner used key features proposed by unsuccessful architects and an overspend of 400% against original budget.

We have come a long way since then and learnt from our experiences but some of the original vision where the council could and I quote from a contemporary source "Seize an opportunity for civic improvement and transform a seedy locality centred on an unprepossing yard into Manchester's prime civic square", still hold good in our regeneration plans for the city.

Manchester has changed significantly over the last 10/15 years. We have achieved remarkable success in creating a City that is vibrant, dynamic and creative - a place where people choose to live, to invest, to work and to play.

I will discuss our guiding principles, our role, approach and some of the lessons we have learnt and the challenges we face.

Firstly Our Guiding Principles:

We believe that:

- * Manchester is a place of opportunity,
- * Manchester can provide solutions to economic and social challenges; and
- * Manchester possesses the strong civic leadership that is so necessary to delivering lasting change.

Our Role:

Manchester has enjoyed a major renaissance: The City is now the largest and fastest growing urban centre outside London - we are now one of the most popular business locations in Europe and one of the world's top conference destinations.

Delivering Regeneration – key Themes

In Manchester, we want to make the City a world-class location for people to live, to invest, to visit and to work. We believe that Manchester is now one of the strongest regional centres in Europe, and the UK's leading city-region. By building on the performance of Manchester as the North of England's primary engine of growth, the City can deliver the quantum and quality of sustainable economic growth that is required to help transform the prospects of the North of England as a whole, and thereby make a major contribution to closing the productivity gap with London and the South East.

The view that the North of England is a place of great economic and social opportunity rather than one that is characterised solely by decline is now recognised by the Deputy Prime Minister in his plans to establish the Northern Way Growth Corridor.

The Council has played a fundamental role in the economic and social development of the City over these past 10/15 years. Through strong and consistent leadership we have developed and articulated a vision about the future strategic direction of the City which is widely shared by all sectors of Manchester and which has been shown to be realistic. Because we long ago recognised that the old version of 'municipalism' was outdated and irrelevant to Manchester's future investment needs, we re-defined our role to that of an 'enabler' to secure delivery of our overall vision.

We do not accept the traditional view that the purpose of local government in major urban centres is to solely deliver mainstream services. In Manchester, we have strengthened our commercial intelligence capacity to grasp strategic economic opportunities, and develop the capacity to take difficult decisions that are critical to the long-term interest of the City.

We have worked hard over recent years to diversify the economy of Manchester, and in particular the City Centre with its now enjoys an enhanced range of functions. It is now the most visited destination outside of London in England.

Successful delivery has been the result of strong partnerships and consistent civic leadership. We have developed and shared strategies with all sections of the community. And because our strategies are agreed and supported, it has become possible to build upon our partnership arrangements to secure the continued operational delivery of our programmes.

Positive planning is absolutely central to the Manchester approach. This is based upon the development of holistic physical and economic frameworks on an area-basis that not only make the crucial linkages between economic, social and physical change, but also provide the focus for continuous improvement in public services. We developed this approach in Hulme and it is now central to our continued success in the City Centre and the rest of the City.

By underpinning our frameworks and master plans with robust design guidelines, we provide developers, landowners and end-users with a clear direction as to our expectations about quality, not only in relation to the buildings, facilities and public realm that we seek, but also the contribution we expect their proposals to bring to the wider area. We also lead by example as has been widely and publicly acknowledged. High quality design is fundamental to creating a dynamic city, and we believe that our approach is fundamental to creating the sense of place that residents, investors and visitors require.

I believe that the approach we have adopted in Manchester is now starting to deliver a step-change in our performance.

Partnership, positive planning and design quality are intrinsically linked and I will now provide you with an insight into how these have come together to achieve sustainable regeneration within Manchester.

We are now producing almost a third of the region's GDP and over a tenth of all jobs. The City Centre and Airport are the region's most important generators of investment and jobs.

We are building upon our Higher Education Institutions they form one of the largest concentrations of HEI activity in Europe, which supports nearly 100,000 students and we are working to unlock academic excellence to strengthen the competitiveness of the City and region.

We are creating an investor and commercial destination of choice, which is capable of attracting and sustaining local, national and international businesses alike. Central Park, one of Europe's largest business developments (over 450 acres) will provide an integrated business quarter with a major new science, enterprise and learning centre.

Manchester also has a large and capable workforce, and one of the UK's most skilled, with the ability to respond to labour market demands.

Manchester is developing a high quality transport infrastructure to support our regeneration strategies - although many of you will be aware that we are currently again in deep discussion with the Government over the planned extension of Metrolink Phase 3.

I have to say that we were not only outraged but very surprised at the decision to defer funding particularly as we have been told, for many years that Manchester is a Centre for Transport Excellence. To be suddenly advised that the cornerstone of that strategy no longer persuades the DfT, was somewhat bewildering.

