



Executive

Date: Wednesday, 29 July 2020

Time: 2.00 pm

Venue: Virtual Meeting https://manchester.public-i.tv/core/portal/webcast_interactive/485347

This is a **supplementary agenda** containing additional information about the business of the meeting that was not available when the agenda was published.

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

Under the provisions of these regulations the location where a meeting is held can include reference to more than one place including electronic, digital or virtual locations such as Internet locations, web addresses or conference call telephone numbers.

To attend this meeting it can be watched live as a webcast. The recording of the webcast will also be available for viewing after the meeting has ended.

This is a **supplementary agenda** containing additional information about the business of the meeting that was not available when the agenda was published.

Membership of the Executive

Councillors

Leese (Chair), Akbar, Bridges, Craig, N Murphy, Ollerhead, Rahman, Stogia and Richards

Membership of the Consultative Panel

Councillors

Karney, Leech, M Sharif Mahamed, Sheikh, Midgley, Ilyas, Taylor and S Judge

The Consultative Panel has a standing invitation to attend meetings of the Executive. The Members of the Panel may speak at these meetings but cannot vote on the decisions taken at the meetings.

Supplementary Agenda

- | | |
|--|---|
| 3. Minutes
To approve as a correct record the minutes of the meeting held on 3 July 2020, the minutes are now enclosed.. | 5 - 16 |
| 4. COVID-19 Monthly Update Report
The report of the Chief Executive is now enclosed. | All Wards
17 - 140 |
| 6. Capital Budget Monitoring 2020/21
The report of the Deputy Chief Executive and City Treasurer was to follow and is now enclosed. | All Wards
141 - 190 |
| 7. Capital Programme Update
The report of the Deputy Chief Executive and City Treasurer was to follow and is now enclosed. | All Wards
191 - 202 |
| 8. Northern Gateway: Progress Update & Housing Infrastructure Fund
The report of the Strategic Director, Growth and Development was to follow and is now enclosed. | Cheetham;
Harpurhey;
Miles Platting
and Newton
Heath;
Piccadilly
203 - 216 |

Information about the Executive

The Executive is made up of nine Councillors: the Leader and Deputy Leader of the Council and seven Executive Members with responsibility for: Children Services & Schools; Finance & Human Resources; Adult Services; Skills, Culture & Leisure; Neighbourhoods; Housing & Regeneration; and Environment, Planning & Transport. The Leader of the Council chairs the meetings of the Executive.

The Executive has full authority for implementing the Council's Budgetary and Policy Framework, and this means that most of its decisions do not need approval by Council, although they may still be subject to detailed review through the Council's overview and scrutiny procedures.

The Council wants to consult people as fully as possible before making decisions that affect them. Members of the public do not have a right to speak at meetings but may do so if invited by the Chair. If you have a special interest in an item on the agenda and want to speak, tell the Committee Officer, who will pass on your request to the Chair. Groups of people will usually be asked to nominate a spokesperson. Speaking at a meeting will require a telephone or a video link to the virtual meeting.

The Council is concerned to ensure that its meetings are as open as possible and confidential business is kept to a strict minimum. When confidential items are involved these are considered at the end of the meeting and the means of external access to the virtual meeting are suspended.

Joanne Roney OBE
Chief Executive
Level 3, Town Hall Extension,
Albert Square,
Manchester, M60 2LA

Further Information

For help, advice and information about this meeting please contact the Committee Officer:
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This agenda was issued on Tuesday 28 July by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

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Executive

Minutes of the meeting held on Friday, 3 July 2020

Present: Councillor Leese (Chair)

Councillors: Akbar, Bridges, Craig, N Murphy, Rahman, Stogia and Richards

Also present as Members of the Standing Consultative Panel:

Councillors: Karney, Leech, M Sharif Mahamed, Sheikh, Midgley, Ilyas, Taylor and S Judge

Apologies: Councillor Ollerhead

Exe/20/70 Minutes

The minutes of the meeting of the Executive on 3 June 2020 were approved as a correct record.

Exe/20/71 COVID-19 Monthly Update Report

The monthly report on the work in Manchester to control the COVID-19 pandemic and help the city recover from the effects and impacts of the virus was considered. It explained that as of 29 June 2020, there were 1,740 confirmed cases of COVID-19 in Manchester, a rate of 317.7 per 100,000 population. To date, there had been 383 registered deaths of Manchester residents involving COVID-19 (based on deaths occurring up to 12 June and registered up to 20 June). Of these, 76 deaths (19.8%) occurred in a care home. The infection rate and the number of deaths involving COVID-19 in Manchester was continuing to fall, from a peak of 80 deaths occurring in the week ending 17 April to just 9 deaths in the week ending 12 June.

The report and information given at the meeting explained the significant developments in the Test and Trace programme and the development of the Council's Local Prevention and Response Plan. An update was provided on the planning for the full reopening of schools in the city at the start of the new school year in September 2020. The support for the homeless was continuing but the 'Everyone In' money that the Government had been provided had now stopped. The help and support being provided to businesses in the city, in particular the hospitality businesses, to help them reopen with appropriate social-distancing arrangements was also outlined.

The report also summarised the on-going impact of the pandemic on the Council's own finances, both from a loss of income and from significant additional costs. The steps being taken to mitigate the worst of the financial effects were described.

An addendum to the report explained that on 30 June, the Prime Minister had announced a £900m fund for 'shovel ready' local growth projects in England, which could include regeneration, investment in transport, digital connectivity or technology

centres to build on local advantage. The addendum set out a list of Manchester's priority shovel ready projects, which could help ensure that the city plays its full part in the national economic recovery. The shovel ready projects identified in the list were the top priority schemes for the city over the next five years, those that had the greatest ability to contribute significantly to the city region's recovery.

Exe/20/72 St Mary's Parsonage - Strategic Regeneration Framework

In February 2020 the Executive had approved in principle a draft St Mary's Parsonage Strategic Regeneration Framework (SRF) and requested that there should be public consultation on that draft (Minute Exe/20/27). A report submitted by the Strategic Director, Growth and Development presented the outcome of the consultation. The report proposed that a revised and final version of the Framework now be approved.

An extended period of consultation had run from 13 March 2020 to 22 May 2020. Consultation letters had been sent out to 1,172 local residents, landowners, businesses, and stakeholders, informing them about the public consultation, and how to engage in the process. The SRF was also made available on the Council's website. There had been 20 responses made:

- one response from a landowner;
- a joint response from the Deansgate Ward Councillors;
- one response from a resident management company;
- three responses from statutory stakeholders; and
- fourteen responses from local residents.

The report analysed in detail the responses of the consultees and the issues that they had raised under eight headings:

- highways and traffic management
- public realm and streetscape
- architecture, development heights and density
- water management
- waste management and street cleansing
- development uses
- sustainability
- the SRF itself and the consultation arrangements

The proposed responses to those issues were explained in the report along with the changes that had been made to the draft SRF to accommodate and take into consideration the consultees responses.

Having considered the responses to the consultation, and the changes made to the document as a result of those, it was agreed that that revised version of the SRF be approved.

Decisions

1. To note the outcome of the public consultation on the draft SRF for the St Mary's Parsonage area, and subsequent suggested revisions to the draft SRF.
2. To approve the Strategic Regeneration Framework for the St Mary's Parsonage area and request that Planning and Highways Committee take the framework into account as a material consideration when considering planning applications for the area.

Exe/20/73 NOMA Strategic Regeneration Framework Update 2020

The NOMA estate extends for approximately 8 hectares and is a key regeneration priority in the city centre. It is bounded to the west by Corporation Street, to the north by Angel Street and Angel Meadows, to the east by Rochdale Road and by the Metrolink line from Victoria Station and the Shudehill Interchange to the south. It is located between Victoria Station and the Northern Quarter and adjacent to the city's retail core.

In July 2009, the Executive had endorsed the Co-operative Group's Strategic Regeneration Framework which set out a vision to create a commercially-led, mixed-use destination at the northern gateway to the city centre (Minute Exe/09/82). It was then envisaged that this would support the creation of an additional 15,000 jobs and deliver in excess of £25 million annual GVA for Manchester. Since then over £150m of construction investment had been made in the estate including schemes at 1 Angel Square, Hanover and Federation, City Buildings, the Hotel Indigo, and new residential accommodation at Angel Gardens.

A report now submitted by the Strategic Director, Growth and Development explained that an updated Strategic Regeneration Framework (SRF) had been drafted that sought to build on the progress achieved to date and respond to Manchester's strong economic growth which had led to increased demand for commercial space within the city centre. The revision would also propose new policies on climate change and zero carbon. Optimising underutilised areas was to be a key priority, with the focus on bringing forward commercial development supported by new and integrated public realm. The details of the potential development schemes and sites were set out in detail.

The report proposed that there should now be a period of public consultation on the draft of the updated SRF. That was agreed.

Decisions

1. To note the progress made to date at NOMA and the key challenges and opportunities for the next phases of development.
2. To approve the draft NOMA SRF Update as a basis for consultation with local stakeholders, and request the Strategic Director, Growth and Director undertake that public consultation and report to the Executive on the comments received.

Exe/20/74 First Street Development Framework Addendum 2020

In February 2020 the Executive had endorsed, in principle, a draft addendum to the First Street development framework and requested that there be public consultation on it (Minute Exe/20/26). A report submitted by the Strategic Director, Growth and Development presented the outcome of the consultation. The report proposed that a revised and final version of the Framework Addendum now be approved.

The extended public consultation had run from the 6 March until 15 May 2020. Letters had been sent out to 3,636 local residents, landowners, businesses, and stakeholders, informing them about the public consultation, and how to participate in the process. The draft Addendum was also made available on the Council's website. There had been 11 responses received: nine from local residents; one joint response from the three Deansgate Ward Councillors; and one response from a statutory consultee.

The report analysed in detail the responses of the consultees and the issues that they had raised under seven headings:

- public realm
- development architecture, heights and density
- the framework document
- development impacts
- development uses
- water management
- general comments

The proposed responses to those issues were explained in the report along with the changes that had been made to the draft Addendum to accommodate and take into consideration the consultees responses.

Having considered the responses to the consultation, and the changes made to the document as a result of those, it was agreed that that the Addendum to the SRF be approved.

Decisions

1. To note the outcome of the public consultation on the draft development framework addendum for the First Street neighbourhood.
2. To approve the development framework addendum for the First Street area and request that Planning and Highways Committee take the framework into account as a material consideration when considering planning applications for the area.

Exe/20/75 Co-living in Manchester

In December 2019 the Executive had considered a report on the concept of co-living and its place in the city. At that time the Executive had noted the concept and the issues around its development, the nature of the product, and the limited contribution

that it could make to the city's housing offer, and had requested that the Strategic Director, Growth and Development undertake a consultation process with key stakeholders and reports on the outcomes of that (Minute Exe/19/102).

The Strategic Director reported that the initial consultation on co-living had been carried out in two phases. A consultation process had taken place with developers and key organisations. (Phase 1). Consultation with wider stakeholders, including residents (Phase 2), had then taken place as part of the Local Plan review. The report explained that the Phase 1 stakeholder consultation had closed on 9 March 2020 and five developers had responded. They all expressed an interest in developing co-living schemes in Manchester, adding that:

- the approach should be less cautious in the city centre and the amount of accommodation should not be limited;
- there should be more flexibility about where it would be supported in the city centre;
- the scope should be broadened to include existing successful business and not just new or recently arrived employers;
- the size of units in co-living schemes should not necessarily have to comply with approved space standards;
- restricting the length of tenancies could disrupt tenants;
- some considered co-Living to be affordable housing;
- zero carbon policy requirements could undermine viability; and.
- co-Living schemes should not automatically exclude students.

The Phase 2 consultation had closed on 3 May. In that respondents had been asked to comment on this statement:

“The emerging issue of co-living accommodation is a matter the plan will also need to address. The Council has recently set out an initial position on the matter, noting the issues around its development, the nature of the product, and the limited contribution it could make to the city's housing offer. Further work will be required to help inform any policy approach that will feature in the Local Plan in due course. Other forms of short-term renting, including AirBnB, will also need to be addressed in the Local Plan.”

There had been 561 responses to that from residents, businesses, statutory consultees and partner agencies (although not all commented on the co-living statement). Most of the responses were from residents. Whilst most acknowledged the need for a range of good quality, affordable accommodation there was a general consensus that this should not include multi-occupation developments or subdivision of buildings into multiple units. There was also concern that car parking can be prioritised over green spaces when planning for multi-occupational developments, and there was often increased instances of littering and build-up of refuse in the surrounding areas of multi occupational buildings.

In responding to the issues that had been raised in both phases of the consultation, the report set out a proposed policy position on co-living for the Council to adopt pending the conclusion of the review of the Local Plan. Those were:

- Co-living should be restricted to a limited number of key areas of high employment growth within the city centre, where it can be demonstrated that a co-

living development could provide added value to the wider commercial offer in the area.

- The size and scale of the developments need to be underpinned by the generation of employment opportunities from growth in key sectors in the city.
- Safe and secure, zero carbon developments will only be considered. Schemes should be in city centre locations that are well connected, to ensure residents can access jobs, public transport, walking and cycling routes in the city.

With these conditions being considered for co-living schemes, possibly through Section 106 agreements:

- Development should provide an appropriate mix of cluster flats and private studios, complying with MCC's adopted space standards, as part of the Manchester Residential Quality Guidance.
- A long-term operational management platform will need to be provided for across each scheme in its entirety. This should include a single management and lettings entity, with a long-term commitment.
- Developers should be required to legally commit to renting only to working households, or households actively seeking work, and precluding letting to students.
- A maximum stay should be defined for short-term studio lets, for example, six months.
- Developments must contribute to Council Tax revenue, with Council Tax paid by the operator, in order to strengthen the tax base.
- A contribution should be made in accordance with the city's affordable housing policy.
- Developments must have a clear place-making delivery strategy, including open spaces and public realm.
- Planning applications should include a conversion plan to demonstrate how the building could be repurposed if required.
- Co-living is not an affordable housing product on a price per sq. metre basis and cannot be seen as a mechanism for developers to meet affordable housing targets in Manchester.
- That parking should not be a component of any co-living scheme.

Other principles were

- Developers will need to demonstrate a clear rationale and need, based around their contribution to the local economy, responding to the specific needs of employers and supporting jobs; it would be essential to demonstrate that there was a clear link between the need to recruit and retain staff and the adjacency of the co-living product.
- As a general principle co-living schemes should conform to Manchester policies and specific standards. If a co-living proposals does not accord with current policy (for example, departing from space standards), it will need to show that there is a compelling and over-riding rationale for so doing, and that the benefits outweigh the areas of non-compliance.

Having considered the views expressed by the consultees, and the responses to those that the report proposed, it was agreed that the proposed approach be approved and commended to the Planning and Highways Committee.

Decisions

1. To note the outcome of the consultation exercise with key stakeholders on co-living.
2. To endorse the approach set out in the report, as described above, to help guide the decision making process in advance of the review of the Local Plan and request the Planning and Highways Committee take this approach into material consideration until the Local Plan has been reviewed.

Exe/20/76 Greater Manchester Clean Air Plan - Tackling Nitrogen Oxide Exceedances at the Roadside - Outline Business Case

A joint report submitted by the Deputy Chief Executive and the City Solicitor set out the progress that had been made following the Government's response to Greater Manchester's Outline Business Case to tackle Nitrogen Dioxide Exceedances at the Roadside (OBC). The report explained the implications of relevant COVID-19 pandemic management policies for the 10 Greater Manchester (GM) local authorities in relation to the schedule of work and statutory consultation on the Clean Air Plan. It also set out the links to the taxi and private hire common minimum licensing standards (MLS).

The report set out the more recent work that had been undertaken across Greater Manchester on public engagement, consideration of future provision and support for commercial vehicles, and correspondence from Government on the next steps the Government required the GM Councils to take, a timetable for those, and an indication of the financial support the Government will provide for the implementation of the Clean Air Plan.

It was explained that the plans for consultation had been badly affected by the COVID-19 pandemic, as the consultation timetable had been due to commence but had to be suspended. As a result the overall programme was going to be set-back by four months.

Decisions

1. To note the progress of the Greater Manchester Clean Air Plan.
2. To note the progress in the development of the Clean Commercial Vehicle and Hardship funds.
3. To note the initial funding award of £41m for clean vehicle funds to award grants or loans to eligible businesses.
4. To note the Government has accepted the need for vehicle replacement funds for Hackney Carriages, and Light Goods Vehicles, but has requested further development of shared evidence on the needs within that complex sector before responding and does not support the sustainable journeys measure.

5. To note that TfGM is seeking confirmation that the funding award for Bus Retrofit is a continuation of Clean Bus Technology Funds to be distributed as soon as possible as per previous arrangements.
6. To note the government will not support electric vehicle charging infrastructure through Clean Air monies but have committed to work with GM on securing funding from the Office for Low Emission Vehicles (OLEV).
7. To agree the position that the GM Local Authorities will move to a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable.
8. To agree the position that the GM Local Authorities' decision to commence a public consultation should be taken once there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response.
9. To note the implementation of a GM CAZ is delayed to 2022 with a revised implementation date to be confirmed in the consultation commencement report.
10. To note the DfT's positioning paper "Decarbonising Transport – Setting the Challenge".
11. To note the assessment of the possible impacts of COVID-19 to inform a technical briefing note for decision makers.
12. To note that the GM local Authorities intend to consult on GM's proposed Minimum Licensing Standards, alongside the Clean Air Plan consultation and agree the position for consultation, on when taxi/PHV fleets should be Zero Emission Capable.

Exe/20/77 Refresh of the Ancoats and New Islington Neighbourhood Development Framework – Poland Street Zone

In February 2020 the Executive had received a draft refreshed Neighbourhood Development Framework (NDF) for Ancoats and New Islington (Minute Exe/20/24). The revised elements in that refresh had related to the back of Ancoats, referred to as the Poland Street Zone, and the former Central Retail Park. At that time the Executive had approved that a programme of public and stakeholder consultation should be undertaken.

That extended period of public consultation on revised proposals for the Poland Street Zone involving local residents, businesses, land and property owners, public and statutory bodies and community sector organisations had been undertaken between March and May 2020. Following this exercise, and based on the responses to that, a final draft of the Ancoats and New Islington NDF Poland Street Zone had been produced and was being proposed for approval.

The consultation plans had been affected by the COVID-19 pandemic and some planned events had had to be cancelled. The consultation techniques that had been employed included:

- An updated Ancoats and New Islington consultation web page on the council's website.
- Letters to all local residents (465 addresses) within the study area consultation boundary.
- Letters to local businesses within the study area registered on the Manchester City Council Business Rates Database.
- Letters to property and landowners delivered to all freehold and leasehold interests registered at the land registry within the consultation boundary area.
- Consultation notification emails to key public and statutory stakeholders.
- Consultation notification emails to non-statutory stakeholder groups including community groups.
- Press release and news articles on the manchester.gov.uk website, supported by social media.
- A dedicated email address and telephone information line.

A total of 130 responses had been received: 119 via an online questionnaire and a further 11 by email. Of those, 120 of the responses were from people who live, work or visit the area frequently. A further 2 responses were from a local community group, 4 responses from or on behalf of local landowners, and others from statutory consultees.

The responses to the consultation had been largely positive and recurring themes and comments had include:

- strong support of the vision and priorities contained within the draft NDF update and the strategy to maximise opportunities for future development;
- strong support for the proposals linked to reduced car use and improved connectivity and pedestrian and cycle routes through the area;
- further comments were made in relation to car parking and how this is managed in terms of on street parking and centralised parking provision to service the area and support businesses and residents;
- strong support for the objectives of maintaining the character and conservation status of the area and ensuring that appropriate consideration is given to this in future developments;
- highlighting the need for flood management and sustainable drainage solutions where appropriate;
- highlighting the need for design to positively address the waterways corridor and link to wider green and blue networks;
- highlighting the need to consider flexibility on building massing and heights at certain locations in the area;
- support for the delivery of affordable housing across a range of typologies and tenures;
- highlighting the need to ensure live work mix is balanced appropriately to ensure that either use is not detrimental to the other; and
- support for potential of green streets and open green spaces that could be used for a variety of activities. However, concern was expressed about the possible loss of public open space at Ancoats Green.

An updated version of the Development Framework had been produced to take into account and respond to the issues raised in the consultation. A copy of that revised document was appended to the report under consideration. The Executive approved that revised version.

To take forward the implementation of the Framework the report proposed that the remit of the partnership company that had been established to take forward the redevelopment of the Central Retail Park be extended so as to allow that partnership company to undertake feasibility work in relation to Council land interests in the Poland Street Zone, which would inform future developments proposals for that area. That was supported.

Decisions

1. To note the comments received from stakeholders including local landowners, residents, businesses and statutory consultees.
2. To approve the final version of the refreshed Ancoats and New Islington Neighbourhood Development Framework Poland Street Zone to guide and co-ordinate the future development of the area, with the intention that it will be a material consideration in the Council's decision making role as Local Planning Authority.
3. To approve an extension to the remit of Manchester Life Strategic Development Company Limited (MLSDC) to undertake feasibility work relating to City Council owned sites within the Poland Street Zone.
4. To authorise the City Solicitor to complete all the necessary documentation to give effect to these decisions.

Exe/20/78 Capital Programme Update

A report concerning requests to increase the capital programme was submitted. We agreed to make two change under emergency powers established by the Council in March 2020, and to make a further seven changes under delegated powers. These changes would increase Manchester City Council's capital budget by £4.726m funded by a mixture of government grants, borrowing and external contributions.

An addendum to the report explained that the "Our Town Hall" project had been paused so as to allow for an assessment to be made of the possible implications for the project of the COVID-19 outbreak, and of the high levels of construction cost inflation seen within Manchester. The addendum outlined the position for the Our Town Hall Project and the factors which had changed since February 2020 when a key decision to proceed with the project had been made. It explained why there was now a change in completion date from December 2023 to May 2024.

1. To approve, under the emergency provision agreed by the Council on 25th March 2020 (minute CC/20/26), the following changes to Manchester City Council's capital programme:
 - (a) Children's Services - Hyde Road Secondary School. A capital budget virement of £2m is requested, funded by Unallocated Education Basic Needs budget.
 - (b) Growth and Development – Acquisition of Land at Red Bank. A capital budget virement of £1.705m is requested, funded by Northern Gateway Budget
2. To approve the following changes to the City Council's capital programme:
 - (c) Highways Services – Chorlton to Manchester Scheme Development Costs. A capital budget increase of £1.432m is requested, funded by Mayor's Challenge Fund.
 - (d) Highways Services – Manchester Cycleway. A capital budget increase of £0.593m is requested, funded by Mayor's Challenge Fund.
 - (e) Highways Services – Northern Quarter Walking and Cycling Development Costs. A capital budget increase of £1.547m is requested, funded by Mayor's Challenge Fund.
 - (f) Highways Services – Beswick Filtered Neighbourhood Development Costs. A capital budget increase of £0.554m is requested, funded by Mayor's Challenge Fund.
 - (g) Children's Services – Our Lady's RC High School Expansion. A capital budget virement of £0.160m is requested, funded by Unallocated Education Basic Needs budget.
 - (h) Children's Services – Manchester Communication Academy Expansion. A capital budget virement of £0.111m is requested, funded by Unallocated Education Basic Needs budget.
 - (i) Growth and Development – Acquisition of Land at Red Bank. A capital budget increase of £0.600m is requested, funded by Government Grant (Housing Infrastructure Fund)
3. To note increases to the programme of £0.232m as a result of delegated approvals.
4. To note the project cost plan (for Construction) for Our Town Hall project had been agreed with the Management Contractor in the terms described in the addendum to the report.

5. To note that the Deputy Chief Executive and City Treasurer was now able to issue the Notice to Proceed for the “Our Town Hall” project, with construction therefore likely to commence on site in July 2020.

Manchester City Council Report for Resolution

Report to: Executive – 29 July 2020

Subject: Update on Covid-19 Recovery planning

Report of: Deputy Chief Executive and City Treasurer

Summary

This note provides the Executive with a brief overview of the items regarding the recovery from Covid-19 that are appended to the note.

Recommendations

It is recommended that the Executive:

1. Note and comment on the latest Sit-rep documents;
 2. Note and comment on the overall Recovery Plan slides.
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Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

There has been a positive short-term impact on the city's carbon emissions, as a result of significantly reduced travel during the lockdown period. Short-term changes to the public realm have been brought in to manage social distancing and support business re-opening, which has included a re-balancing of highway, pedestrian and cycling use in some areas.

There are opportunities to accelerate the medium term move towards the low carbon economy through, for example, supporting investment in green technology business opportunities and employment.

However, it should be recognised that ongoing social distancing measures could increase the level of car travel in the short-term, as more people return to work and access leisure opportunities as they are gradually unlocked. Short and longer-term travel patterns will continue to be monitored by TfGM and MCC.

Our Manchester Strategy outcomes	Summary of how this report aligns to the Our Manchester Strategy
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A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	<p>This unprecedented national and international crisis impacts on all areas of our city. The 'Our Manchester' approach has underpinned the planning and delivery of our response, working in partnership and identifying innovative ways to continue to deliver services and to establish new services as quickly as possible to support the most vulnerable in our city.</p> <p>A reset of the Our Manchester Strategy is now underway following a meeting of the Our Manchester Forum on 16 June 2020. An extensive engagement exercise will take place to inform a draft document in late 2020 and a final version in February 2021.</p>
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

1.0 Introduction

- 1.1 This set of reports provides the Executive with an update on Manchester's recovery planning work.
- 1.2 The appended reports are intentionally short, setting out the key work programmes and milestones for each, and updates on the actions required using the sit-rep style of reporting. This provides a user-friendly set of information for the Executive that can be readily updated as required.

2.0 Reports appended

- 2.1 **Recovery Plan slides:** This pack provides the overall narrative for the recovery work, an update on the Our Manchester Strategy reset, and the structure of the recovery workstreams. It also includes the latest milestone plans for each of the three workstreams. The economy section includes the economic strategic narrative, summary of the Summer Statement and summary of projects that are included in bids for funding.
- 2.2 **Sit-reps:** The most recent sit-reps are included for each of the three workstream, structured into different sub-workstreams. Each sit-rep provides an updates on key actions, impacts, and progress against the milestone plans.

3.0 Recommendations

- 3.1 The recommendations are summarised at the beginning of this report.

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Covid-19 Sitrep Summary

Residents and Communities Workstream

Date: 17 July 2020

Workstream		Impact / challenges experienced	Key planning and recovery activity being undertaken**
Residents at risk			
	Shielded Residents and the Food Response	<p>New information:</p> <ul style="list-style-type: none"> Government announced an additional £63 million nationally on 11 July for local authorities to provide food and support to those people who are struggling financially as a result of Covid-19. £956k will be allocated to Manchester There are around 2,200 Manchester residents who have been receiving a food box from the Government scheme, but not local food support, who will be most affected by the pausing of the national scheme on 31 July. <p>Government is sending a letter and calling all shielded people to inform them of the changes and asking them to contact their local authority if they need support after 31 July, i.e. the Manchester hub. We will follow this up with an MCC letter contacting the 2,200 residents most affected to ensure that they are signposted to the most appropriate support</p>	<p>Step down calls are continuing with numbers reduced by around 3,000. Stepping down demand is resource intensive and requires personalised follow-up calls with those receiving food, to ensure that they are connected to the best option for them, and staff (many of whom are MCC volunteers) are needed to continue both the food response and step-down. However, many staff now need to return to their substantive roles.</p> <p>Options for future provision are being considered that do not lead to additional dependency. A sustainability group is looking at unlocking surplus food supplies.</p> <p>Call centre scripts have changed to help residents that are requesting food support to consider other options before a referral is made for the Food response offer.</p>

	Domestic Violence & Abuse	<p>There continues to be difficulty funding refuge accommodation for single women with no recourse to public funds (NRPF), with Manchester Women's Aid currently accommodating 2 women with nil income</p> <p>Services continue to be largely provided online, via telephone, video conferencing or social media apps. While this has largely been successful, planning for recovery is necessary</p> <p>Referrals into Community Outreach services in Q1 (770) were higher than in the same quarters in 2018-19 (578) and 2019-20 (562), and in any other quarter in 2018/19 or 2019/20. They are expected to continue at similar levels into Q2</p>	<p>Manchester Women's Aid have been successful in securing £38k from the Ministry of Justice Covid fund to help with costs incurred in maintaining service since March</p> <p>Domestic Abuse Forum meeting on 25th June took place with focussed discussions and position updates on what the move towards recovery would look like across the various areas of provision</p> <p>Services are conducting risk assessments and developing safe working practices to enable a return to more face to face working with clients, liaising as necessary with landlords of their office premises</p> <p>Manchester Womens Aid outreach workers have been continuing to provide short-term support to the IDVA service but it is intended that they return to their primary contracted function. To support this, Ministry of Justice funding will provide short-term support to facilitate increased Independent Domestic Violence Advocate (IDVA) capacity at least until 31/10/20, with proposal for utilisation of a portion of Violence Reduction Unit grant monies to continue through to 31/03/21</p> <p>MARAC steering group agreed to step down the Emergency Delivery model from 20/07/20 to</p>
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		<p>Volumes of high risk referrals to Multi Agency Risk Assessment Conference (MARAC) continue to remain high (511 in Q1), placing significant pressures on Independent Domestic Violence Advocate (IDVA) service (188 referrals in April, 192 in May, 204 in June)</p> <p>Need to consider whether Comms output needs to be revised or added to as lock down measures reduced</p>	<p>return to multi agency discussions on a virtual platform</p> <p>MCC Community Safety and Comms colleagues working together on identifying any reshaping of output that is required, while continuing to put out regular and varied local messaging, and amplify national campaign material, including Home Office translated comms material, which has been shared across the partnership and wider networks</p>
	Welfare Provision	<p>Uptake of Local Welfare assistance for unpaid carers lower than expected.</p> <p>Identified that Local Welfare emergency funding was not being used as part of MCC's offer to vulnerable residents contacting us via the community response helpline</p> <p>Digital Exclusion has been one of the reasons that medically or financially vulnerable residents have been dependent on MCC for support during the crisis e.g. unable to shop online</p>	<p>Letter due to be sent by 17 July to 3,200 unpaid carers to highlight the scheme.</p> <p>Community Response Hub and Neighbourhood teams have been made aware of the support and there is an increase in the number of applications, which are within budget</p> <p>£100k of the Covid welfare funding has been agreed to support the purchase of devices & data for disadvantaged residents, who are also supported with the basic skills to get online.</p>
	Homelessness	<p>Covid Hotels: Six hotels providing 'Everybody In' accommodation have now closed with residents supported to move on, three of the sites continue to run in the short term and three sites have become A Bed Every Night phase 3 accommodation. 158 people are currently accommodated across these 6 sites, with move on and reconnection activity continuing. A Bed Every Night phase 3 provision</p>	<p>Team Around the Neighbourhood information has been shared with each hotel site to create a link between neighbourhoods and people moving out of hotels into the private rented sector. Although numbers moving directly into the private rented sector are currently low.</p>

		<p>will operate until 31st March 2021 providing 135 units of accommodation. In addition to this, 30 units of accommodation for people who have No Recourse to Public Funds has been created, bringing the total number of beds to 165. Victoria Warehouse will close in Aug 2020 move on plans have been created for all 22 residents currently in situ. The challenge of moving people on will remain, given the pressures within Manchester's housing market - affordability of the private rented sector and availability of Social Housing and Supported Housing.</p> <p>Presentations to the service: have started to increase to similar levels as before lock down, 189 singles and families presenting to the service last week. The most frequent reason for presenting is family and friends no longer willing to accommodate (66). In March, on average 44 people per week presented for this reason, this is up to 59 per week on average in June. Link to data here. Presentations for domestic violence have nearly doubled over lock down, during March average of 10.2 presentations per week, over June 19.9 on average per week. Last week 17 people presented to the service for this reason.</p>	<p>Improving access to the private rented sector through the Help2Rent scheme, live in the next couple of weeks. will allow the GM LAs to provide an insurance product to Private Rented Sector landlords covering rent arrears and damage. The scheme is funded by the Ministry of Housing, Communities and Local Government and GMCA but will be administered by Salford. Each LA has been allocated the funds for 50 policies, any remaining funds will be used by MCC and Salford. The initial response from landlords has been positive and will hopefully allow for a greater number of PRS units acquired for homeless applicants.</p> <p>Meetings with RPs for funding via the Homes England prospectus (£130million capital, £30million revenue) are ongoing.</p> <p>Survey circulated to all staff working at hotel sites to capture key learning and inform future delivery of services.</p>
Resilient communities			
	Resilient Communities	<p>Focus of Our Manchester has been a strengths based approach, which has been somewhat reversed by the need to get people to stay at home and deliver food, medicines & support to their doorsteps creating a higher level of dependency as a result. However, over recent weeks, the Teams Around the Neighbourhood</p>	<p>A multi-agency Bringing Services Together (BST) Team Around the Neighbourhood (TAN) workshop has been held to review strategic/operational working in responding to Covid at a neighbourhood level. The focus was on what has worked well, learning and what</p>

		have been working together and developed partnerships to actively support some of our most vulnerable residents at neighbourhood level	agencies need to amplify going forward. The outcomes will now influence the development of a shared narrative / priorities for each of the 13 TAN areas, linked with Ward Co-ordination processes.
	Libraries, Galleries and Culture	Eight libraries reopened 4th July.- open 3 days per week, 4 hours per day. 4097 visits to date, 376 over 60's attended dedicated hour session in neighbourhoods. Over 6000 books issued and 831 PC bookings, 1874 calls to the library - 1541 F2F enquiries.	<p>Plans to reopen Manchester Art Gallery and Central Library on 20 August with reduced hours.</p> <p>Reviewing remaining libraries for reopening September - in conversation with partners.</p> <p>Covid-19 Culture Recovery Board Meeting was last held on 1st July. The board in collaboration with sector partners is proposing a recovery plan with outline costs (£71m) for interventions designed to:</p> <ul style="list-style-type: none"> a) stabilise the sector ensuring venues and cultural companies can survive, especially where extended closures are likely and b) stimulate recovery with targeted interventions for parts of the sector including employment programmes. <p>Consultation with sector task groups is underway and a consultation document is being designed by the comms team for circulation.</p> <p>Re-opening of galleries, museums & libraries Update on planned reopening dates:</p>

			<ul style="list-style-type: none"> • Museum of Science & Industry - 14th August • Manchester Central Library (in addition to the City Library open 4th July) - 20th August • Manchester Art Gallery - 20th August • National Football Museum - 23th July • People's History Museum - 1st September • HOME - 4th September (cinemas, bars and restaurant) • The Whitworth - September (date to be confirmed)
	Parks, Leisure & Events	<ul style="list-style-type: none"> • Maintain redeployment of staff & volunteer for food response whilst looking at options to step down. • Refocus programmes for online channels and continue to engage with residents through programmes such as allsorts to do at home. • Support the VCSE groups with access to advice and grants as well as Information and advice on returning to work safely. • Ensure no protected characteristic group is adversely impacted by access to local exercise facilities. 	<ul style="list-style-type: none"> • Staff deployment for food response remains in place - staff beginning to be withdrawn to focus on service priorities as workload intensifies on remobilising services. • VCSE support - Good progress with funding distribution to VCSE providers across the sport and leisure sector - Over £420K accessed to date across 70 plus organisations. £897K distributed from the We love MCR Charity to over 270 community groups, organisations and charities. • Equality impacts of service changes - The phased reopening of further exercise facilities has commenced in parks and there are no concerns with adverse impacts for protected characteristic groups. Bowls, outdoor gyms and play areas have started to be phased in.

			Reopening of indoor leisure facilities can now progress from 25 July. A paper setting out the options for this has been produced for Exec Member sign off. The recommendation is for mobilisation and reopening of some (about half) of indoor facilities from August 1st.
Youth	<ul style="list-style-type: none">Increased numbers of young people present in larger groups, not adhering to social distancing guidelines, holding the belief that lockdown is now over.Re-opening of youth clubs / centre based provision - young people & families are asking for centres to be reopened alongside school provision. Current guidance does not permit this. Key messages are still being shared - National Youth Agency rating has now changed to AmberYouth Voice & Engagement - how we ensure we are reaching a large proportion of young people across the City, and how they use their voice to influence decisions being made about provision moving forward.Summer provision - how we provide youth and play provision across the city adhering to social distancing guidelines and potentially without buildings. Children, young people and families are already contacting providers for information about activities throughout the summer. The challenge will be how we maintain universal access.	<ul style="list-style-type: none">National Youth Agency guidance for re-opening of youth provision issued 17th June - this has now been shared with all providers with support offered..Youth Strategy working alongside youth providers to ensure risk assessments are up to date and Covid specific, as well as, ensuring safeguarding policies and procedures have been reviewed.Mapping the support provided for people with different risk characteristics.Youth Centres can open and operate provision indoors as long as they are Covid secure and adhere to track and trace and ratio guidance.Cross sector (Leisure, Libraries, Youth, Culture & Schools) provision being uploaded to Council website this week with press release planned from comms.Summer proposal has been approved, Neighbourhoods & Children's Services are now working together to activate school sites for play schemes throughout August, as well as, additional positive activities.	

		<ul style="list-style-type: none"> Funding & Investment - a challenge for our youth and play providers is continued investment into services and access to unrestricted funds. 	<ul style="list-style-type: none"> Youth voice feedback collated and shared with Education colleagues to aid discussions about summer provision in schools.
	Children's Services	<p>Performance in key areas over the last two weeks remains strong with 93.6% of children subject to child protection seen on time and 96.5 % of LAC seen within timescale</p> <p>Child protection reviews in time equates to 88 % (it should be noted that this report is not as yet signed off)</p> <p>Looked after children (LAC) review in times in time equates to 95.9 %</p> <p>Staff briefing on the refreshed directorate plan occurred on the 10th of July</p> <p>Directorate have engaged in the planning and financial resourcing for the summer offer and have agreed a ring fencing of placements within the offer for vulnerable children</p> <p>Referral rates to the service have continued to increase (slightly and manageable) The service is preparing for an increased level of referrals as schools close this week</p>	<p>The service is focussing on business as usual i.e. continuous improvement with practice improvement being a major feature of this work in this reporting period auditing has continued across the service , CLT have agreed a commitment to language and improvements in recording additionally we have launched a consultation with staff on a service review.</p> <p>We have planned virtual staff engagements throughout the year</p>
	Schools and settings	<p>Attendance at school seems to have plateaued this week - 12% of school population. Letter sent out to parents/carers via schools today reminding them that attendance in Sept is compulsory and</p>	<p>Working with Public Health and Health and Safety team to update step by step guidance for schools ready for September based on learning to date.</p>

	<p>responses to FAQ agreed with PH</p> <p>2400/3000 laptops allocated to schools for children known to social care - has been a very challenging process. Remaining 600 to go out to care leavers and children not attending a Manchester school. Looking at how MCC can out software onto these laptops.</p> <p>2500 Education health and care plans have reasonable endeavors letters uploaded to file. Still a number to be chased up. 65% compliance with completing new Education health and care plans in 20 week timescales (which has currently been eased due to COVID19 but team still working towards this target)</p> <p>Risk assessments for September have started to be sent in from schools and H and S team are checking them and confirming if appropriate. Common issue so far seems to be managing staggered start and finish times at schools.</p>	<p>Planning for September to ensure all school have good remote offer in place as part of their business continuity planning.</p> <p>Planning attendance campaign for summer to ensure communities are aware that their children need to return to school in September.</p> <p>Planning with Health and Camhs mental health offer and pathway for schools in autumn.</p>
VCSE	<p>Funding has and continues to be one of the main concerns for VCSE groups/organisations - e.g OMVCS 2021+ future funding decision. A number of emergency Covid 19 funds available but less medium to long term funds available as yet.</p> <ul style="list-style-type: none"> As part of the emergency response to Covid 19, the We Love Mcr charity has invested £897,070 made up of approval to 270 applications from Manchester's community groups, organisations and charities including 	<p>Manchester VCSE Covid 19 Funding Strategy and Group being progressed. Second meeting held 09.07.2020 focused on key priorities and development of an action plan - ongoing.</p> <p>OMVCS 2021+ budget discussion being progressed</p>

	<p>Food Poverty, Advice & Protection, Mental Health & Wellbeing and Positive Engagement with Children & Young People</p> <ul style="list-style-type: none"> • The National Lottery funding to Manchester VCSE groups/organisations: <ul style="list-style-type: none"> ○ Coronavirus Community Support Fund: £745k to 24 organisations. ○ Reaching Communities Fund: £653k to 22 organisations. ○ Awards for All: £91k to 9 organisations. ○ New Climate Action Fund: £207k to 1 organisation/partnership ○ Overall total National Lottery funding to Manchester (May to June) = £1,696m ○ This funding covers a range of groups/organisations, existing and new and Covid 19 specific activity, services and partnership work in communities. <p>Planning to reopen, recovery and risk assessment information, support and guidance for the VCSE sector</p> <p>Communication and engagement with the VCSE sector as part of the response and recovery plans - how can the VCSE and public sector work together.</p>	<p>OM Funds team data and intelligence gathering, includes latest round of catch up calls to all funded groups, summary report now available. Key areas highlighted</p> <ul style="list-style-type: none"> ○ Access to future (longer term) funding and loss of income ○ The potential increase in demand for services both now and in the future ○ The wellbeing and welfare of service users, staff and volunteers ○ Reopening safely and PPE ○ Advice and guidance on digital inclusion for residents <p>Next steps, feeding this work and further engagement into the R&C workstreams and plans. Meeting with Cllr BC, Cllr AS, AH, JB, SK and MS agreed at last EMG Sub Group to discuss/progress further.</p> <p>OM Funds Team building centralised funding database using MCC, MHCC, National Lottery, Housing Association, Young Manchester and We Love Mcr data sources. Part of this data has been used as part of checks for the MCC Discretionary Grant process.</p> <p>A series of planning to re-open sessions have been delivered by Macc over the past 2 weeks, including virtual and physical support activity in North (connected to North Manchester Together working group). North Manchester VCSE grab bags are being made available for pick from 4CT and Northwards Housing.</p>
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	<ul style="list-style-type: none"> Information, advice, guidance and support being provided by Macc and via the relationships between the OMVCS, Young Manchester, Culture, Neighbourhoods and other Council teams (such as Carers and Homelessness). <p>Good news stories and examples of local adaptation from VCSE groups including recently set up mutual aid groups</p> <p>Key challenge around equality and inclusion both in terms of engagement and support to/from VCSE groups and also the service users that they work with e.g vulnerable residents and/or particular communities of identity (such as BAME).</p>	<p>Third MCC and VCSE sector engagement sessions hosted by Macc with R&C SRO and workstream leads delivered 09.07.2020 - Population Health - Track & Trace theme. Information and guidance well received from Population Health lead and being made available across comms channels.</p> <p>OMVCS year 2 annual report inc examples of VCSE Covid 19 response work being progressed with comms with a view to being released by August 2020.</p> <p>Equality and Inclusion working group to include OM Funds Team/VCSE representation, data and intelligence from the sector - propose to focus on a limited number of cross sector issues/ themes e.g digital inclusion.</p> <ul style="list-style-type: none"> VCSE Funding C19 Equality Analysis template to be completed by OM Funds Team
Equalities and Inclusion	<p>The growing rate of activity around equality and inclusion matters in the Council has led to capacity issues in the Equality, Diversity and Inclusion Team to progress recovery-related work. These are being managed in the immediate term and consideration is being had for how this is effectively managed / coordinated across services moving forwards.</p>	<p>The Covid-intelligence gathering piece of work has been completed in first draft form and shared with Cllrs Craig and Akbar for consideration.</p> <p>The first meeting of the MHCC Covid-19 Health Equity Group has been held. This agenda setting meeting had MCC representation, and will help the Council and MHCC to harmonise approaches.</p>

	<p>The publication of the Greater Manchester Big Disability Survey, in which disabled residents across GM have reported their experiences of access to Covid services and information, has led to a further strand of Covid-related work.</p>	<p>Initial conversations between MCC and a representative of the Greater Manchester Disability Panel have taken place, to prioritise activity in response to the Big Disability Survey. More detailed planning in response is scheduled w/c 20 July, this will need to link back into the Equalities and Inclusion workstream.</p> <p>Conversations being progressed to tie up Our Manchester Strategy reset and equalities engagement priorities, ensuring minority representative groups are included in the reset engagement plan and that Covid-impacts for those groups are considered.</p>
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** There is clear evidence that COVID-19 does not affect all population groups equally. Many analyses have shown that older age, ethnicity, male sex and geographical area, for example, are associated with the risk of getting the infection, experiencing more severe symptoms and higher rates of death (*Beyond the Data: Understanding the Impact of COVID-19 on BAME Communities*, PHE, 2020). It remains vital that those who are frequently the most disadvantaged in society do not then take a 'double hit' from decisions taken to mitigate the impacts of COVID-19. Please include detail of the activity you are planning to undertake to ensure recovery activity considers the impact of COVID-19 on different population groups. For example, undertaking an Equality Impact Assessment to support the planning for longer term changes to service delivery.