One thing we have learnt in Manchester is that success for us does not come easy. So having revitalised ourselves after a night's sleep after the decision a campaign was launched by local politicians, Manchester Evening News, business and community leaders, and has received unprecedented support.

We will deliver Metrolink if not today, then soon. We simply cannot afford not to do so.

Being resilient naturally takes me to sport. Not just because of my allegiance to MCFC, but also the Commonwealth Games ... now that was a roller coaster.

We now have a world-class cultural, sports and visitor infrastructure - capable of hosting artistic and sporting events of national and international importance. Our Sportcity and Stadium combine a range of state-of-the-art facilities.

Overall, we have diversified our local economy; our population base is stabilising and the number of residents in the City Centre is expected to increase to 20,000 by 2006; and we have secured over £2bn of private investment and created over 25,000 new jobs in key growth sectors in the last 3 years alone.

Our Approach

We have now started to deliver a step-change in our performance, and it is clear that the role and contribution of major cities such as Manchester is key to lifting the economic and social prospects of the nation.

We are ensuring that public investment supports the ongoing regeneration of the city centre, and that the city centre and other key locations can bring forward strategic sites and accommodation capable of meeting the needs and expectations of investors and end-users. For example, at Spinningfields, we are creating over 4m ft² of prestige office space, underpinned by residential, retail and leisure developments. New developments such as the Beetham Tower, will add to the range of landmark buildings that already dominate the City's skyline, such as Urbis, Number 1 Deansgate and the Manchester International Convention Centre.

We are linking economic opportunities generated by our major regeneration initiatives such as the city centre and Airport, to improve access to jobs, facilities and services.

We are maximising the contribution and potential of HEIs, growth sectors and clusters to improve the competitiveness of the City and the region.

We are improving the quality and responsiveness of business support services to address low business survival and expansion rates and to support micro-enterprises.

We are bringing forward other key strategies such as:

The Manchester Knowledge Capital Initiative - our new over-arching economic framework to maximise the City's global competitiveness in the 21st Century knowledge economy - is now working to unlock the full economic potential of our world-class universities, Airport and cultural infrastructure; strengthening our standing as an international commercial and creative industries centre; and by building on the success of the Commonwealth Games developing the City as a globally recognised "economic brand".

Our vision is that by 2015 we will have contributed £10b to the North West economy's growth through increasing local jobs and employment by 100,000. An increased proportion of local people will be employed in high-value added occupations these will be. Increased inward investment in knowledge-intensity jobs. Improved school attainment and the skills base will lead to an improved quality of life for all citizens positioning Manchester as an international icon as a Knowledge Capital.

We will continue to develop the physical infrastructure that residents, businesses and service end-users require.

Manchester is now an exciting place, but our improving economic performance masks differences in opportunity available to all residents. One of the biggest challenges we face at City, Regional and National levels is how we ensure the benefits we are generating through wealth-creation and employment opportunities, are captured by local people. This means we must improve the access of local people to the benefits we are creating. This is a task, which cannot be performed by the Council alone. It is about how different public sector agencies, in health, skills and employment, for example, inter-react and synergise their programmes. How we as a Council make step-change improvements in our services, such as Education, and how we ensure that all our neighbourhoods are attractive places where people, irrespective of choice, want to live.

Our regeneration programme is co-ordinated in four geographical areas, North, South, East and City Centre. I will use East Manchester as my example.

New East Manchester Ltd is a partnership initiative between Manchester City Council, English Partnerships, North West Development Agency and the communities of East Manchester. The area encompasses 1,900ha situated immediately east of Manchester City Centre. East Manchester presents an opportunity for investment and regeneration on a scale unprecedented in an English City.

It has a traditional manufacturing base with a 60% employment loss between 1975 - 1985 and a 13% population loss in 1990's. The housing market collapsed with 20% vacant properties and large negative equity. The area had a low skills base, high crime, poor health, poor community and retail facilities and a fragile economic base where 52% of households receive benefit and there was 14.9% unemployment. The infrastructure and environment were poor and in some senses non-existent.

Our role therefore is to develop and implement the Regeneration Framework and lead the physical regeneration of East Manchester, promoting the market and the area. We co-ordinate and integrate social/community and economic programmes and initiatives including, new deal for communities, education action zone, SureStart, Ancoats urban village, housing market renewal fund, single regeneration budget, health action zone, and the sports action zone. We focus mainstream public funding effectively - £150m per year and secure public and private section resources to deliver the comprehensive programme.

Our target is to double the population to 60,000 in 10-15 years providing up to 12,500 new homes and improving 7,000 homes. A 160-hectare business park is being developed and at Sport city a 48,000-seat stadium and world-class sports, leisure and entertainment facilities have been provided. We are expecting to create 10,000 new jobs and achieve educational attainment above the city average.

Thus far the former brownfield site at Sportcity is providing the impetus for the new town centre, and the creation of a Metrolink extension for Sportcity.