Covid-19 Sitrep and Milestones, Future Council, 24 July 2020

Latest Milestone Plan

		Anticipated delivery									
Area	Milestone / activity	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April
1. Budget											
Budget 2020/21	1.1 Budget monitoring 2020/21 to Executive, update of capital programme to Executive										
Budget 2021/22	1.2 Budget process with consultation to be determined										
	1.3 Government spending review, followed by settlement										
	1.4 Council's budget and precept setting process										
2. Our Transformation - Our Ways of Working - workforce, culture, estates, health and safety, risk assessments											
Workforce	2.1 Completion of risk assessments for all workforce requiring one, return to work for vulnerable and shielded										
	2.2 Design and agreement of principles for future working corporately										
	2.3 Engagement with DMTs										
Estates	2.4 Completion of buildings assessments										
	2.4 Work to rescope and consolidate use of estate where possible (aligned 2.2/2.3)										
3. Our Transformation - Our Ways of Working - digital enablers											
Microsoft 365	3.1 Assurance activities prior to migration										
	3.2 Roll-out of M365										
Intranet	3.3 Launch of new intranet										
End user device	3.4 Completion of procurement and roll-out										
	3.5 Work to ensure office space is fit for purpose for future ways of working										
Network capacity	3.5 Creation of additional direct access capacity and move to new data centre										
4. Our Transformation - Strengthening Accountability and our processes											
Phase 1	4.1 Constitutional changes, changes to HR and finance/procurement/shared service processes										
Phase 2	4.2 Digitisation of processes and delivery of appropriate system/s										
5. Our Transformation - Resident and business digital experience programme											
BBOP	5.1 Design and delivery of new customer contact centre model										
	5.2 Implementation of new income management system										
	5.3 Design and engagement exercise on CRM approach										
	5.4 Resident, business and member engagement, alignment to digital inclusion programme										
6. Our Transformation - Information governance and management											
Rules and policies	Approval and application of new information management rules in line with M365 roll-out										

Workstream	Issues and challenges	Key planning and recovery activities
Phased Return	<p>Scale of risk assessment required for our workforce. At the moment work has focused on returning staff who are “at home and unable to work”. When this is complete there will be a larger number required for staff who are able to work from home but will return to onsite working for part of the week in September.</p> <p>Developing future ways of working based on increased flexibility, reducing our corporate state and embedding high performance</p>	<p>Building-by-building work is in progress to review adherence to corporate guidelines. Of 158 premises (excluding assessments being done in parks), 108 risk assessments have been completed (up from 40 at the last report) and 30 have been signed off as Covid19 secure. This work is ongoing with a tracker in place to show the position for each site which will be developed into a summary dashboard for assurance purposes.</p> <p>359 staff fall within the ‘vulnerable’ or ‘living with shield’ categories who are now able to return to work. 170 of these staff care term time only and their risk assessment will be completed before they return to work in September. Of the remaining 189, 140 have now returned to work and the remaining 49 are currently going through the risk assessment process and will return to working onsite over the next few weeks.</p> <p>66 staff fall within the ‘shield’ category and HR are now working with the relevant managers to understand numbers who are likely to be able to return to the workplace in August (in line with government guidance). A number of staff will remain at home on sickness absence as they are ill and/or going through treatment. An update on this group can be provided in the next sitrep.</p> <p>Workforce dashboard is being updated to include progress on individual risk assessments.</p> <p>Future ways of working proposals have been updated since the last meeting with Executive Members. Directorate Management Teams are being consulted about when, how and where employees need to work at a workplace to ensure that we have a coherent and deliverable approach.</p>
Our Transformation	Our Transformation pre-dates the covid-19 response and has been rescoped to ensure it supports delivery of our wider Future Council objectives, and enables us to	Draft milestone plans are now in place for all programmes/projects within Our Transformation ensuring understanding of dependencies between projects and critical path. Update from the last report:

	<p>respond at pace to the unprecedented change in our ways of working, as well as to plan longer term.</p>	<p>Our Ways of Working - workforce</p> <p>User acceptance testing has now started for the <u>intranet</u> (most recent more detailed update with good progress to date. Pilot on schedule for mid August. Issues around forms and logins, however groups working on these</p> <p><u>Future ways of working</u> presentation taken through SMT and Members. Feedback has been incorporated and this is going through DMTs to develop in detail in time for the end of August Review point. Potential ongoing challenges for staff with caring responsibilities, particularly children. Work is also underway to ensure the coordination with other projects including digital enablers (e.g. end user device)</p> <p>This will enable our workforce to work much more flexibly, many using their home (with appropriate kit) as their base for the majority of time, support a rationalisation of office accommodation and build on the learning from C-19.</p> <p>The work has been informed by feedback in the staff survey and engagement events and is being supported by development of clear guidelines to ensure effective support and performance management. As previously reported an all staff survey has been carried out and results have been shared at overall and Directorate level. Broadly those currently working at home would be happy to continue with a mixed model of home and office working but there are also some well being concerns. It is recognised that this provides a snapshot and further intelligence will be gathered from engagement events and Directorate work. Further engagement options are also being considered.</p> <p><u>Change leads and change champions</u> “recruited” from across the organisation so we now have c250 supporting on intranet and will support on other change projects</p> <p>Strengthening Accountability</p> <p><u>Accountability Framework</u> - work has started to develop a set of management standards. Will be in the overall context of the developing Organisational Development framework. This work will report through Our Transformation workstream to SMT in August.</p>
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		<p><u>Simplifying Processes</u></p> <p><u>Constitution</u> - Work to review constitution scoped and Chief Officers have provided input to enable changes to be drafted and discussed.</p> <p><u>HR processes</u> - streamlined recruitment process designed (for managers to fill vacancies). Some of the system changes are reliant upon the supplier's costs and timescales which may create an issue.</p> <p><u>Finance and procurement processes</u> - High level scope to review finance and procurement system and processes developed, stakeholder buy in secured and data & intelligence gathering progressing to identify strengths, issues and challenges</p> <p>Resident and Business Digital Experience</p> <p><u>Support Tender</u> - Procurement route to market agreed with 6 suppliers to be invited to tender to develop what is required post CRM. Tender documents agreed and further preparation ongoing. Procurement Timetable in place. Agreed the procurement panel. The engagement period with residents and members is scheduled for September to January to be aligned to the digital exclusion work. This will be carried out via the Neighbourhood Teams.</p> <p><u>New Face to Face Customer Engagement Model</u> - The Revenues, Benefits and Business Rates Contact Centre services supported by new contact centre technology reopened on 14th July 2020. All Advisors are working from home delivering these Services. Customer Service Centre Officers are redeployed to support the Contact Centre whilst working through the revised face to face model/offer. Overarching service principles for the Customer Service Organisation future operating model are being developed. These principles to be used to form the basis to develop a new face to face customer engagement model in conjunction with key stakeholders.</p> <p><u>Income Management (CivicaPay)</u> - Workstreams are progressing to plan. The impact of Covid-19 Pandemic has had little impact on the delivery plan to date. Testing is completed for WebPayStaff and eReturns. Paris Data Migration</p>
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		<p>reporting has been successful with further reports being developed.</p> <p><u>Website Contract</u> - Currently finalising with procurement to ensure maintenance and support contract with incumbent supplier continues for the next 3 years.</p> <p>Information Governance and Management</p> <p><u>Email retention</u> policy options paper has been finalised for CIARG. Work has commenced on approach to <u>collaboration</u> (internal and external) within Microsoft Teams</p> <p>Aligned to the budget work as described below, work is now complete on the updated Corporate Plan for 2020-21 (and associated Council Business Plan) including an activity by activity review to understand work that has paused, continues or has accelerated. The more fundamental reset of both documents to be aligned to the Medium Term Financial Strategy and the delivery of the reset Our Manchester Strategy in 2021.</p>
ICT	<p>Current ICT Position:</p> <ul style="list-style-type: none"> • 5200 staff working remotely with c. 200 remote telephony users • 200 new machines a month being rolled out • Part way through data centre migration • Focused on ten key projects <p>Challenges:</p> <ul style="list-style-type: none"> • Infrastructure at capacity • Balance between additional services that need bringing online including contact centre telephony and public computer access in Libraries, and not putting at risk current live services 	<p>Our Ways of Working - digital enablers</p> <p><u>Microsoft 365</u> - 50 ICT Staff due to move by 3rd August, which will enable us to model the migration plan for the rest of the Council. Migrations for most users likely September / October. Discussions on going with google on licensing post September. Adoption and change workstream well underway with champions recruited, survey completed with heads of service, learning platform being finalised, comms plan being finalised</p> <p><u>End User Device</u> - Specification to go out to tender agreed. Tender process to start imminently. Challenge of supply chain availability since Covid incident.</p> <p><u>Data Centre Migration/Additional direct access capacity</u> - Plan for additional Direct Access in new data centre agreed involving ongoing migration of services. Expected to be live by early August and migration of all but Telephony complete by September.</p>

	<ul style="list-style-type: none">Capacity in key areas (servers and networks) is a particular issue.	<u>Telephony</u> - Over 200 staff answering calls from home. Remaining frontline services live by the end of July. Migration of all users over the next 11 months.										
Finance and Budget	<p>Overview as at MHCLG June Return data</p> <ul style="list-style-type: none">Financial position - Impact of COVID-19<ul style="list-style-type: none">- £31.7m in costs (Council only inc £0.4m in 2019/20)- £134.5m income loss (Council only)- £2m HRABudget Impact £31m in 2020/21; £162m in 2021/22.P2 (pre July announcements) - Overspend of £5.5m. Expected to be met from Government funding for S, F & C income loss (see below). <p>Challenges</p> <ul style="list-style-type: none">Uncertainty of funding from Government, immediate and longer termAssumes that the lockdown has ended at 31 July and that there is a return to pre COVID-19 position with regard to access to services etcDoes not assume there is any ‘second spike’ in infection ratesNumber of assumptions regarding impact based on the best information available at the time, including announcements of changes to lockdown restrictions, social distancing requirements and other requirements of Local Government inc Population Health to support businesses, residents and	<p>Next COVID-19 return is due to be submitted to MHCLG on 31 July</p> <p>These are now becoming significant returns each month. The main changes since June are:</p> <ul style="list-style-type: none">Section A has been updated to take into account the additional £500m of un-ringfenced funding announced on 2nd JulyAdditional service lines in questions A1 and B1 to separately capture spend on:<ul style="list-style-type: none">Testing, contact tracing and outbreak planningIncreasing enforcement or other activities to support the safe reopening of the economy and local lockdownsAny additional spend on domestic abuse services not being captured elsewhere on the formAdditional detail on ASC and homelessness spend in Section BAdditional detail on irrecoverable income losses in Section CChanges to the reserves questions in Section F to improve the consistency of data being provided <p><u>Revenue and Capital Budget - Review and Reset</u></p> <p>Government Support - To date the Government support which is included in the budget is:</p> <table><tr><th>Funding Source</th><th>£000</th></tr><tr><td>COVID-19 Emergency Funding for Local Government - (£1.6bn nationally) - first allocation</td><td>18,589</td></tr><tr><td>COVID-19 Emergency Funding for Local Government - (£1.6bn nationally) - second allocation</td><td>15,167</td></tr><tr><td>Council Tax Hardship Fund (£500m nationally)</td><td>7,458</td></tr><tr><td>Emergency Support for Rough Sleepers (£3.2m nationally)</td><td>68</td></tr></table>	Funding Source	£000	COVID-19 Emergency Funding for Local Government - (£1.6bn nationally) - first allocation	18,589	COVID-19 Emergency Funding for Local Government - (£1.6bn nationally) - second allocation	15,167	Council Tax Hardship Fund (£500m nationally)	7,458	Emergency Support for Rough Sleepers (£3.2m nationally)	68
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	<p>the wider control and monitoring of the pandemic.</p> <ul style="list-style-type: none">● Prioritisation of constrained resources eg support for capital schemes● Further funding announcements for which LA allocations are awaited:<ul style="list-style-type: none">○ 24 June the government announced funding of £105 million nationally to be used to support rough sleepers taken off the streets during the pandemic. This is intended to be used to support rough sleepers and those at risk of homelessness into tenancies of their own, including through help with deposits for accommodation and securing alternative rooms for rent. Made up of £85 million new funding from the Treasury and £20 million from refocusing existing homelessness and rough sleeping budgets.○ £16 million so that vulnerable people currently in emergency accommodation can access specialist help needed for substance misuse issues. This has already been announced but has been brought forward due to the pandemic.○ Support for income loss also announced on 6 July - will not cover all income losses. Relates only to sales, fees and charges (does not cover rents). A sum equivalent to 5% of budgeted	<table><tr><td>Care Home Infection Control Fund (£600m nationally)</td><td>3,342</td></tr><tr><td>Reopening High Streets Safely Fund (£50m nationally)</td><td>489</td></tr><tr><td>Track and trace</td><td>4,837</td></tr><tr><td>Local Welfare Fund (£63m nationally)</td><td>957</td></tr><tr><td>Local Business Rates Grants (new burdens)</td><td>225</td></tr><tr><td><u>Support for Businesses</u></td><td></td></tr><tr><td>Expanded Retail Discount 2020/21(excludes 1% for Fire Authorities)</td><td>138,477</td></tr><tr><td>Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund (£12.3bn nationally)</td><td>121,032</td></tr><tr><td>Local Authority Discretionary Grants Fund</td><td>5,432</td></tr></table> <p>Revenue - All Directorates have undertaken a review of their revenue budget and have identified immediate cost reductions/efficiencies from business as usual - indicating whether these will be in-year only or impact into 2021/22. This has been confirmed as part of the P2 monitoring exercise. Excluding the July announcements as per column opposite, there remains a gap of £5.5m.</p> <p>Work commencing on 2021/22 including modelling 20%-30% cost reduction. Look across services as will be more in some areas than others, but need to consider the need to meet statutory services as a minimum. This work is going to SMT on 24 July and Executive Members on 29 July.</p> <p>All financial numbers will be subject to further Government announcements and continuing analysis of costs and income losses. No announcement on 2021/22 budget until certainty of funding. This is not expected until the SR (October / November) and the Settlement (November / December).</p> <p>Capital - Full review of capital programme and pipeline undertaken. Analysed over link to corporate and recovery plans. RAG rated and consideration given to projects which may be deferred and the implications. Pipeline set out and indicate where projects are “shovel ready”.</p>	Care Home Infection Control Fund (£600m nationally)	3,342	Reopening High Streets Safely Fund (£50m nationally)	489	Track and trace	4,837	Local Welfare Fund (£63m nationally)	957	Local Business Rates Grants (new burdens)	225	<u>Support for Businesses</u>		Expanded Retail Discount 2020/21(excludes 1% for Fire Authorities)	138,477	Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund (£12.3bn nationally)	121,032	Local Authority Discretionary Grants Fund	5,432
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	<p>income is to be offset; of the remainder the government will fund 75p for each £1 lost. To be signed off by S151. Further detail awaited.</p>	<p>Full assessment of investment benefits required prior to investment, including focus on revenue - business rates, council tax, savings, rental etc (eg seek rental rather than sell for capital receipt). Further work undertaken on prioritisation of pipeline to include revenue benefits, indicative jobs, growth (ie Gross Value Added if known) and carbon reduction impact - this supplements the existing criteria for the capital checkpoint process of strategic fit, economic impact, financial implications and risk.</p> <p>Key next steps are to agree the future investment priorities and to determine the budgets and timelines for these, which can then be built into the capital programme planning. This will indicate whether a further review of the existing approved programme is required, to make the capital programme affordable in the short to medium term. Cessation of any projects which have incurred feasibility costs will require those costs to be met from revenue budgets.</p> <p>Continuing focus on looking at alternative delivery methods/funding arrangements to offset the risk against council budgets.</p> <p>Where projects are not contractually committed then they are to be deferred/held unless deemed necessary to continue and are able to be delivered. Delay or deferring may result in a negative impact on cost and delivery from inflation or supply chain.</p> <p>Update to July Executive including release of existing projects due to commence this year.</p> <p>Contracts - pipeline of contracts for review over the next 2 years drawn up for discussion at DMTs to look for opportunities to redesign/retender and to align to any savings proposals. Work ongoing.</p> <p>Work with Others - continued work with Core Cities and GM regarding position statements and lobbying of Government.</p> <p>Budget timeline</p> <p>The next steps are:</p>
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		<p>Strand 1 - Budget Update 2020/21</p> <p>Strand 2 - Budget 2021/22 - MCC/MHCC/MLCO</p> <p>Relevant Key Dates (work to align to MHCC/MLCO timelines and approvals):</p> <ul style="list-style-type: none"> ● July - September - Budget Process with consultation to be determined ● 29 July - Budget Monitoring 2020/21 budget to Executive; Update of Capital Programme to Executive ● 29 July - Executive Member meeting - further discussions on 2021/22 - inc more in depth analysis of proposals and look across re: cross cutting impact ● 21 August - External Benchmarking Report due ● 21 September - Financial Trajectory output from Impower ASC Demand work ● 16 October - final report from Impower on demand modelling ● Autumn - continuing work on any further corrective actions for 2020/21 and internal work on the implications of setting the budget for 2021/22 and beyond to 2024/25 to support Government lobbying and inform S114 risks. ● Autumn-December - Government's Spending Review expected in Autumn followed by the 2021/22 settlement to inform the Council's 2021/22 budget setting. No announcements of 2021/22 budget until greater certainty on funding ● January-March - Council Budget (and precept) setting process.
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Covid-19 Sitrep Summary

Economic Recovery Workstream

As at: 24/07/20 For Executive: 29/07/20 and Economic Recovery Workstream: 31/07/20 (updated fortnightly- please highlight changes in yellow)

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
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Sectoral Impact	<p>Overall economic picture ONS Labour market- drop of 649,000 on UK payrolls between March-June. Full effect on employment not expected to be felt until furlough scheme ends in Oct. ONS reports increased numbers previously unemployed have moved to economic inactivity. (see latest Mcr claimant count in Labour Market section). (16/07)</p> <p>Following a contraction of -6.9% in March and a record -20.4% decline in April, monthly GDP grew by +1.8% in May, below market expectations of +5.5%. GDP for the three months to May 2020 declined by -19.1%. (ONS 14/07)</p> <p>From 1 August, the government will update the advice on going to work. More discretion for employers, will be asked to make decisions about how their staff can work safely.</p> <p>RBS Group UK wide announcement- vast majority of staff working from home will continue until next year. (20/07- The Guardian)</p> <p>Deloitte webinar 23/07- General sentiment across largest businesses- not assuming v shaped recovery due to revenue projections and very high levels of uncertainty. Weekly live survey on return to office- rise in proportion of respondents who expect to return in fourth qtr, compared to previous week. Strong bias remains towards returning 2-3 days a week- consistent view over last few weeks.(24/07).</p> <p>ONS statistics show early impacts on UK trade. In the three months ending April 2020, total trade saw falls in both exports and imports of £33.1 billion (19.3%) and £29.9 billion (17.6%) respectively. Largest three-monthly falls since comparable records began in 1997. (13/07)</p> <p>Growth Company report growing volume of enquiries around business planning rather than finance, e.g. break clauses in property leases, supply chain disruption. Anecdotal evidence of insolvency wave ahead. (15/07)</p> <p>EU Exit transition- GM Chamber and others recognise greater work required for preparation. Economists advising businesses and</p>	<ul style="list-style-type: none"> Intelligence gathering from sector representatives continues, to understand impact, issues, opportunities and support needed. Used to inform workstream plans and lobbying. Newsletter issued each week- over 7500 businesses with updated guidance and opportunities. Ipsos Mori commissioned to carry out detailed survey work of key sector impact/business needs over next 3 months. Interim top line results end of July. Economic analysis work on major impact and support measures commissioned, which will inform an iterative recovery plan process. It will also assist with business cases for initial priority shovel ready projects. Business Sounding Board meeting fortnightly- 3 areas of focus: 1. Communications/building confidence in city centre 2. Back to work focus with occupiers and owners 3. Venues and events- exploring potential real/part virtual event to build business confidence. (14/07) Involvement in GM Groups, e.g. Economic Resilience Group, GM Tourism Industry Emergency Response Group & Place Directors. Feed into national lobbying work, e.g. Core Cities evidence gathering, Chief Executive meetings with HMT, BEIS etc. <p>Comprehensive Spending Review launched 21/07. Review will be published in the autumn. Will set Govt dept resource budget for 21/22 to 23/24 and capital budgets for the years 21/22 and 24/25. Autumn will also see Budget, White Paper on Devolution and Local Recovery White Paper, National Infrastructure Strategy.</p>
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organisations to prepare for what is regarded as a second economic shock, particularly more exposed sectors ie through supply chains and regulations.

More than 50,000 businesses across NW operating under significant financial distress. (Begbies Traynor) . Red Flag Alert data for Q2 2020 has recorded a 9 per cent year-on-year increase in the number of distressed companies. 24/07

Key issues raised by **Manchester Business Sounding Board** (14/07):

- city centre remains very quiet during weekdays
- concern re continued guidance to work at home- some employers now encouraging staff to return ie one day a week/ collaboration sessions- looking at working with larger employers to move towards more positive messaging
- smaller companies making decisions to return- concern larger companies not planning to return sooner ie Sept at earliest.
- more intel needed on city centre residential market and workplace link
- importance of stressing safety measures in place to provide reassurance and increase confidence

O2 Business study- Manchester named **Entrepreneur capital** between March-June. Over 4,000 companies launched (analysis of Companies House data). Driven by demand for tech expertise- (growth in construction, hairdressing and beauty) (Business Live 15/07)

Retail/Leisure- Major retail chains announcing redundancies include Boots (4,000) and John Lewis (1,300 at risk) 09/07. **M&S expected to announced job losses UK wide (20/07).**

Footfall in the city centre retail core has plateaued at around half of last year's levels. Week Sun 12th to Sat 18th July was -55% year on year, with Market Street again ahead of this, as the 'busiest' area at -37% year on year. Indications for this week are at similar levels.

	<p>Overall, Manchester's central footfall figures continue to be in line with other city centres, with London perhaps suffering the most with the lack of office workers, tourists, and public transport capacity. Last week, the UK average for High Streets was -48% year on year. 24/07</p> <p>More businesses reopening: Paperchase 17/07, and Harvey Nichols 01/08. Retailers in administration: Bella Italia, Cath Kidston, Victoria Secret, Accessorize, Quiz and Oasis (all closed UK wide), Carphone Warehouse (standalone closed), TMLewin (online), Lunya (closed), Debenhams (open and trading).</p> <p>Buzz Bingo hall closures announced Wythenshawe and Harpurhey.</p> <p>From 1 August, the government will reopen most remaining leisure settings, namely bowling, skating rinks and casinos, and will enable all close contact services such as beauticians to resume.</p> <p>Footfall in district centres (Springboard w/c 29/06). Overall drop by 16.2% compared to previous week. Still well down on previous year. Weather big impact. Chorlton only area to see increase (6.9%) (09/07) Monthly figures for June show big differences between district centres- overall monthly increase of 10.7% (Chorlton + 25.8%, Withington +22.7%, Levenshulme -5.7%, Gorton -22.4%) (13/07)</p> <p>Beauty salons, nail bars, tattoo and massage studios, physical therapy businesses and spas able to open from 13/07.</p> <p>Face masks mandatory in shops from 24/07</p> <p>Hospitality- The reopening on the 4th was positive overall. The majority of outdoor seating plans were granted with others being amended for reconsideration. Northern Quarter (Thomas St, Edge St, Stephenson Sq) and the Village worked particularly well. Around 60% of bars opened over weekend of 4th July. Second weekend saw more venues open doors and welcome back customers. Better weather helped the outside spaces- NQ and Village plus districts such as Didsbury and Chorlton popular. No issues re track and trace reporting. (13/07)</p>	<p>Retail/Leisure- Communications live on mandatory wearing of face masks in shops (as well as public transport)- part of <i>Welcome Back</i> campaign.</p> <p>Plans for <i>Reopening High Street Safely Fund</i> being submitted for grant approval as part of ERDF requirements - focus on 1) pedestrianisation and changes to public realm and 2) communications across district centres.</p> <p>Cllr Karney letter drafted to CEO to Buzz Bingo re closures, calling for action to review decision. 22/07 Letter sent 28/07</p> <p>Hospitality- Growing number of schemes being approved for outside space. Positive social media response overall.</p>
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This week saw the start of the new outdoor scheme on Tariff Street. By this weekend all venues will be using the space. Three more schemes will go live: Ridgefield for La Bandera and Arcane, Back Turner Street for Shack and High Street Tavern and Bloom Street for Bloom (road closures with nothing permitted on pavement). Other outside area schemes including NQ and Ancoats- positive results from sales and positive feedback from residents and on social media. encouraging comments from residents and on social media. (24/07)

Several more businesses are now planning to reopen from 1/08 incl comedy clubs and businesses along pedestrianised stretch of Deansgate. Areas outside space continue to be the busier areas.. However, Peter Street and Oxford Road continue to see a decline in sales. One venue has been operating at an 80% drop in takings year on year. The Northern Quarter, Village, Ancoats and Castlefield have however all seen considerable growth, with several venues now taking more year on year than the week before. (24/07)

Eat out to help out campaign very much welcomed. Concerns by NBRManchester that it misses too many operators (ie wet-led bars or pubs) Take up has been slow this week but most venues that sell food are looking into signing up.

Mixed reaction to **VAT cut**- The Guardian 15/07 *"With Manchester city centre still missing the usual throngs of office workers and many of its museums and other attractions still closed, few people were around to take advantage of reductions over Wednesday lunchtime."*

Reduction does not apply to alcohol- Peveril on Peak quoted in The Guardian 15/07) unfeasible to offer discount as do not serve food. Others not in position to pass on reduction.

Visitor economy- The effects of the lockdown continue to be severe and far-reaching on both tourism operators, their employees and the wider supply chain. The sector is now starting to reopen: a key concern is how viable business operating models will be under the Government guidelines. Marketing Manchester estimate projected £4.2 bn (-47%) loss by end of next month to GM £9bn visitor economy. (15/07)

Plans for longer term use of outdoor space and design brief coming to fruition with support of external expertise to support hospitality and culture by increasing visitor footfall.

Marketing Manchester supporting #NOMORESHOWS campaign- launching this week to curtail devastating effects of customers not turning up to bookings. (15/07)

Eat Out to Help Out Scheme- Guidance issued. Registration open and promotional materials issued 13/07. Starts 1/8

Temporary reduced rate of VAT for hospitality, holiday accommodation and attractions- HMRC guidance on the temporary reduced rate of VAT for hospitality, holiday accommodation and attractions from 15/07.

The Business and Planning Act received Royal Assent 22/07 The Home Office published guidance on the temporary alcohol licensing provisions in the Business and Planning Act. 22/07 Includes guidance on:

- the purpose of the temporary off-sales extension
- the difference between pavement licences and alcohol licence
- the new summary off-sales review process
- general advice on conducting off-sales

Hoteliers Assn: Some hotels performing relatively well at weekends and attracting regional audience. (14/07) Operators looking at impact of lost revenue on staffing levels post furlough period. Next 9 months expected to be a tough trading environment. Concerns re scale of potential job losses.

Manchester Central- Awaiting guidance on events. Sept/Oct openings are unlikely. MC won't be open until next year with the Nightingale facility remaining in situ. (08/7)

'We're good to go kitemark' Visit England accreditation- 30 partners have signed up. Work ongoing to increase uptake and provide the public with reassurance. (09/07)

Culture, Leisure and Sport- Conflicting govt advice re opening of venues. 5 stage roadmap does not contain dates or conditions. Biggest issue is de-risking- due to fragile nature of organisations, many are not in a position to take risk on large events/productions.

Outdoor performances (with social distancing) can resume from 11/07).

New guidance for reopening performing arts published (17/7). It may not be until 2021 that venues can fully reopen with performances allowed indoors and outdoors.

- Stage Three: Performances outdoors with an audience plus pilots for indoor performances with a limited distance audience from 11/7. Musicians, dancers and actors, and the tech teams can resume training, rehearsals and recorded performances where organisations are able to & Dance studios can reopen (from 25/7).
- Stage Four: Performances allowed indoors / outdoors (but with a limited distanced audience indoors) (est 1 Aug)
- Stage Five: Performances allowed indoors / outdoors (with a fuller audience indoors) (est Oct)

From 1 August, indoor performances to a live audience, subject to the success of pilots and social distancing, can restart and the government will also pilot larger gatherings in venues like sports stadia, with a view to wider reopening in the Autumn.

Visitor economy- #FindYourSpaceMCR recovery and confidence consumer campaign launched 08/07 by Marketing Manchester- aims to restore confidence in tourism, hospitality, leisure and cultural sectors. Focused on local audiences to re-discover and explore local green spaces. Sub campaigns- Space to Meet and Space to Learn will launch in Autumn, encouraging confidence and safety in business meetings and conference industry and ability for students to live, study and have full student experience.

Tourism and Hospitality Talent Hub- free webinar to businesses 5/08

Culture Recovery Board 01/07- Proposing a recovery plan with outline costs (£71m) for interventions designed to:

- a) stabilise the sector ensuring venues and cultural companies can survive, especially where extended closures are likely and
- b) stimulate recovery with targeted interventions for parts of the sector including employment programmes.

Consultation with sector task groups is underway and a consultation document is being designed by the comms team for circulation.

Following Cllr Rahman's open letter the the Secretary of State for Culture on 19 June, two further letters have been sent:

- 2 July urging urgent financial investment in the sector following news of redundancies at the the Royal Exchange
- 8 July with outline costs for Manchester's call for investment in the cultural sector of £71m.

Govt announced £1.57 billion investment to protect cultural, arts and heritage institutions. £1.15 billion support pot for orgs in England delivered through a mix of grants and loans. Made up of £270 million of repayable finance and £880 million grants. £100 million of targeted support for the national cultural institutions in England and the English Heritage Trust. £120 million capital investment to restart construction on cultural infrastructure and for

From October, the government intends to bring back audiences in stadia and to allow conferences and other business events to recommence in covid-secure way, subject to the successful outcome of pilots.

Clarity on guidance re cinemas needed- campaign required to build confidence. Issues with product availability, hence staggered re-openings. (14/07)

Re-opening of galleries, museums & libraries

Update on planned reopening dates:

- Museum of Science & Industry - 14th August
- Manchester Central Library (in addition to the City Library open 4th July) - 20th August
- Manchester Art Gallery - 20th August
- National Football Museum - 23th July
- People's History Museum - 1st September
- HOME - 4th September (cinemas, bars and restaurant)
- The Whitworth - September (date to be confirmed)

Music venues- New owners secured for Gorilla and The Deaf Institute

Band on the Wall- closing until Sept when building works will commence as part of their planned extension and redevelopment. 20/07

Libraries - Eight of the city's libraries were successfully opened 4th July. Total visits for the first 4 days of operation- 3,159 (with 20% of visitors accessing PC resources)

Redundancies- Six cultural organisations have begun redundancy procedures with staff. Those in the public domain include the Royal Exchange Theatre (up to 65% of staff), Stoller Hall and Band on the Wall (16).

Phased return of sport and recreation- Indoor gyms, swimming pools and sports facilities to reopen from 25/07.

Aviation- T2 reopened 15/07- all three terminals now open. Still 95% down on normal volumes, average 50% capacity on re-launched flights. MAG considering potential for recovery to be softer in FY22, particularly in Manchester, which has a higher proportion of full-

heritage construction projects in England which was paused due to the coronavirus pandemic.

Arts Council England's Emergency funding grant awards National Portfolio Companies* has now been announced. Specifically targeted to support companies' survival until 09/20. Total of £1,060,317 awarded to Manchester companies. Several unsuccessful applications.

**NPO Companies are funded over a 4 year agreement and as part of the Covid response, ACE announced existing annual funding agreements will be extended to a 5th year*

Discretionary Grant and other Business Grants for Small Businesses- Companies continue to be supported to apply for business rate related grants. (15/07)

Music venues- meeting with venues and MCC being convened for 30/7

Labour market- Work to link employers to the local training and employment support offer ongoing. (15/07)

service and long-haul carriers, but still recovering to pre-crisis levels by FY24. This does not assume a resurgence of COVID-19 resulting extended restrictions on air travel. Over the last few weeks more flights have started to resume. This week sees the return of Jet2.com, Etihad, plus TUI, Ryanair and easyJet have all increased services. Latest airlines to re-launch: Etihad to Abu Dhabi 18/07 Air Transat to Toronto 23/07, Biman Bangladesh to Dhaka 31/07 Cathay to Hong Kong 01/08.

Removal of quarantine requirements on many routes positive but need to track confidence in weeks ahead.

Piece in MEN re potential redundancies misleading as referred to national numbers in the sector- no public announcements made yet and focus has been on MAG doing all they can to preserve employment. (03/07)

Higher Education Institutions- Concerns re potential deferrals, significant potential loss of income in relation to international students (account for half of tuition fee revenues), loss of income re conferencing and events. Uncertainty re student numbers next academic year. Volume of applications from home students appears to be in a good position. 60-70% booking of residencies compared to normal levels. Demand from Chinese students remains positive though depends on travel. Significant uncertainty re India and North America. No large lectures- will be blended learning with online and use of large space for small groups. (30/06)

No specific institutional announcements re rescue package. Universities expected to apply for the funding- appears to be a mix of grant/loan – linked to nature of research projects, and proportion of international students. (10/07)

R&D roadmap- start of a conversation- significant opportunity to rebalance R&D spend to the regions, and UoM particularly will be well placed to benefit from this. (10/07)

Institute of Sport at MMU- refurb to commence 13/07- due to open 2022

Aviation- Engagement with MAG to understand the impact on Manchester Airport. MAG working on recovery plans and tracking confidence to fly over the next few weeks. MA aim is to protect jobs wherever possible. MCC supporting lobbying by MAG to call for an aviation support strategy to aid recovery.

Border Impact: The Government is now starting to look at the customs border and has produced a new border operating model ([link](#)). It has recently produced documents outlining the first stages of how goods will enter and leave the UK and are due to produce similar plans for passengers in the coming weeks. MAG is already inputting into teams at the Home Office, DEFRA and HMRC to help plan for the UK's full departure from the EU and should have more detailed information in the coming weeks. **Environmental Health** (Sanitary and Phytosanitary Checkpoint - SPS) impact almost entirely depends on the volume of SPS goods that pass through a port, info held by logistics and freight businesses, but MAG will monitor the situation closely. 24/07

Higher Education Institutions- Regular dialogue with universities to discuss potential loss of income and support required. Work and skills team in regular discussion. 10,000 expected to graduate- support needed to be in place to ensure city does not lose talent. China is the biggest student demographic for the UoM, so the university is focusing activity and dialogue. MCC working with UoM on support to welcome international students. (23/06)

	<p>ID Manchester- partners selection process to resume- final selection to be made Spring 2021. (15/07)</p> <p>Financial and professional services- KPMG cutting 200 jobs from UK workforce/ 100 positions from business services functions. 23/07 (PNW)</p> <p>Real Estate Focus Group (sub group of Sounding Board)- Key issues: major concerns re larger city centre employers not returning to office before Sept- concerns raised re impact on city centre in immediate term. Survey work underway to understand return plans. Reassurance to staff important. Other key issues (21/07) promanchester doing a survey of members re return plans.</p> <ul style="list-style-type: none"> ● Is there more that could be done re workplace safety and providing reassurance ie testing? ● over summer many companies told staff to take extra leave, some down to 3-4 day weeks ● trends being accelerated: agility of staff, lease lengths prepared to sign up to, focus on staff wellbeing. ● concerns raised re complexity of guidelines to tenants <p>Office Market- Manchester Office Agents Forum (Place NW- (22/07) Take up down 75% quarter on quarter in Q 2to 75,995 sq ft from 309,212 in the first quarter of the year, as market slowdown on the back of Covid-19 reduced demand. 20 transactions in city centre offices in second quarter of the year, down from 58 in previous 3 months. 'Still healthy level of larger requirements circulating in the market.'</p> <p>South Manchester- total take-up of 59,972 sq ft, significantly down from the quarterly average of 154,000 sq ft. Notable transactions included the purchase of the Voyager office scheme (38,943 sq ft) by USDAW, and Marlowe Fire & Security's leasing of 25,568 sq ft at 5 Central Park.</p> <p>MOAF report activity has picked up significantly over the last 8-10 weeks, with some businesses creating new jobs- MOAF retains a</p>	<p>Two universities planning for Sept opening and looking at strategies to manage first 2 weeks when students arrive.</p> <p>Support announced for research universities-: new research funding scheme in Autumn to cover up to 80% of income losses from decline in international students. Around £280 million to enable universities to continue their cutting-edge work, such as research into antibiotics resistance and the effects of coronavirus on society. (27/06)</p> <p>R&D Road Map announced- to 'cement the UK as a world-leading science superpower'. £300 m to upgrade scientific infrastructure across the UK. New Office for Talent set up to make it easier for leading global scientists, researchers and innovators to come to the UK. (01/07) **Joined-up response that is Mcr led needed with Corridor partners- Online survey- closes 12/08.</p> <p>Property Sector- Real Estate Focus Group convened to support MCC understanding on commercial property market, guidance on issues and develop an action plan to support recovery. (07/07)</p> <p>Investment- Leader written to Minister of Investment offering mtg to discuss how Mancr can help support national efforts re investment, FDI and exports. (03/07)</p> <p>Ongoing contact with local account managed/large employers tp understand challenges and future plans. MIDAS exploring opportunities around: north shoring and re-shoring of business critical functions (esp food manufacturing & life sciences. Planning underway looking at target markets and sectors ie in ecommerce, cyber security, digital technologies, healthcare and biotech). From September onwards- digital campaigns will be deployed incl schedule of webinars across each sub-sector aimed</p>
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	<p>"positive outlook". Expects to see significant bounceback by the more agile, smaller occupiers in the second half of the year."</p> <p>Inward investment update- MIDAS has a strong pipeline of enquiries forecast to close in FY20/21 though yet to fully understand full impact. Over 30% of companies have said that the ongoing situation will not affect investment plans. Mancr enquiries by sector: creative, digital and tech (39%), life sciences (27%), advanced manufacturing (18%), financial, prof bus services (12%). (13/07)</p>	<p>at key locales within target markets (eg medtech in Boston; ecommerce in Bangalore; advanced materials in Seattle).</p> <p>Investment Taskforce met 16/07- plan to develop an Innovation GM proposal to submit as part of Comprehensive Spending Review.</p>
Development	<p>Stimulating development & investor confidence, including:</p> <ul style="list-style-type: none"> ● Understanding current impact through intelligence gathering. ● Assessing sources and levels of investment, and any obstacles (access to debt). ● Seeking financial and other support needed to enable early start of key projects 	<ul style="list-style-type: none"> ● Planning reform proposals- (13/07) MHCLG published draft guidance on extension of certain planning applications and the Additional Environmental Approval process introduced in the Business and Planning Bill. Planning policy paper due later this month. RTPi sent open letter (02/07) re <i>Plan the world we need</i> campaign- concerned recent rhetoric about reputation of planners. <i>"Planners need to be at centre of sustainable and</i>

- Understanding supply chain issues and identifying appropriate support measures. It is becoming increasingly apparent that the appetite of contractors to bid for apartment led residential schemes has been significantly impacted in the short term due to issues in the supply chain (i.e. loss of subcontractors and access to materials). This concern has also been raised by developers of commercial schemes.
- Developing guidance/share good practice for safe operation of sites
- Expediting design & planning phases of projects.
- Productivity increased across most major sites- 97% of infrastructure and construction sites now operating. Social distancing measures impacting on programmes. Issues re supply chain/access to materials. Infrastructure sites are now achieving 89% of pre-Covid productivity. Housing sites 93% of sites now open. Reports that contractors are planning to reduce workforce by 11 % within the next 3 months.

resilient recovery. By-passing system for speed and to cut costs risks sub-standard homes and removes democratic rights of communities to input into local development.” (see separate note)

- **Planning-** New laws to extend homes upward. From Sept full planning applications will not be required to demolish and rebuild unused buildings as homes. 21/07. The impact is being considered by Planning.
- Final list of ‘shovel ready’ schemes for the Get Building Fund (announced on 30/06, with £54m awarded to GM) submitted to Government for agreement on 17/07. BASE Manchester Innovation Activities Hub at MSP, and Mayfield were included.
- GMCA has set out currently known criteria for the £81m Brownfield Land Fund as follows: The homes supported via this fund will start on site in this Parliament (by a longstop date of 31 March 2025); all projects must represent good value for money and be Green Book compliant with a Benefit Cost Ratio at or above 1.0 (priority will be given to schemes achieving best VFM); schemes must be delivered within LAs where an up to date Local Plan or Spatial Framework is in place, or an agreed plan with MHCLG for getting a Local Plan or Spatial Framework is in place; there will be a maximum of £15,000 investment per residential unit delivered; and, where practicable, the funding should support local supply chains. GMCA expect full details before end of July and have asked LAs to identify potential Round 1 schemes that start on site before 31 March 2021 and will issue bidding templates when full details provided by MHCLG. Manchester is intending to put forward a number of schemes in Northern Gateway and New Cross for round 1.
- Shovel ready project list submitted to Core Cities, for an informal submission to the Economic Recovery Working Group (ERWG) on 24 June. The members of the group, which includes senior civil servants from MHCLG, BEIS and HMT, were asked to share the information widely within the Government. No feedback to date.
- Manchester prioritised shovel ready projects list submitted to key Ministers (including the Chancellor) and

		<p>local MP's on 2nd July. Included as an addendum to Executive report on 3 July.</p> <ul style="list-style-type: none"> • Pre contract discussions have been held with Homes England on Northern Gateway, with a view to entering in a contract in September, securing £51.6m in Housing Investment Fund grant that must be fully expended by March 2024. • Pre-planning consultation on the first phases of Collyhurst redevelopment being planned with local Members, which will deliver 270 homes (including 130 new Council properties). Planning application anticipated in autumn, following consultation with Collyhurst residents (we have developed a virtual consultation methodology but this may delay submission of planning as we are at a 'hearts and minds stage' with the community whose confidence has been dented due to previous false dawns). • Prioritisation of land transactions or contractual arrangements that are close to completion to preserve delivery arrangements. • New Victoria residential scheme expected to start on site with enabling works in August. • Reports to 3 July Executive on SRFs agreed: revisions to NOMA Strategic Regeneration Framework, detailing next phase of development, including additional commercial space; revised Framework for First St, with proposals on sites on Medlock Street; and a new Framework for St Mary's Parsonage, including new commercial, retail and public realm proposals.
Affordable Housing	<p>Risk to developer and investor confidence.</p> <ul style="list-style-type: none"> • Working with RP's and other developers to understand current impact and forward plans. • Assessing sources and levels of investment, and any obstacles • Investigating grant funding, financial and other support needed to enable early start of key projects • Understanding supply chain issues and identifying appropriate support measures. 	<ul style="list-style-type: none"> • Regulator for Social Housing (RSH) has called for RP's to provide revisions of their business plans by September. This will identify any viability risks but should also identify progress on development programmes. • Managing existing onsite, pipeline and planned development with RP's. These were referenced in the June Executive report. <ul style="list-style-type: none"> ○ 398 homes under construction and anticipated in the 2020/21 year. Re-mobilization of sites now underway.

	<ul style="list-style-type: none"> ● Developing guidance/share good practice for safe operation of sites ● Expediting design & planning phases of projects. ● Risk of registered providers slowing down or pausing programmes to consolidate finances/liquidity ● Ensure Zero Carbon and Fire safety provision are part of the programmes. ● Potential flooding of the PRS sector as the short term let market shrinks. 	<ul style="list-style-type: none"> ○ 252 homes currently in the programme for 2021/22. ○ New projects emerging. ● Silk Street tenders returned <ul style="list-style-type: none"> ○ Submissions now evaluated. ○ Working on the affordability of the scheme with Homes England. Rents are significantly below LHA but will need additional grant or other investment to make viable. ● Progressing the establishment of a Local delivery vehicle. Looking to start on site with key projects and novate across. <ul style="list-style-type: none"> ○ Approval at Exec 3 June. Detailed work programme now underway to accelerate progress. ○ £1.5m from Housing Investment Reserve secured ○ External support being commissioned. ○ 5-year supply of land to develop 2000-2500 rented homes through the delivery model. Land assembly workshop scheduled for 8 July. ○ Professional support for site master planning and massing will be appointed by the end of July ● Project 500 progressing. Will deliver 500-600 homes. <ul style="list-style-type: none"> ○ Sites being reviewed by RP group and are due to report back week commencing 13th July ○ Standard documentation being drafted by MCC legal and development to speed up disposal process ○ Legal are putting together an internal team to deal with the increase in title searches relating to both the LDV and P500 ● Entering into formal agreement with Homes England and signing an MOU to take a partnership approach to accelerated development. Complements similar arrangements with GMCA. (see development) <ul style="list-style-type: none"> ○ Action Plan in development following 3 workshops ○ Working towards a September Executive for formal approval to enter into formal agreement with HE
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		<ul style="list-style-type: none"> • Ongoing intelligence gathering with developers to understand status of projects and support needed. <ul style="list-style-type: none"> ◦ MHPP Growth workstream capturing current position and plans. • Prioritisation of land assembly and due diligence to allow acceleration of build programme. • Dialogue with RP's on Monday 22nd in regard to a mix of development. (Action point from 5 June meeting). Mix of tenures should reflect Housing Strategy. • Working with Your Housing Group to bring forward a 200+ newbuild scheme in East Manchester with 60% planned for affordable housing
<div>Page 56</div> Transport and Infrastructure	<p>Work with TfGM to agree a broad overall transport plan to support gradual opening up of the city with a focus on pedestrian movement and safe use of public transport linked to an agreed package of measures to support safe pedestrian access.</p>	<ul style="list-style-type: none"> • Transport consultant working with highways, city centre regeneration and TfGM to develop a strategic medium term plan to support city centre business re- opening, safe pedestrian movement and public transport connections. This will draw on national and international best practice. Initial outputs due to be discussed at the City Centre Infrastructure Working Group on 23/7/20. • Analysis of predicted transport requirements- TfGM undertaken a 'Future Travel' Survey" to gather the public's views on using public transport after lockdown. 14,000 responses received and initial findings have been shared with members of this group and the Business Reopening Analysis group (including MCC reps). A summary of the complete results from the survey is attached for members' information. • Data from this Tuesday (14/7) shows the following differences with the position on Monday 9th March and 29/6 showing a gradual but slow increase in public transport usage across Greater Manchester with car travel still reduced but much closer to pre lockdown levels. <ul style="list-style-type: none"> ◦ Metrolink patronage 9/3/20 = 122,613 " 29/6/20=19,668 14/7/20 = 31,884 ◦ Bus 9/3/20 515,309 " 29/6/20 143,795 14/7/20 191,093 Rail 9/3/20 104,795

		<p>“ 29/6/20 21,859 14/7/20 28,759 GM Highway 9/3/20 5,082,000 29/6/20 3,700,000 14/7/20 4,032,000</p> <p>Data has also been made available from NCP on year on year changes in car park usage for the period until the end of June which is attached. More up to date data for the last week has been requested.</p> <p>Facemasks- Week of action TFGM comms campaign from 16/07- a step-up in operational response and a more visible and proactive manner to enforcement. 60-80% current usage.</p>
	Analysis of businesses' plans for reopening, working with TfGM, CA, Chamber, Growth Company	<ul style="list-style-type: none"> ○ TfGM linked into Day Time Economy recovery group work especially re Social Distancing
Page 57	Identify and implement interventions that support social distancing and procure necessary equipment to facilitate this.	<ul style="list-style-type: none"> ● Deansgate temporary closure to motor vehicles implemented on 16th May. ● Thomas Street temporary closure was implemented on 31st May. ● Temporary closure of Ducie Street and Stevenson Square and one way system on Withy Grove were introduced from Friday 3rd July to create safer conditions for pedestrians and support business reopening. ● Temporarily widening pavements in a number of locations across the city to support safe pedestrian movement and social distancing. Measures and have already been introduced on London Road and Princess Street learning lessons as we progress. Other schemes delivered: Cheetham Hill Road, Chorlton- Manchester Road- Claridge Road and Warwick Road, Wilmslow Road in Rusholme, Withington Village (Wilmslow Road), Openshaw- Ashton Old Road. Sites being discussed at Hulme High Street and Ashton New Road Phase 2 in Openshaw. ● Tasked our CCTV monitoring staff to monitor how the public act on returning to work to support reacting to events and that is supported by the TfGM control room.