The employment rate has been reduced from 14.9% in 1998 to 7% in September 2004. Successful recruitment campaigns have resulted in ASDA and Matalan employing 269 local people. Local business advisors support over 500 local companies.

Our strategy and hard work has so far delivered in excess of 500,000 sq ft of new business floor space completed or on site. Over 3,000 jobs have been created and safeguarded. 3,500 units of new housing for sale will be completed or are under construction. Two new primary schools have been built, the regional arena and visitor centre at Sportcity and Ashton Canal Corridor comprehensive improvement programme completed.

Some lessons we have learnt and challenges for the future

I can assure you that all of us in the City strive day by day to deliver our regeneration agenda.

Only when we do this can Manchester justifiably claim to be a truly successful City... a place not only where investors and occupiers, decide to do business.. but also a place where all our residents and communities achieve their full potential.

When I talk about leading by example this also extends to the Council being a good client. We have had to develop our skills to adapt to a rapidly changing market. The bomb blast on the 16th June 1996 has accelerated the rate of change – I feel the change that took us 4-5 years to complete would have taken 10-15 years under normal circumstances. Having built a momentum of change we feel it is now self-sustaining, providing we keep a close eye on the tiller! We have learnt to be clear about the outcomes we expect from our initiatives and that quality has to be at the forefront of our plans. We have worked hard at this over the past years. Building Art Galleries, Stadia, Convention Centres, assuming responsibility for the rebuilding of the post-bomb City Centre, just to name a few examples, did not come all that easy to us.

But we got through it. And successfully so. To have achieved these outcomes full and proper tribute must be paid to the endeavour and professionalism of our suppliers. We endeavour to work hard with our suppliers, to recognise the market they work in and for them to understand and deliver our ever changing needs. I think they would, if asked, give appropriate recognition to the added value we brought to the process as a client.

- * Having clarity of purpose and outcomes was something we worked hard on.
- * Understanding risk, and what in the real world, represents a sensible allocation of risk is another discipline and skill set we have developed.
- * Raising the bar about local benefit at all stages of the construction and procurement process was made development relevant to the lives of local people, and increased their sense of ownership of the outcomes.

And

- * Surrounding ourselves with the skills normally to be found only in the private sector not only helped me, but strengthened the credibility of our Team to contractors and the Design Teams.

All of these and more experiences are now manifesting themselves in the way all our mainstream capex spend and programmes are conceived and developed.

We have achieved much through our partnerships but there is much more to follow if we are to achieve the sustainable regeneration of many areas outside of the City Centre. This will be very challenging and we are preparing for this with our proven formula for success. Strategic regeneration frameworks representing shared visions with our partners for the areas, implemented with detailed master plans and neighbourhood plans.

Through our own capital programme, quality design is already a major consideration and we are very aware of our responsibility to future generations. 'Building Schools for the Future' is probably the most meaningful example of this.

Manchester believes that good school design has an essential role in transforming the education of its children. Consequently design quality is being championed at the highest level within the authority. To support this commitment Manchester has undertaken a detailed architectural and educational analysis of the exemplar designs published by the DFES to make sure that the key learning points are fully reflected in the programme. We have also commissioned the preparation of innovative research based Key Performance Indicators that link the teaching environment to educational outcomes in order to monitor the design outcome.

The designs will also emphasise sustainability to make sure that all aspects of the design and management of the new buildings contribute to the wider well being of the communities they serve. The City Council will be drawing on the intellectual capital of Manchester's academic community working alongside Council departments to make sure that best practice and value for money go hand in hand.

Innovation is another key theme in our approach. New Technology will transform how and where education is delivered in the future, and Manchester is determined to make sure that our strategy supports these future changes. Manchester is also leading on workforce reform, and the new buildings will support these changes through the quality of the facilities provided to the teaching staff.

We see the BSF programme providing a unique opportunity to make an exciting architectural impact within the local community. The purpose of doing so is to raise the expectations and achievements of pupils. We place strong emphasis on the importance of 'identity' and a sense of place so that the key spaces within the school uplift and impress. As a young student said at one of our early workshops 'They don't make ordinary buildings in Manchester any more'. Manchester intends to continue to raise the expectations of its communities through the quality of the teaching environments it provides.

Overall and finally, you have heard about some of our successes over the last decade. Areas of the City that suffered massive decline have been transformed over this period, whilst other areas have substantially improved prospects. The City Centre has been radically improved, and the range of attractions and facilities it offers to businesses, residents and visitors has been increased.

Manchester is now the 13th most desirable business location in Europe and has the 3rd strongest business office market and 4th highest retail location in Europe.

The challenge for us all is to improve the quality of life for our residents and to encourage businesses to locate and grow in the City. This is a multi-faceted objective, which can only be achieved through the concerted efforts of the public, private and voluntary sector with a commitment to continue to work closely together in pursuit of change.

Thank you.

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ConstructionSkills is a partnership between CIC, CITB-ConstructionSkills and CITB(NI) as the Sector Skills Council for construction

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