		<ul style="list-style-type: none"> • Decluttering pavements where we can using a new find and fix team to carry out audits, bearing in mind need to support businesses reopening who may need to use pavements (eg for tables and chairs) • Welcome Back Manchester campaign launched on 12 June, to provide confidence to encourage people back into the city centre and district centres. • Emergency Active Travel Fund - GM awarded £3.1 million as part of the first phase of funding. It supports pedestrian and cycling measures and which take pressure off the public transport network. Work underway with GM to determine which schemes are to be delivered. • Guidance has just been received regarding bidding for resources for phase 2. A bid needs to be submitted by the combined authority by 7/8/20.
Page 58	Continue with highway works that can be undertaken during lockdown	<ul style="list-style-type: none"> • Continuing with all our major projects that are on site and continuously monitoring government guidance about construction • Finding ways to accelerate all our programme of walking and cycling schemes aiming to have early starts on all our programmed projects • Maintaining our roads at business as usual levels by inspecting them and making repairs • Resurfacing and treating many more main roads than originally planned to take advantage of lower traffic levels • Working with TfGM to review bus stops and increase pedestrian phasing at signalised crossings.
Skills, Labour Market and Business Support	<p>Significant growth in the number of Manchester residents claiming Universal Credit. Evidence base for THINK work shows:</p> <ul style="list-style-type: none"> • 89% rise in claimant count in Manchester during April & May - 33,825 claimants; • affects every LSOA in the City & all age ranges; • particular impact on young people which has seen an increase of 98% (national fig 109%) & over 50s (73%); • concentrations in areas with large Black, Asian and ethnic minority communities e.g. Longsight, Moss Side, Cheetham 	<ul style="list-style-type: none"> • THINK have produced their report on skills & labour market recommendations with 6 key priorities: <ol style="list-style-type: none"> (1) minimise the number of Manchester residents moving from furlough to redundancy as the job retention scheme winds down; (2) support unemployed Manchester residents to re-enter work as quickly as possible especially young people, those aged over 50 and BAME; (3) maximise new job creation, increasing overall labour demand in the City;

- 32% of Manchester residents are either furloughed (62,200) or receiving self-employment support (15,900);
- Job losses compounded by significant drop in levels of vacancies;
- 800 16-18 year olds who would normally pursue apprenticeships or move into employment at risk;
- 74% national decline in apprenticeships
- circa 10,000 graduates who would normally stay in the City will struggle to get graduate level work.

ONS release 16 July - June figs for Manchester:

- Claimant count : 34,140 overall; 6,695 - aged 18-24; 21,145 - aged 25 to 49 and 6,220 aged over 50.
- There are 42,490 Manchester residents claiming out of work benefits: ESA claimants -30,750; Jobseekers - 5320, Disabled 2610 and Lone Parents 5420.

GM **vacancy data** (to the week ending 4 July 2020) shows a slight dip in the numbers of vacancies from the week before to approx 4000. Vacancies are about 1000 postings a week below the level in the equivalent period in 2019. The data reflects drop in the numbers of jobs vacancies as the pandemic has unfolded. Education and professional jobs both appear to have grown recently (albeit with some more recent plateauing in the trend). (08/07) Within digital skills- shortages of software developers/programmers and in cyber security. Work on going to develop talent pipeline through various digital initiatives.

Data on estimated percentage of **residents furloughed** through Job Retention Scheme: 24 % in Mancr (same rate at GM) June figures. (08/07)

Businesses in the City significantly affected by Covid-19 with access to markets & cash flow the most significant issues

- (4) minimise the number of young people who become unemployed after leaving education and training in Manchester;
- (5) support apprenticeships & other training opportunities to better equip employers with the skills to survive & grow, while helping more residents to progress & upskill in their careers;
- (6) improve the support available to unemployed, long-term inactive residents to reduce the risk that they are “crowded out” of the jobs market with the influx of new claimants

- Chancellor announcements on Kickstart, traineeships and apprenticeship grants will provide support for young people in particular although we are still awaiting the details. The announcement was light on skills but some modest additional investment in FE level 2 & 3 for 18 to 19 year olds. The Work & Health programme has been expanded with an additional £5.5m investment in Working Well in GM. In terms of the priorities listed above, there was nothing in the announcements to specifically provide support for BAME residents & those over 50s or skills investment for adults with low skills who have become unemployed or at risk of doing so.
- 4185 young people which is 73.8% of the Year 11 cohort have a September guarantee, as compared with 2643 (48%) in 2019. Post-16 education and training providers in the City are working hard and have summer programmes to engage young people e.g. TMC's from Couch to College.
- Working with GMCA to influence and take advantage of opportunities, e.g. Skills for Growth, and develop responses for different labour market sector
- Working with the Cultural Team to pull together support for cultural organisations and employees & identifying existing provision that can be adapted to suit their needs;
- More broadly working with AEB providers to identify education & training provision currently on offer or being planned to meet the needs of residents who become unemployed or under-employed as a result of Covid

		<ul style="list-style-type: none"> • The discretionary business grants scheme to support small & micro businesses received 1261 applications by 10 June closing date. 925 businesses have been awarded grants with £4.6m of the £5.4m, paid out to date. 232 businesses have been rejected, Working through the more complex applications. • Future Fund- Criteria changes- more start-ups and innovative firms will be able to apply for investment from the Government's Future Fund (30/06). Loan of between £125,000 and £5 million. Officers to promote this via networks.
Funding	<p>No specific known impacts on current external funding bids caused by C19 as yet. Known bids progressing through funding approval processes as expected.</p> <p>Team in City Policy developing a funding action plan based on C19 recovery and Corporate priorities</p>	<p>Shared Prosperity Fund- Consultation still awaited. Institute of Fiscal Studies report calling on govt to consult on Shared Prosperity Fund (replaces EU structural funds next year)- calling on flexibility and tailored to local priorities. Needs to also take into account long term effects of C19.(13/07)</p> <p>Chancellor's Summer Statement</p> <p>£1bn for Public Sector Decarbonisation Scheme, offering grants to public sector bodies for energy efficiency and low carbon heat upgrades. - will include schools. Being picked up by the Buildings and Energy Workstream in Zero Carbon Coordination Group.</p> <p>Other announcements of interest to our partners are:</p> <ul style="list-style-type: none"> • £100m of new funding for researching and developing Direct Air Capture, a new clean technology which captures carbon dioxide from the air. • Electric Vehicles As part of £1bn announced last year for automotive technologies, £10m is available immediately to scale up manufacturing of the latest technology in batteries, motors, electronics and fuel cells. • Social Housing Decarbonisation fund, starting with a £50m project in 2020-21 to decarbonise social housing. <p><u>Reactivating High Streets Fund</u></p>

		<p>MCC have been allocated £488,668. Strict ERDF eligibility criteria (e.g. temporary nature, exclusion of certain types of activity) mean we need to identify where best to spend this without risk of grant clawback.</p> <p>Proposal to be submitted to govt by 17/07.</p> <p>£50,000 in place communications for district centres. (Supporting on street signage, one way routing etc. as well as supporting retail and hospitality in those areas).</p> <p>North - Ancoats, Harpurhey, Openshaw, Cheetham, Newton Heath, Moston Lane</p> <p>Central - Rusholme, Longsight, Levenshulme, Gorton, Plus commercial patches in Moss Side and Ardwick.</p> <p>South - Didsbury, Chorlton, Withington Northenden, Burton Road.</p> <p>Work with Highways to build on the successful reopening of the city through public realm changes. (£438,000)</p> <ul style="list-style-type: none"> • vehicle mitigation to maintain social distancing including traffic management and pedestrianisation. • widening of footpaths • temporary barriers • Hand sanitiser stations <p><u>Digital Innovation Fund</u></p> <p>MHCLG have launched a new Digital Innovation Fund for Covid-19.</p> <p>Fund opens 1st July and closes 15th July. We can apply for £80,000. MCC are looking to put in a bid from Neighbourhoods and PRI on data sharing around people shielding / in need which has been piloted in Old Moat and Withington, taking best practice from this local data sharing and developing an emergency response toolkit. PRI working on proposal for submission.</p>
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		<p>Application submitted on 15th July for £80,000. This application focuses on how we get intelligence into the hands of our 'Team Around a Neighbourhood (TANs)' functions, taking data from processes developed during Covid (i.e. data on vulnerable and those in need of support) and providing this as actionable intelligence for TANs to resource plan and deliver direct support..</p> <p><u>EU Funding for Climate Action</u></p> <p>£340k bid supported by MCC being submitted by Corridor partners this week to produce an energy systems model and map of the Corridor area which will support wider planning around delivery of CCAPs within the 2020-25 Manchester Climate Change Framework. This model will be used by partners along the Corridor to explore how to deliver the change in carbon performance required within the Oxford Road Corridor estate to meet Corridor partners' 2025 Zero carbon targets.</p> <p><u>Potential Smart Cities Bidding Opportunity</u></p> <p>Dave Carter who has been leading on digital strategy and City Policy have put together an early stage proposal looking to leverage existing digital assets across the city to develop a proposal to support digital ecology, to increase digital inclusion, to pump-prime digital innovation, and improve digital connectivity. With a focus on using digital capacity in the city centre as a “hub” to support districts and local area needs. The programme would use existing staff seconded from different organisations, be led by MCC, and have a recovery focused work programme that could quickly commission digital pilots, and support new ideas.</p> <p>Looking at a potential bid of £4-£6 million, with 15% on set up and programme management costs. Chief Exec and Angela Harrington supportive of this approach. Bid and potential consortium to be developed over the summer ready for potential bid into forthcoming DCMS / UKRI Smart City programme expected to launch in August 2020.</p> <p><u>Electric Vehicle Funding for New Smithfield / Hamerstone</u></p> <p>MCC actively seeking to develop a consortium bid for this funding with MMU, Cadent, GMP and ENW. MCC support from City</p>
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		<p>Policy (Mark Duncan) and Neighbourhoods (Matt Bennett). Focus is on solar PV generation with hydrogen production and storage for vehicle fueling (MCC fleet and possible GMP fleet also).</p> <p>Application to be made to European City Facility (EUCF) (Horizon 2020) - deadline 02/10</p> <p><u>Innovate UK Sustainable Innovation Fund</u></p> <p>New fund from Innovate UK announced this week for £200m in 3 strands to support sustainable recovery. SME led fund. First strand open now.</p> <ul style="list-style-type: none"> • decarbonisation, circular economy and/or biodiversity • climate change, environmental sustainability • geographic or regionally-targeted innovation • innovation aimed at commercial, residential users • innovations working across 1+ sector • follow-on international opportunities that help the UK lead the world <p>Main focus will be on supporting the green and environmental business sectors.(See sector support above).</p> <p><u>Green Recovery Challenge Fund</u></p> <p>The £40 million Green Recovery Challenge Fund has been launched this week. The fund will bring forward funding to help charities and environmental organisations start work on projects across England to restore nature and tackle climate change.</p> <p>The fund will help conservation organisations and their suppliers create up to 3,000 jobs and safeguard up to 2,000 others in areas such as protecting species, finding nature-based solutions to tackling climate change, conservation rangers and connecting people with the outdoors.</p> <p>This funding could support wider partners in the City (Groundwork, City of Trees, Lancashire Wildlife Trust) and could potentially support delivery of our Manchester Tree Action Plan objectives within our Climate Change Action Plan. Officers in</p>
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		City Policy looking at options and will speak with relevant city partners.
Strategy & Economic Narrative Review	C19 has necessitated a review of existing strategies to understand whether they are fit for purpose given the predicted exacerbation of existing inequalities. This will inform the Economic Recovery Plan & Our Manchester Strategy reset. Formal refreshes would not take place until 2021 when the Our Manchester Strategy has been reset and the full impact of C19 is known.	<p>Kick off meetings on economic analysis work have have taken place. Initial report to be completed by the end of July with the final report available by mid September to submit to Government.</p> <p>Our Manchester Strategy Reset engagement underway with consultation taking place in July, August and September. Economic narrative will be shaped by the Our Manchester Industrial Strategy, Ekosgen/Metrodynamics report, Ipsos Mori survey, Business Sounding Board, specific business engagement session and a themed 'Thriving & Sustainable' session of the Our Manchester Forum..</p>
External Influencing & Lobbying	The Government's economic response to C19 has been fast moving and feeding in Manchester's priorities has required a coordinated approach.	<p>Three letters have been sent to the Secretary of State for Digital, Culture, Media and Sport by the Executive Member for Skills, Culture and Leisure lobbying for representation from Manchester or the North of England and more diversity on the Cultural Renewal Taskforce and financial support for city's cultural sector. Government has now announced a £1.57bn financial package for the arts and culture sector.</p> <p>The Executive Member for Environment, Planning and Transport participated in the first meeting of the Resilient Recovery Taskforce on 3 July (a coalition of 24 Mayors and Leaders convened by UK100) and a letter has now been sent to the Prime Minister and Chancellor requesting a meeting.</p> <p>The Chancellor's Summer Statement including some announcements on areas Manchester has lobbied on to Government directly and via the Local Economic Recovery Group and UK Core Cities. This includes the kickstart scheme for 16-24 year olds, further support for apprenticeships, housing retrofit and investments in 'shovel ready' and other job creation projects.</p> <p>The next major opportunity for influencing Government is the Spending Review in autumn. Manchester's submission needs to be submitted by mid September at the latest. The submission will be developed with the economic analysis work as per the update above.</p>

Economic Intelligence	<ol style="list-style-type: none"> 1. Need to engage with Manchester Businesses and Key sectors to understand current status re Covid related impacts 2. Understanding of businesses in rented spaces and analysis to support the Business Rates Discretionary Grants 3. Need to understand status of development pipeline across the city 4. Need to update population modelling (MCCFM), reflecting both the impacts on and from the economy 5. Demand appraisal for residential lettings market in Manchester post pandemic 6. Challenge re the scale of analytical capacity required to support this, other Covid-19 workstreams and Business as Usual activities 	<ol style="list-style-type: none"> 1. Market research company appointed to undertake business survey work - looking at cross sector economic impact and sector specific issues - progress to date: Final script with Ipsos surveying team for telephone testing / launch - 16.07.20 Online launch 17.07.20. Comms plan agreed and underway - website text in draft - MEN publicity start of next week 2. Working with Leeds Council and Data City to commission / create a dataset to support allocation work in Manchester - dataset arrived informing initial Business Rates Grants work, further analysis of the dataset taking place currently to draw out wider insights. 3. Tracking underway - pipeline used to support Financial Resilience work - including forecasting potential council tax & business rates revenues - drafts for forecast CT / BR revenues from new development with Finance colleagues for comment 4. Update of the MCCFM is in progress, more difficult and time consuming than normal due to macro uncertainties. ONS Mid Year Estimates released recently to support this work. 5. Data sweep complete - work now underway to collate trends across sub-sectors (mainstream, students, short term lets) to contribute to overall appraisal 6. Ongoing discussions to re-prioritise work areas and understand where the gaps may be. Risk we could run out of internal capacity.

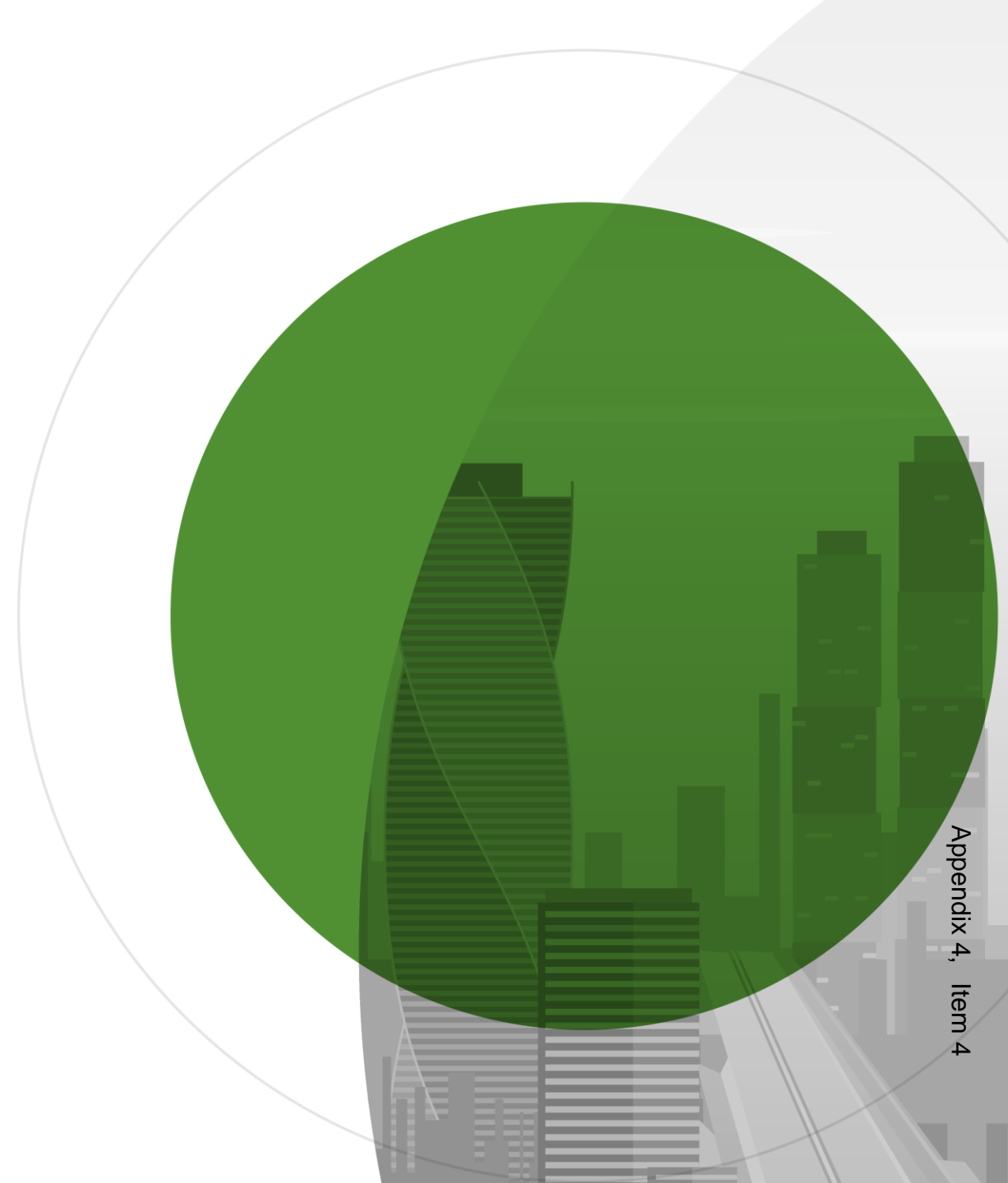
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Manchester City Council

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1. Summary

The Coronavirus pandemic and lockdown has impacted Manchester's labour market at a pace and scale that is unprecedented in living memory. Between March and May 2020, the number of people in the city who are unemployed and claiming benefits rose by 91%. Youth unemployment doubled. The number of advertised vacancies halved. When analysed by neighbourhood, the highest rises in unemployment are in deprived areas with largely BAME populations. In addition, almost a third of the city's resident workforce is currently either on furlough or in receipt of self-employment income support – both schemes are set to close in the coming months.

Forecasts vary considerably about the likely shape of the recovery. Employers are very uncertain about the future, though there are indications that most firms currently expect to make some staff redundant. The outlook for some parts of the economy is very challenging however prospects in other sectors that are already a strength of the city – such as health and care, digital and construction – appear positive. This work also found an exceptional level of employer goodwill towards working with MCC to support the city's recovery.

Current plans by Government to respond to the crisis in our labour market are unclear. A 'fiscal event' in mid-July will put in place emergency measures, while the autumn 3-year Comprehensive Spending Review promise more medium to long term action. Recommendations will be reviewed in light of these announcements.

Summary

Following detailed labour market analysis, a review of best practice and interviews with over 50 local stakeholders, six key priorities for MCC's work and skills recovery have been identified. They focus upon minimising redundancies, maximising job creation, supporting more unemployed residents to re-enter work, preventing young people from becoming unemployed, growing apprenticeship and training opportunities, and improving the support to individuals who are already long term unemployed or inactive in the labour market.

A total of 24 recommendations are made, priorities for implementation over the next few months include:

- Seeking the rapid roll out of a programme of employer-led training to reskill and redeploy staff returning from furlough, to minimise the rise in unemployment, working with HMG, Core Cities and GMCA
- Commitment from HMG to an expansive intermediate labour market programme to address the unfolding youth unemployment crisis, which risks deepening further as we move into the new academic year
- Flexibilities and incentives – such as Programme-Led Apprenticeships, extending NI relief and a new AGE grant – to sustain apprenticeships and support job retention through the critical summer/autumn period

This report also makes practical recommendations for the medium/long term, including:

- Building Manchester's digital skills base to unlock FDI and 'north shoring' potential in a key growth sector
- Work with Siemens and the Growth Hub to initiate an employer-led programme focused on harnessing the economic benefits of moves by business to improve supply chain resilience
- Review the retraining offer available to working people to support job security and career progression

2. Context, scope and method

2. Context

- The Covid-19 pandemic has created set of economic conditions described by the Chancellor recently as a *'..severe recession, the like of which we have not seen.'*
- Manchester City Council (MCC) is leading work to address the immediate challenges created by the pandemic. This leadership role extends to the local labour market, where MCC is committed to working with its partners to improving labour market outcomes in a very difficult environment
- Recent labour market data paints an extremely challenging picture which, unless there is a sharp economic recovery over the summer, is likely to deepen - putting many people and communities in Manchester under significant economic and social stress for a sustained period.
- Despite its good economic performance over recent years, Manchester appears vulnerable to the effects of a downturn. The city centre and Manchester Airport – drivers of growth across the city region – have both seen very sharp falls in activity. The city's residents are disproportionately employed in low paid occupations, likely to be at heightened risk during economic downturns.

Scope

The City Council and its partners already invest in programmes of learning and employment support to address labour market challenges. They have also secured important leverage over central Government “mainstream” funds and programmes. Now, work is required to understand how this capacity (and new resource, if required) can be best deployed to respond to labour market challenges and opportunities. This will require:

- Analysis of labour market issues, risks and opportunities across key sectors and geographies (City Centre, Airport and other existing and emerging employment hubs)
- Identification of interventions to reduce unemployment built on understood labour market need and an analysis of existing mainstream and GM programmes, lessons learned, etc
- Exploration of options for enhancing employer demand for labour in the city
- Feedback on how post-16 classroom-based provision can best support young people and adults in the current labour market
- Advice on how local residents can be best supported to access opportunities now being created in sectors that are growing, or are set to grow through the recovery
- Guidance on how MCC can best work with GMCA and Core Cities to maximise impact
- Strong commitment to low carbon with a strategy and action plan for the city that is actionable around retrofit of housing and de-carbonised local transport

High level project method



3. Labour market intelligence

How has Manchester's labour market responded so far?

Macroeconomic outlook

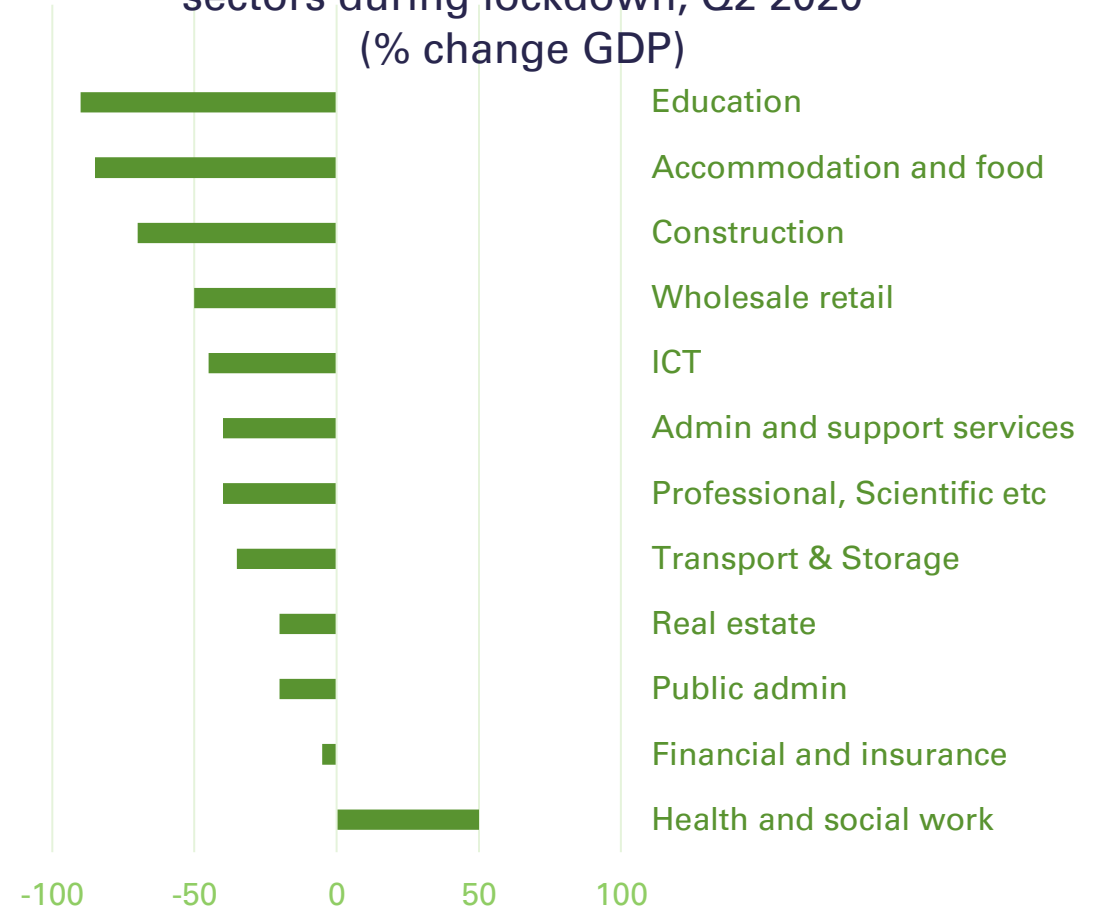
The economic shock resulting from Covid-19 and the lockdown exceeds anything in living memory.

The UK's GDP fell by 20.4% in April 2020, following a 6.9% contraction in March. However the Bank of England remains optimistic that a 'V' shaped recovery - whereby the economy quickly returns to pre-Covid levels of activity – is possible, despite the gradual move out of lockdown. But the Bank of England acknowledge that even this best-case growth scenario still runs a serious risk that high levels of unemployment will persist for the long term.

The effects of Covid-19 are being felt globally. The IMF recently forecast that global growth would fall by 5% in 2020, with UK GDP dropping by 6.5%.

Analysis by KPMG forecasts that the North West will experience the fourth most severe economic impact of the UK's regions resulting from the Covid-19 crisis. It forecasts a contraction in regional GVA of 9.5% in 2020 followed by a return to growth of 10.6% in 2021.

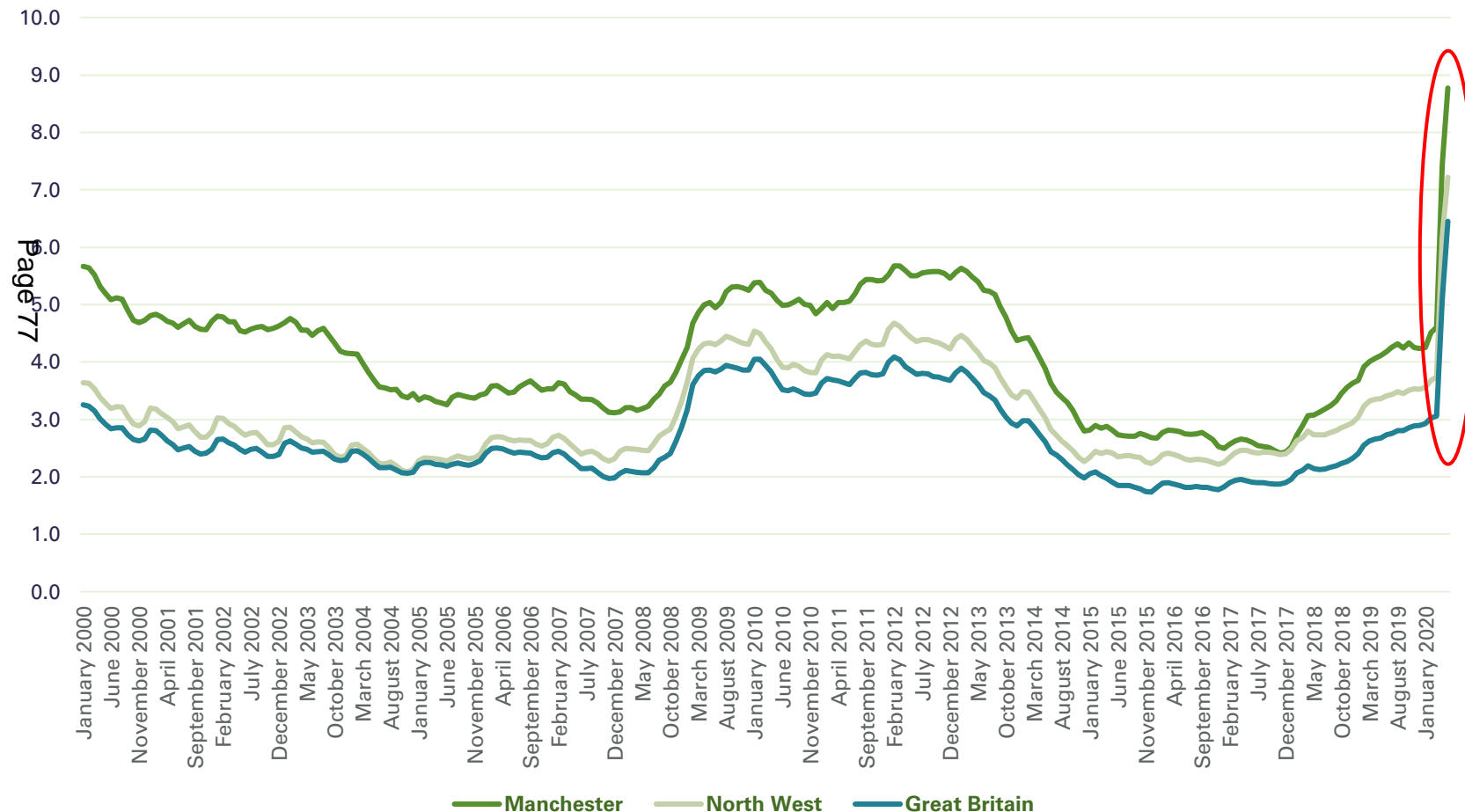
OBR estimate of C-19 impact on UK sectors during lockdown, Q2 2020
(% change GDP)



Claimant Count Rate in the 21st Century, Manchester

Covid-19 has triggered an unprecedented labour market crisis

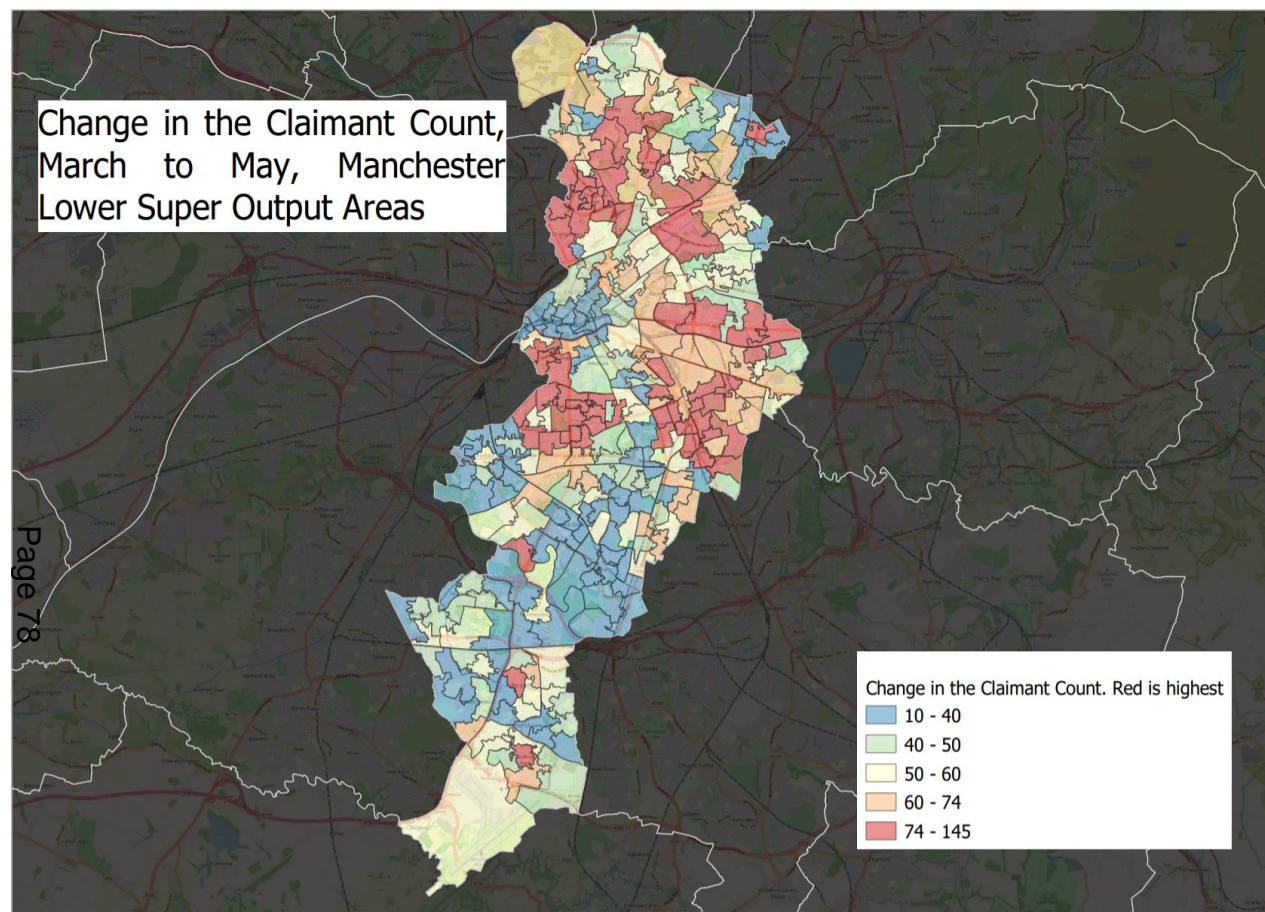
Claimant Count Rate in the 21st Century: Manchester, NW, GB



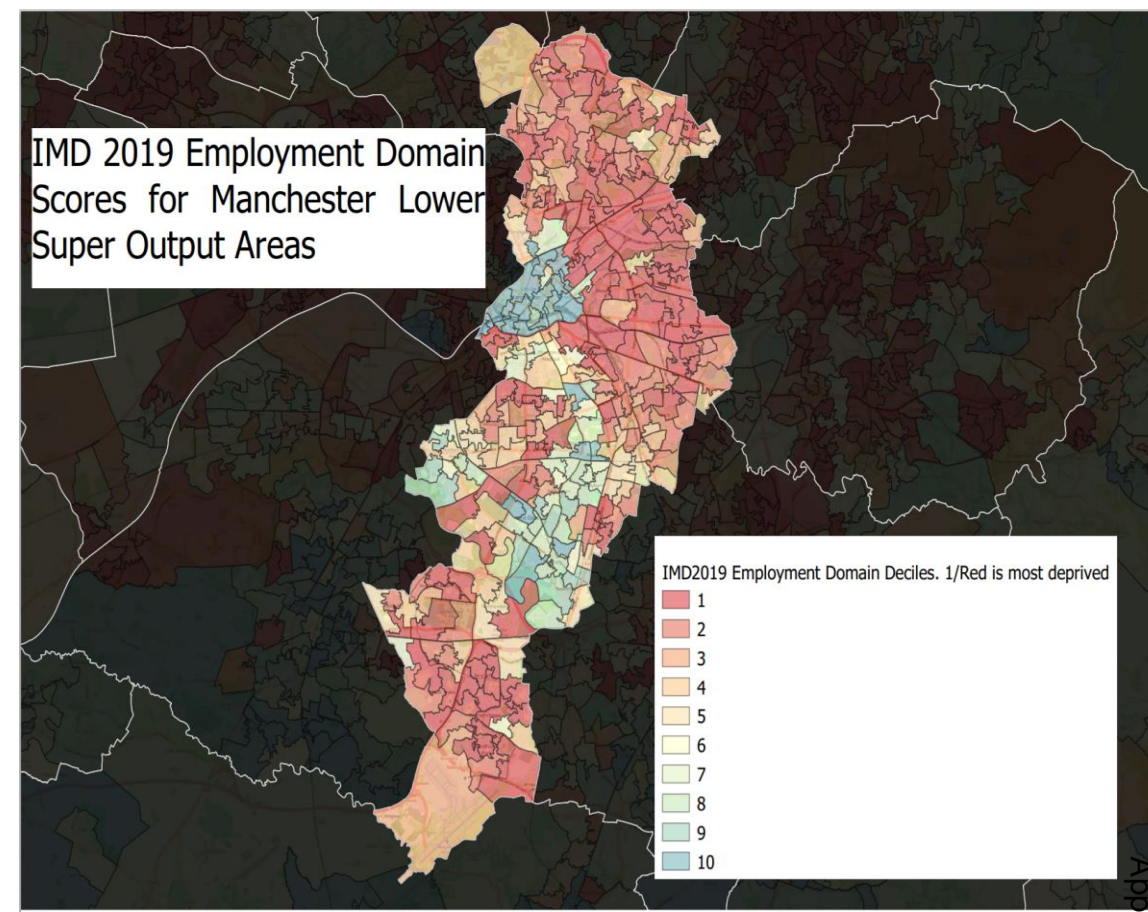
The UK labour market is facing an unprecedented crisis. Most forecasts for GB unemployment in 2020 are in the range 9-11%, but could go higher if the ending of furlough produces significant redundancies.

April 2020 saw the largest monthly rise in the claimant count rate in Manchester on record with a jump to 7.4%, the highest rate this century, followed by another very large rise to 8.8% in May. Jobcentre Plus feedback suggests this rise in new benefit claims is starting to level out for now

Some places have been more badly affected than others by initial job losses



Map by Brennan Wilson Ltd. Data from ONS, Claimant Count and Open Street Map



Map by Brennan Wilson Ltd in QGIS. Data from ONS and OpenStreetMap

Between March and May 2020, every lower super output area (LSOA) in Manchester experienced an increase in the Claimant Count, in the range of 10 to 145. Most LSOAs with the highest increase in the claimant count are already classified as Employment Deprived using the IMD2019 Employment Domain but not all Employment Deprived neighbourhoods experienced large increases in the Claimant Count. A number of neighbourhoods with large BAME communities appear to be those that have suffered in the first wave. Other communities with lower initial job losses may be heavily dependent on employment that is currently furloughed.

Most of the 20 neighbourhoods worst affected by the rise in Claimant Count to date have majority BAME populations

Lower Super Output Area	Claimant Count rise March-May 2020	Percentage of population from BAME groups (2011)	Ward
E01005194 : Manchester 027A	145	70%	Levenshulme
E01005240 : Manchester 024A	125	70%	Whalley Range
E01005242 : Manchester 025B	120	69%	Moss Side
E01005219 : Manchester 031A	120	45%	Levenshulme
E01005145 : Manchester 008A	115	86%	Cheetham
E01005147 : Manchester 058B	115	67%	Cheetham
E01005140 : Manchester 002E	105	19%	Harpurhey
E01005164 : Manchester 006A	105	51%	Crumpsall
E01033666 : Manchester 017F	105	24%	Clayton & Openshaw
E01005246 : Manchester 024D	105	84%	Moss Side
E01005241 : Manchester 025A	105	46%	Moss Side
E01005244 : Manchester 025C	105	60%	Moss Side
E01005233 : Manchester 027D	105	76%	Longsight
E01005205 : Manchester 006B	100	24%	Harpurhey
E01005214 : Manchester 019D	100	46%	Hulme
E01005201 : Manchester 023E	100	52%	Gorton & Abbey Hey
E01005288 : Manchester 025E	100	57%	Moss Side
E01005213 : Manchester 059A	100	45%	Hulme
E01005105 : Manchester 015C	95	46%	Ancoats & Beswick
E01005208 : Manchester 019A	95	51%	Hulme

Source: ONS, Nomis

The table to the left uses the same ONS Claimant Count data as shown on the previous page. It shows the twenty LSOAs in Manchester that saw the largest rise in the Claimant Count between March and May 2020.

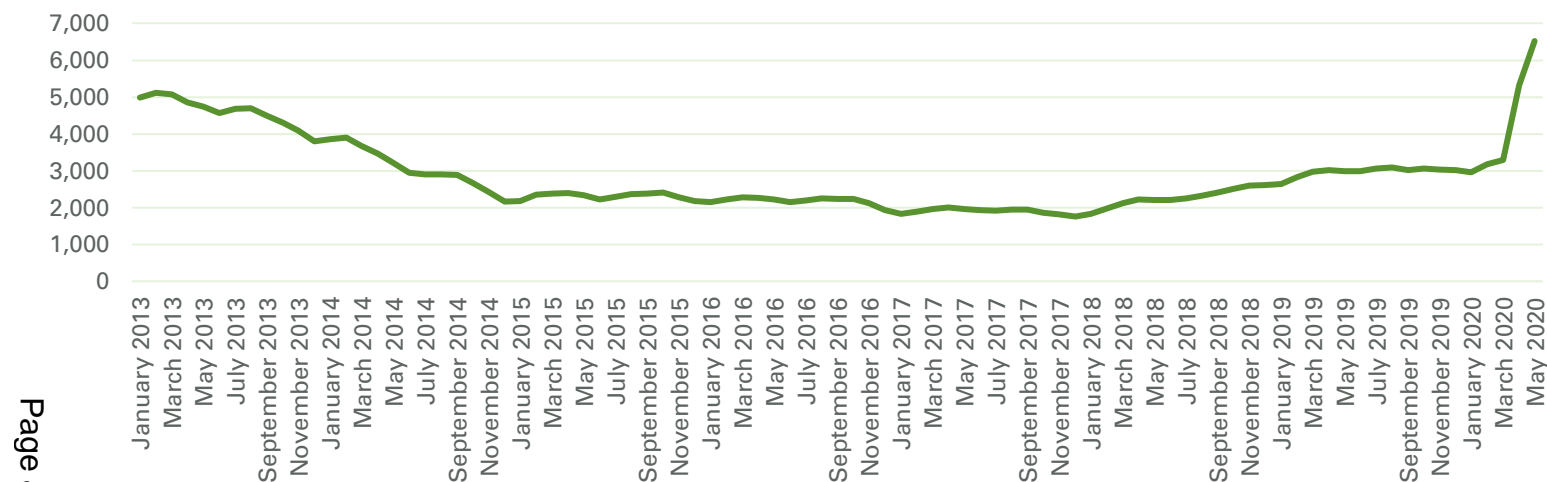
This table shows that out of the 20 LSOAs that saw the largest rises in the Claimant Count between March and May, 18 are home to BAME populations that are proportionately larger than the city average (33%).

Of the five LSOAs with the very largest rise in claimant count, all bar one has a BAME share of the population that is more than double the city average (66%).

National data suggests that South Asian BAME residents are over-represented in employment terms in sectors that have been most impacted by lockdown. For example, 31% of workers from Pakistani or Bangladeshi communities work in hotels, restaurants and distribution, compared to 17.5% of the White British workforce.

By age group, young people have fared worst so far

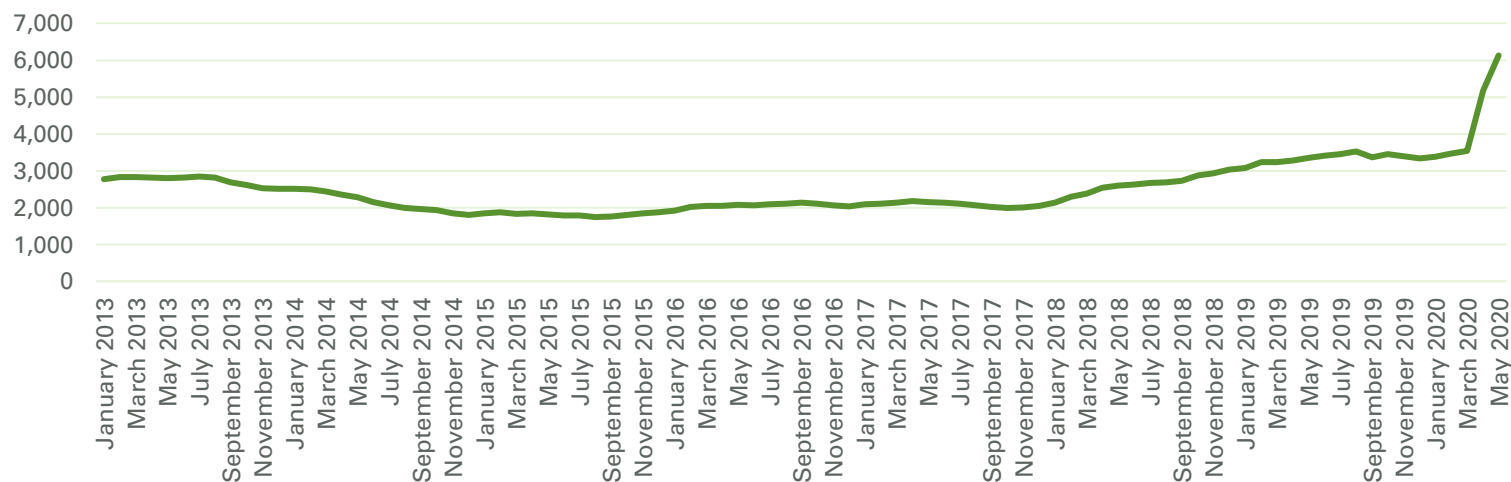
Manchester 18-24 Claimant Count, 2013-2020



National commentators expect that young people will bear the immediate brunt of the labour market downturn. In employment terms they are over-represented in the sectors and occupations most affected by the lock down and by social distancing requirements.

In Manchester, the Claimant Count for young people increased by 98% (109% for GB) between March and May, to the highest point for this data series.

Manchester 50+ Claimant Count, 2013-2020

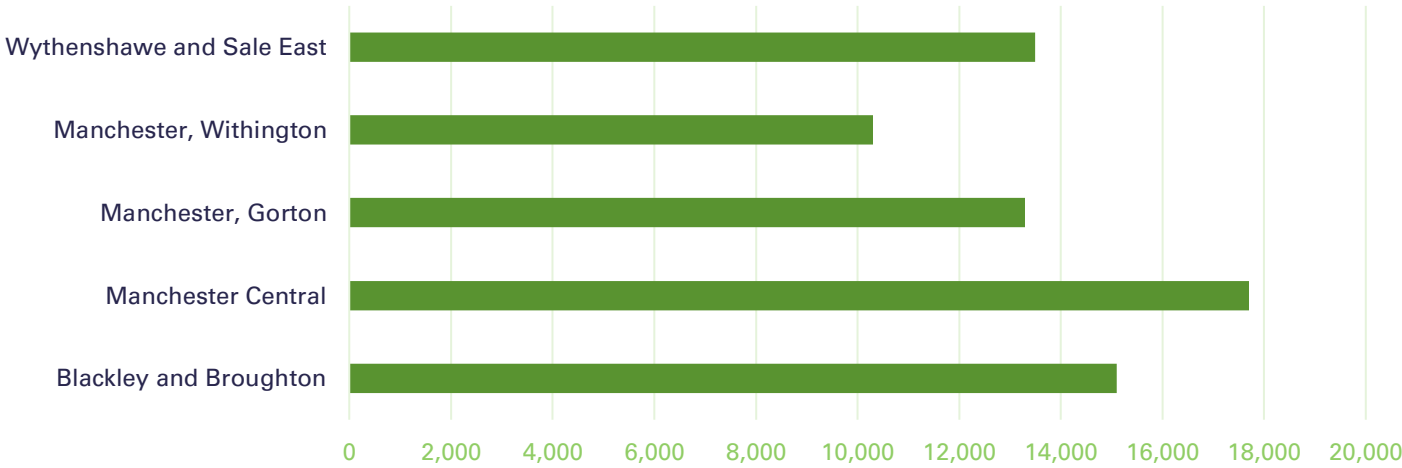


All ages are affected. The claimant count for those aged over 50 increased by 73% (99% for GB); while for those aged 25-49 it rose by 94%.

The claimant count for males rose by 98% in Manchester Mar-May, and by 79% for females.

78,000 Manchester residents are furloughed or receiving self-employed support

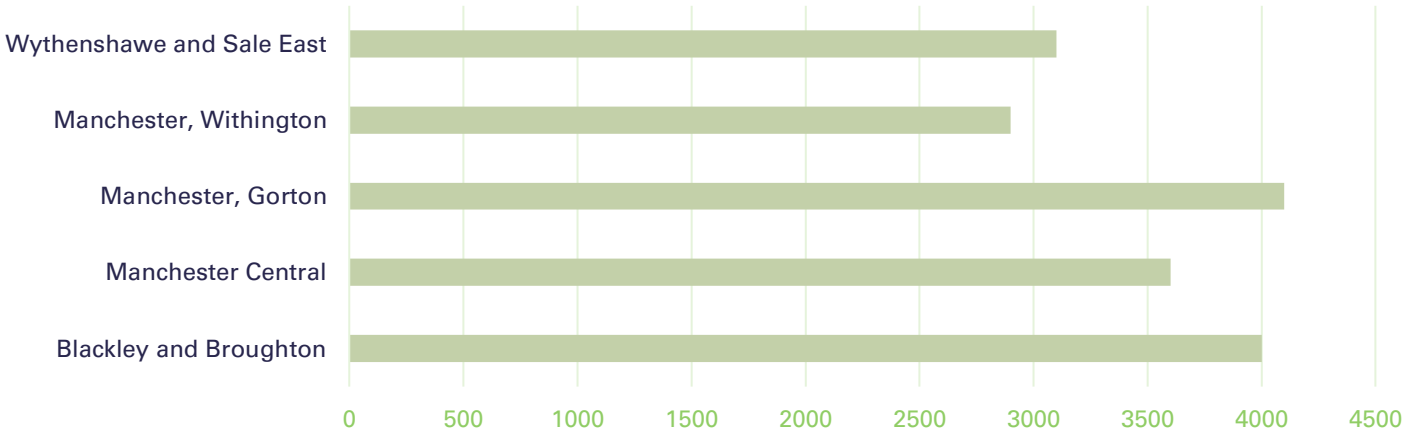
Furloughed Emploments by Parliamentary Constituency



CIPD reports that employers using the Job Retention Scheme (JRS) would have made 35% of their workforce redundant had it not been for the scheme and that 22% of employers are forecasting redundancies by the end of July.

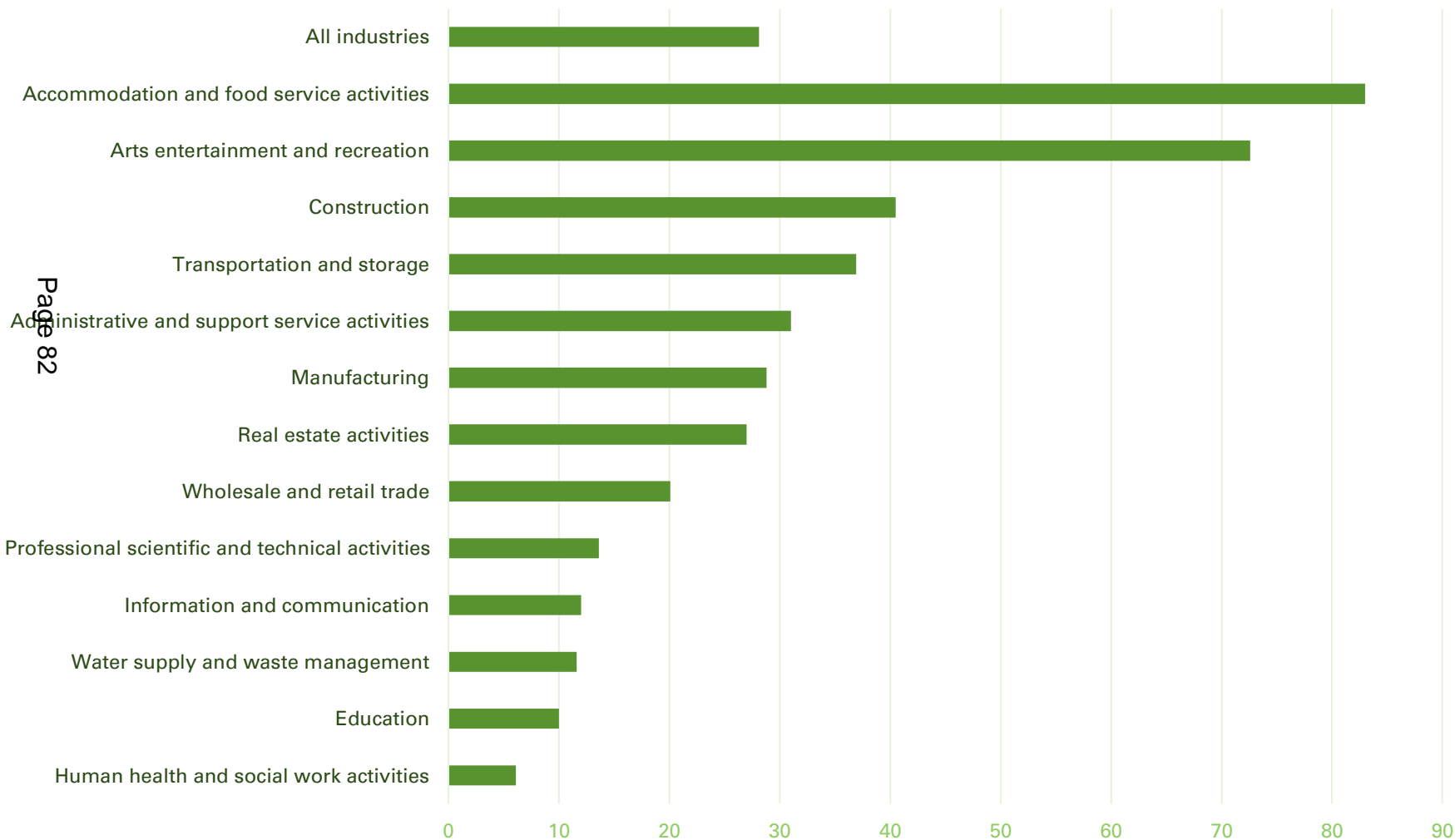
A YouGov survey of 500 businesses found that 51% expect to lay staff off within 3 months of the JRS closing. One in five employers anticipates losing 30% of their workforce. Only one in three employers anticipate losing no staff.

Self-employment Income support scheme claims by end of May by Parliamentary Constituency



As at the end of May, 62,200 Manchester residents were furloughed. The highest concentration is in the Manchester Central parliamentary constituency. 15,900 self-employed Manchester residents have made claims to the Self-employed Income Support Scheme, around 70% of those eligible.

Furloughing most common in foundational service sectors



ONS estimates for the proportion of the workforce from different industrial sectors that have been furloughed are shown opposite.

If these estimates are applied to the volumes employed in each sector in Manchester, it generates an estimate of 95,000 people who work in Manchester (including non-residents) on furlough.

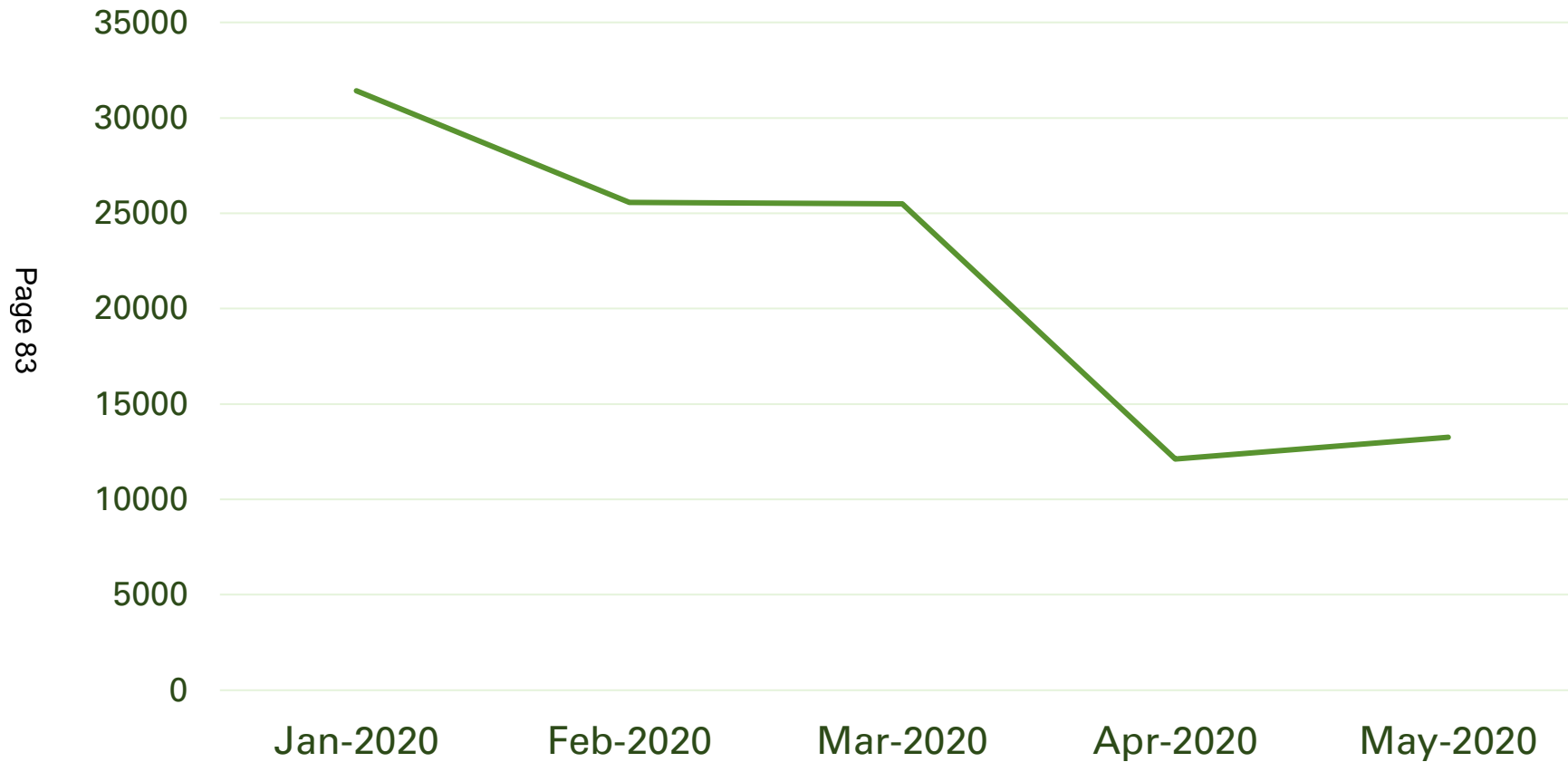
This includes almost 30,000 in accommodation and food service activities, 15,000 in Administrative and support services, 11,000 in transportation and storage, and 10,000 in wholesale and retail.

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Appendix 4, Item 4

Job Postings by Month

Job losses are being compounded by low levels of recruitment

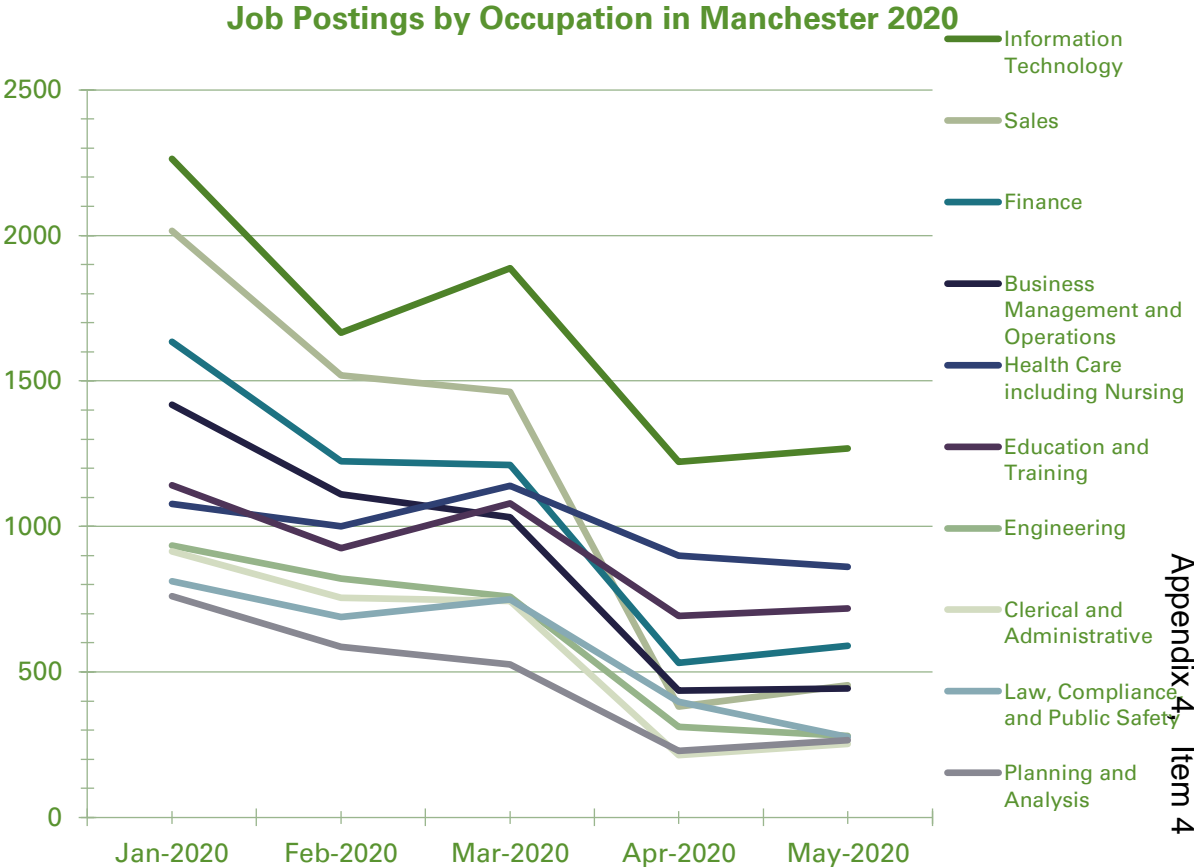
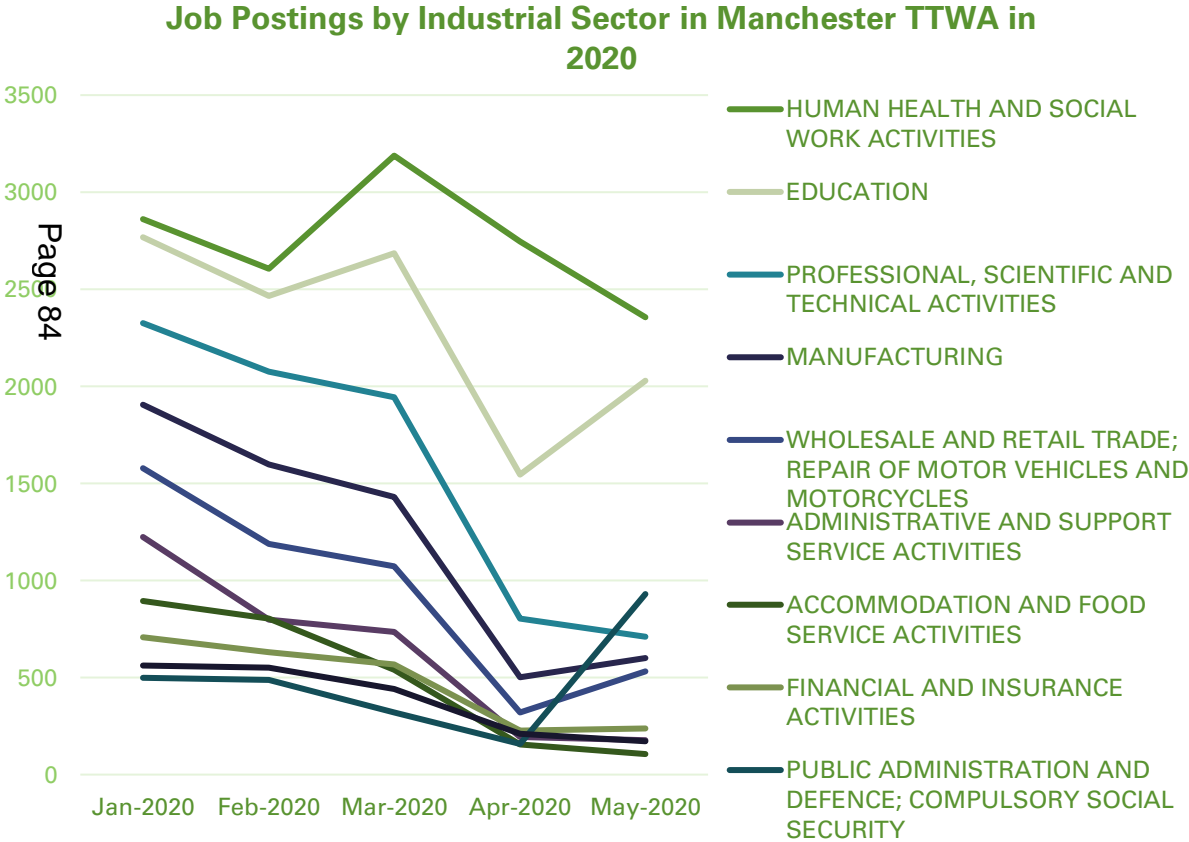


March to April saw a sharp decline of 52% in online job postings in the Manchester Travel to Work Area.

There has been a small uptick from April to May with an increase of 9% in this period from a very low base.

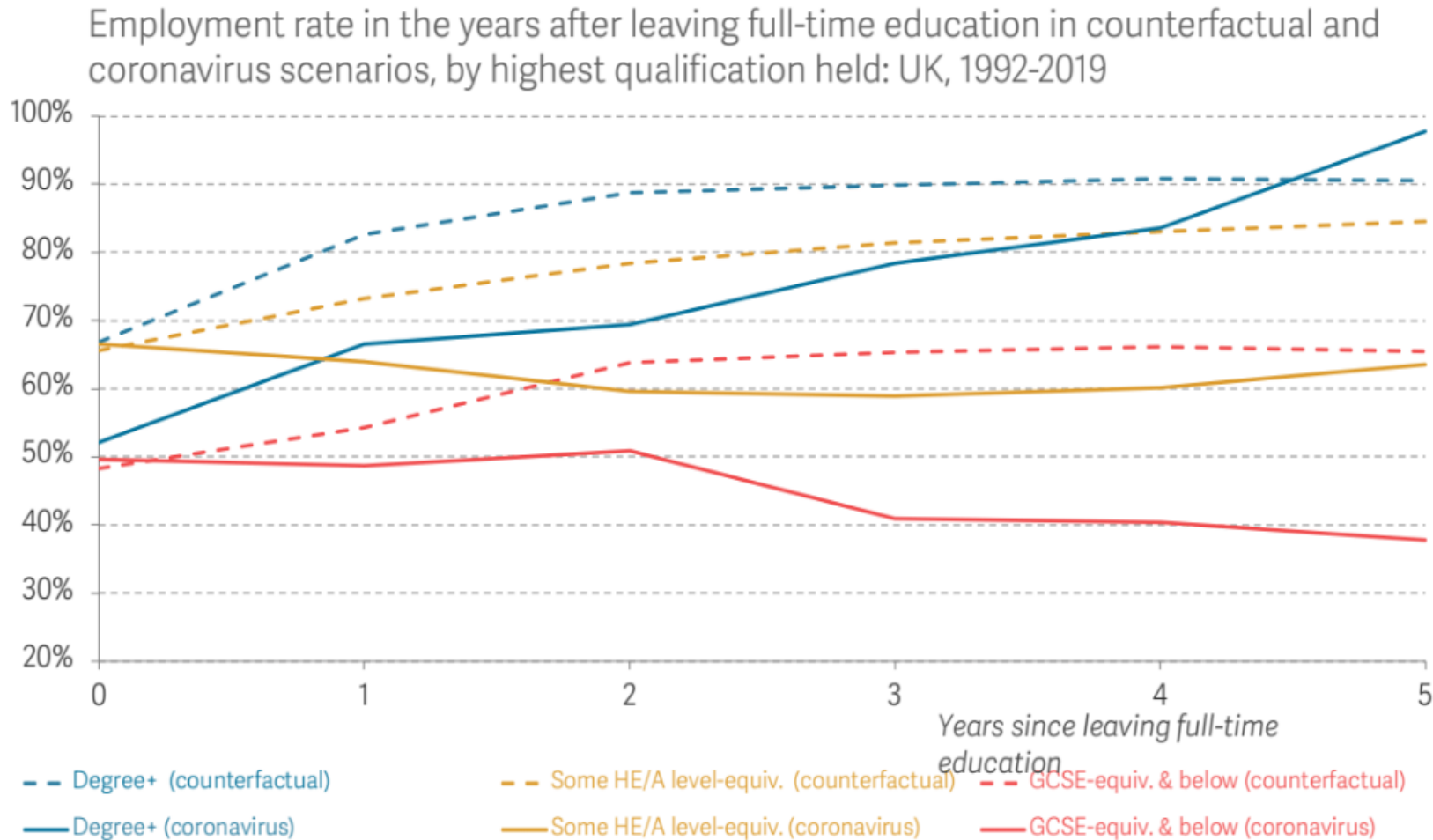
Every industry/occupation has low recruitment but patterns vary

Job vacancy postings increased between April and May for sectors such as Public Administration (civil service, regional/local government), Education and Manufacturing. All sectors saw a sharp decline in postings in April.



Low qualified education leavers will face years of labour market disadvantage

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Projections by the Resolution Foundation (which are based on evidence from the years following the financial crash) suggest that employment rates for lower qualified education leavers three years after leaving education could be as low as 40%.

Appendix 4, Item 4

Apprenticeship starts have halved, with young people worst affected

Provisional DfE data shows a 51% decline in apprenticeship starts in April 2020 compared with April 2019. This figure rises to a 74% decline among young people aged 16-18.

As the table opposite shows, the biggest percentage falls were in Intermediate apprenticeships (Level 2), and in construction, engineering, and retail and commercial enterprise (including hair and beauty).

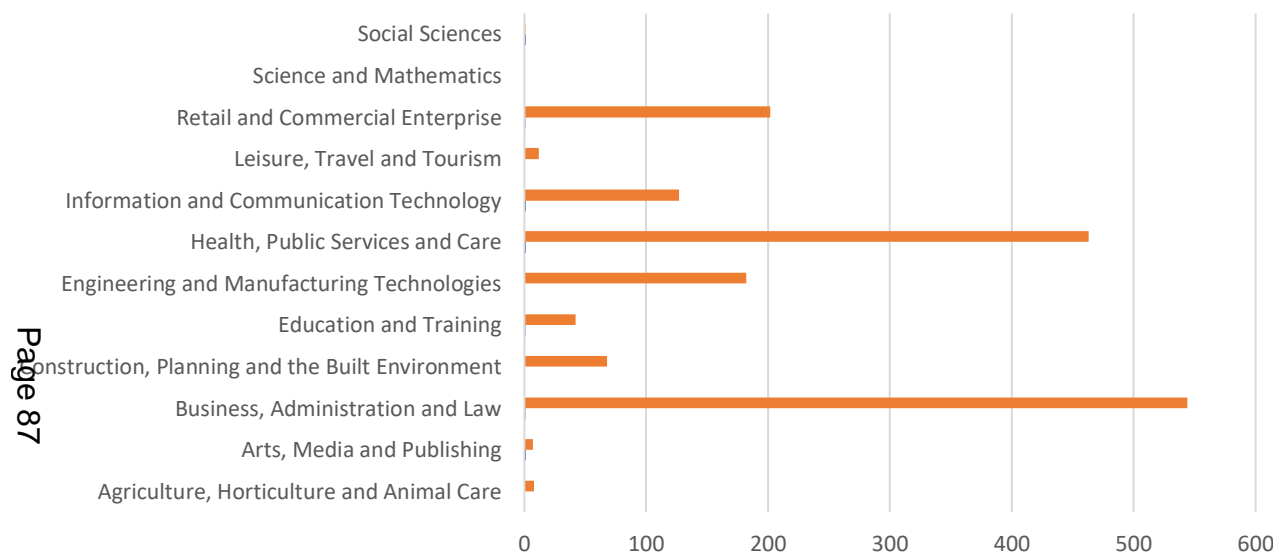
Locally, survey data indicates that these patterns are being repeated. In late May, the members of Greater Manchester Learning Provider Network (GMLPN) reported a 50% fall in starts, with 1 in 5 apprentices placed on furlough. Very few (under 1%) of apprentices had been made redundant.

Nationally, two-thirds of starts in April were among people aged over-25, as employers pause recruitment and instead focus on using the lockdown for workforce development.

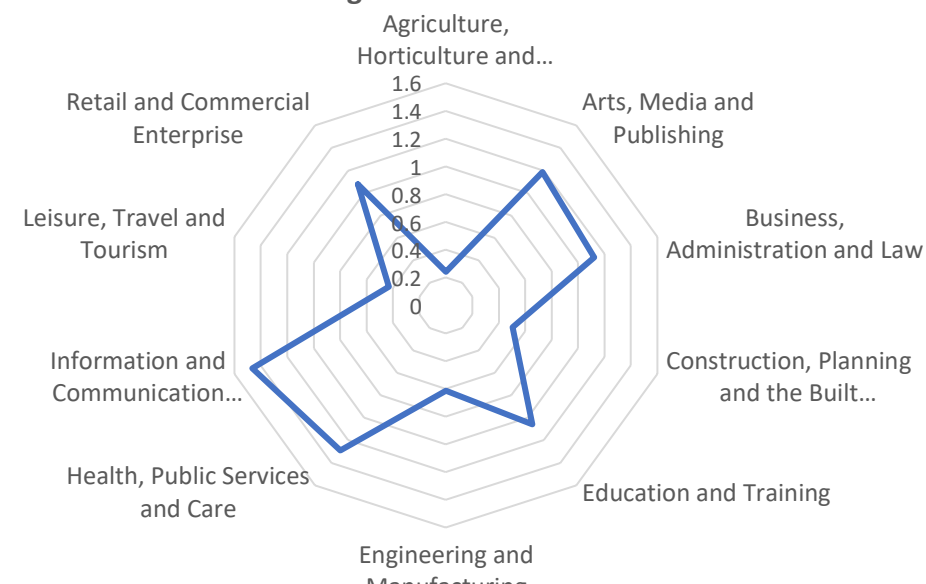
	2018/19 (at this point last year)		2019/20 (reported to date)	
	Apprenticeship starts	Proportion of total	Apprenticeship starts	Proportion of total
Level				
Intermediate Apprenticeship	9,680	36.8%	2,950	22.7%
Advanced Apprenticeship	12,150	46.2%	5,670	43.5%
Higher Apprenticeship	4,500	17.1%	4,400	33.8%
Sector subject area				
Agriculture, Horticulture and Animal Care	260	1.0%	110	0.9%
Arts, Media and Publishing	50	*	70	0.5%
Business, Administration and Law	7,990	30.3%	4,730	36.3%
Construction, Planning and the Built Environment	650	2.5%	180	1.4%
Education and Training	380	1.5%	300	2.3%
Engineering and Manufacturing Technologies	2,410	9.2%	620	4.8%
Health, Public Services and Care	8,140	30.9%	4,410	33.9%
Information and Communication Technology	1,560	5.9%	1,210	9.3%
Leisure, Travel and Tourism	330	1.3%	120	0.9%
Retail and Commercial Enterprise	4,560	17.3%	1,260	9.7%
Science and Mathematics	-	*	10	*

Apprenticeship starts by sector for Manchester residents

Apprenticeship starts by Manchester residents Aug 2019-Jan 2020



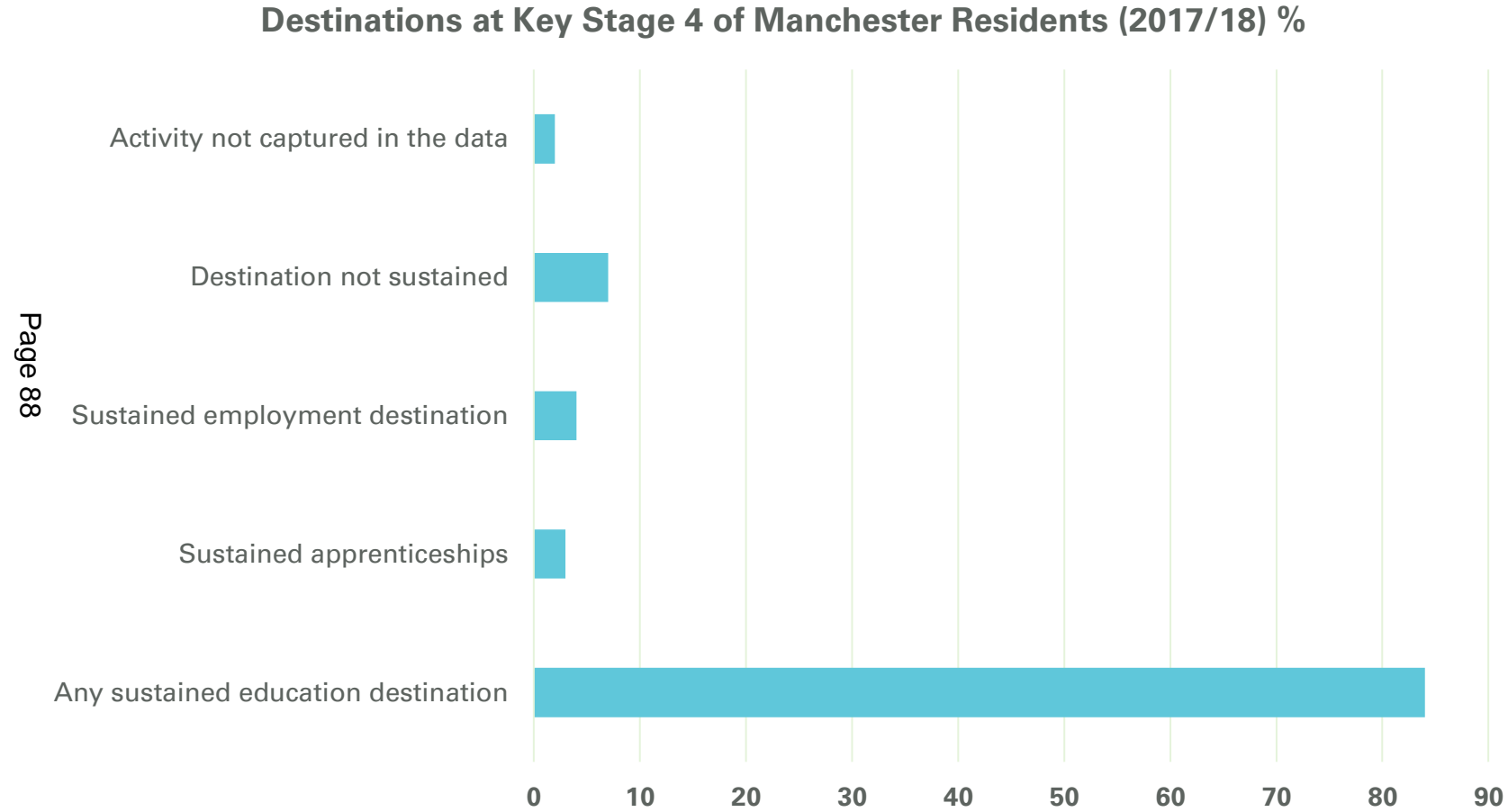
Location Quotient of Manchester resident apprenticeship starts
Aug 2019 - Jan 2020



All sectors have seen apprenticeship starts fall in the past few months. However data on apprenticeship starts by Manchester residents show higher concentrations in sectors that have seen below-average falls in starts, such as business admin, ICT, health and care.

83% of 16-18 year old Manchester apprentices were new recruits in the period Aug 2019 to Jan 2020. Employer recruitment activity is likely to be constrained for the remainder of this calendar year. Critically, this appears likely to depress 16-18 starts in the peak months of Aug, Sept and Oct, further narrowing opportunities for young people.

Estimated 800 16 year olds, maybe more, 'at risk' in summer 2020

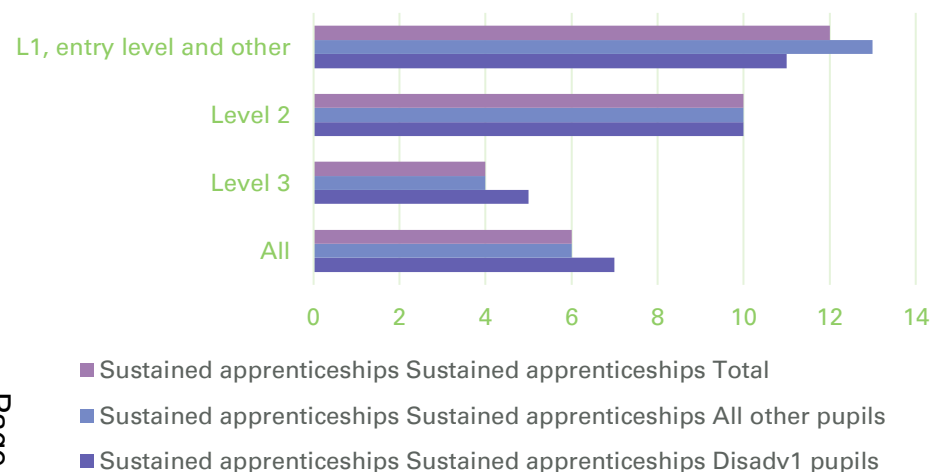


In 2017/18, 84% of the 16 year olds that left school progressed to post-16 education. 3% sustained an apprenticeship, 4% entered employment, 7% did not sustain a destination and there was no data for 2%.

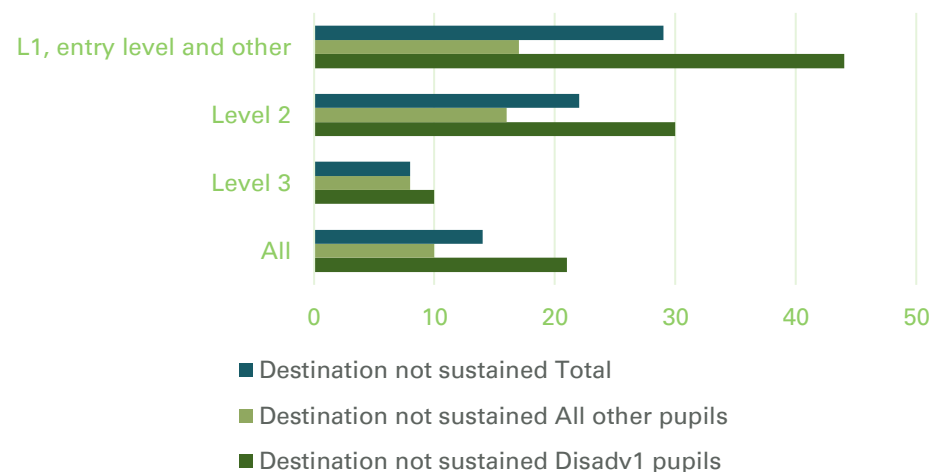
In 2020 apprenticeship or employment opportunities will not be available to the same extent, so 16% of the cohort can be considered 'at risk'. This amounts to approximately 800 16 year olds.

Data suggests that in 2020 48% of the Key Stage 5 cohort will be 'at risk'

Manchester KS5 Sustained Apprenticeship



Manchester KS5 Destination not sustained

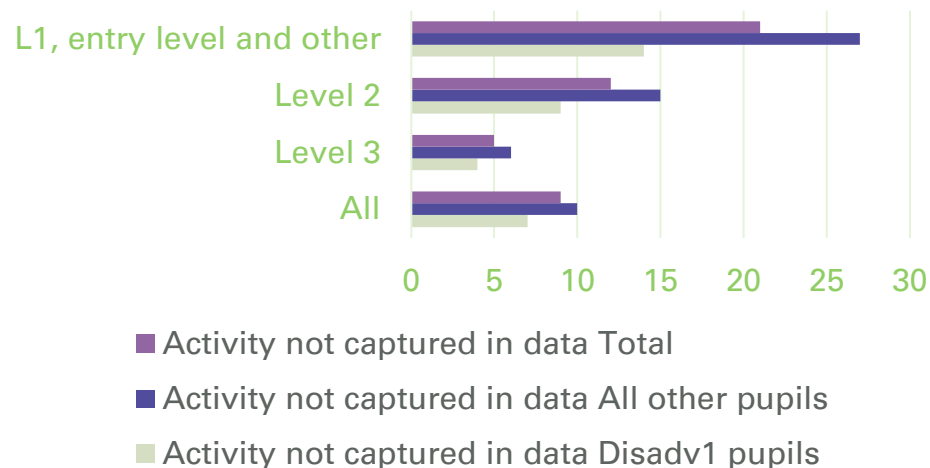


In 2020, the opportunity for a KS5 leaver to secure employment or an apprenticeship will be constrained.

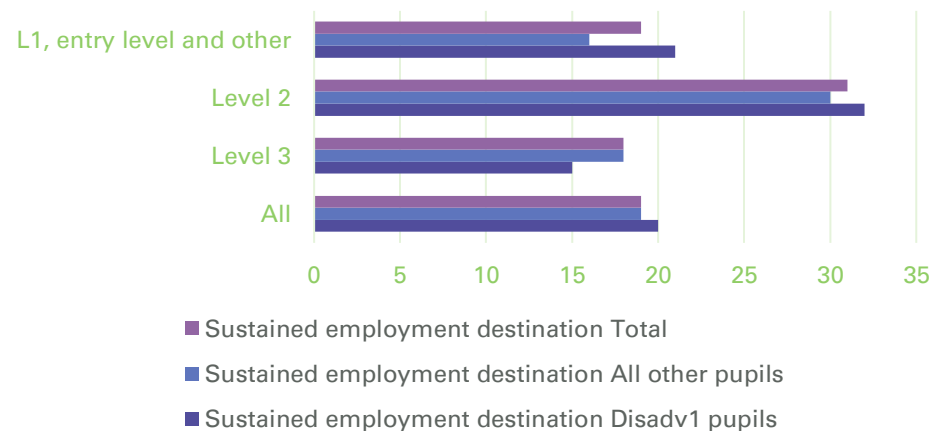
In 2018, 6% of the KS5 cohort secured an apprenticeship, 14% didn't sustain a destination, there is no data for 9% of the cohort and 19% secured employment. All of these destinations can be considered 'at risk' in 2020. That is 48% of the cohort (around 2500 young people), rising to 57% of the FSM/ disadvantaged cohort

Appendix 4, Item 4

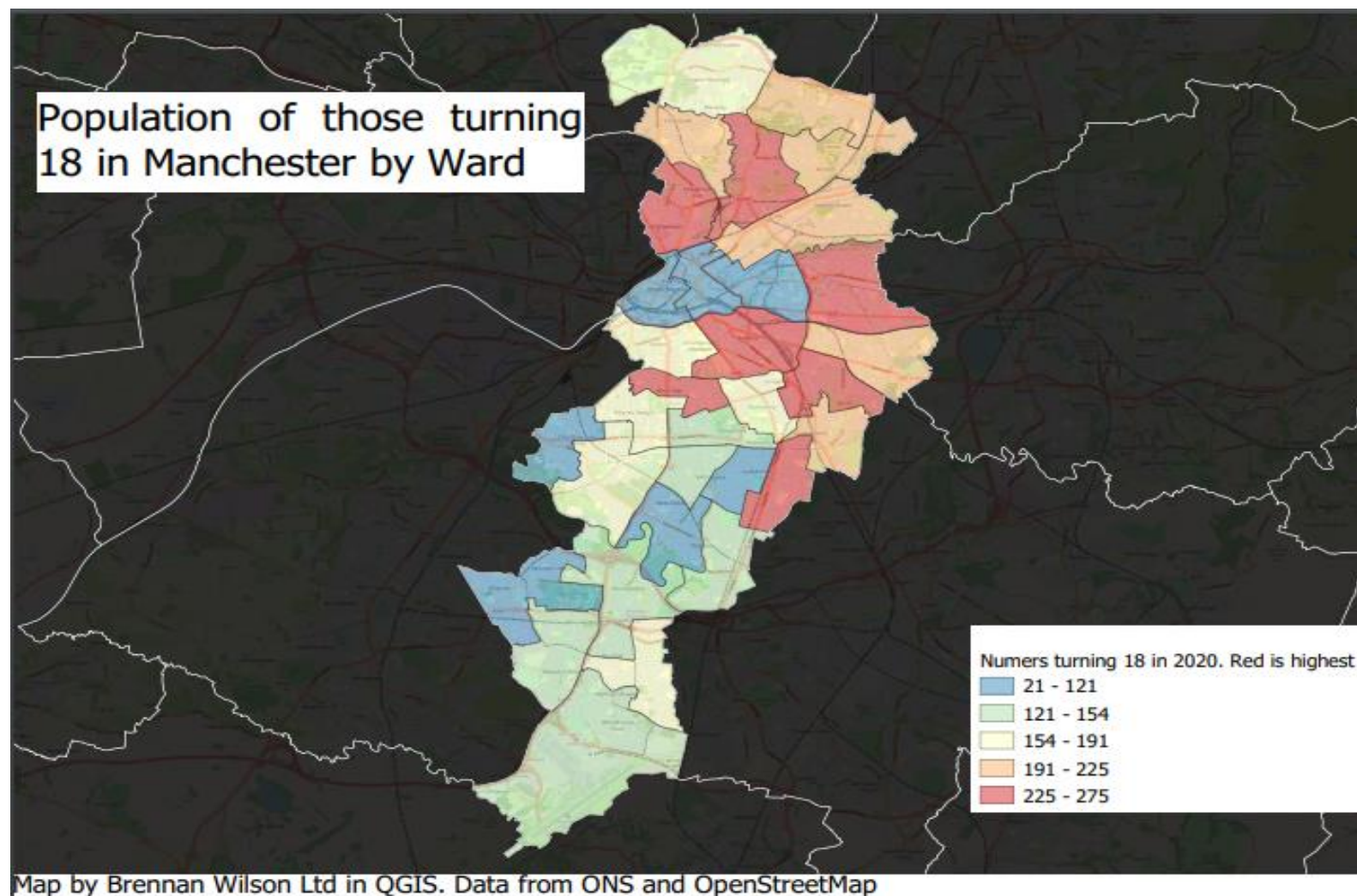
Manchester KS5 Destination no data available



Manchester KS5 Sustained Employment Destination



Young people turning 18 in 2020 are unevenly distributed

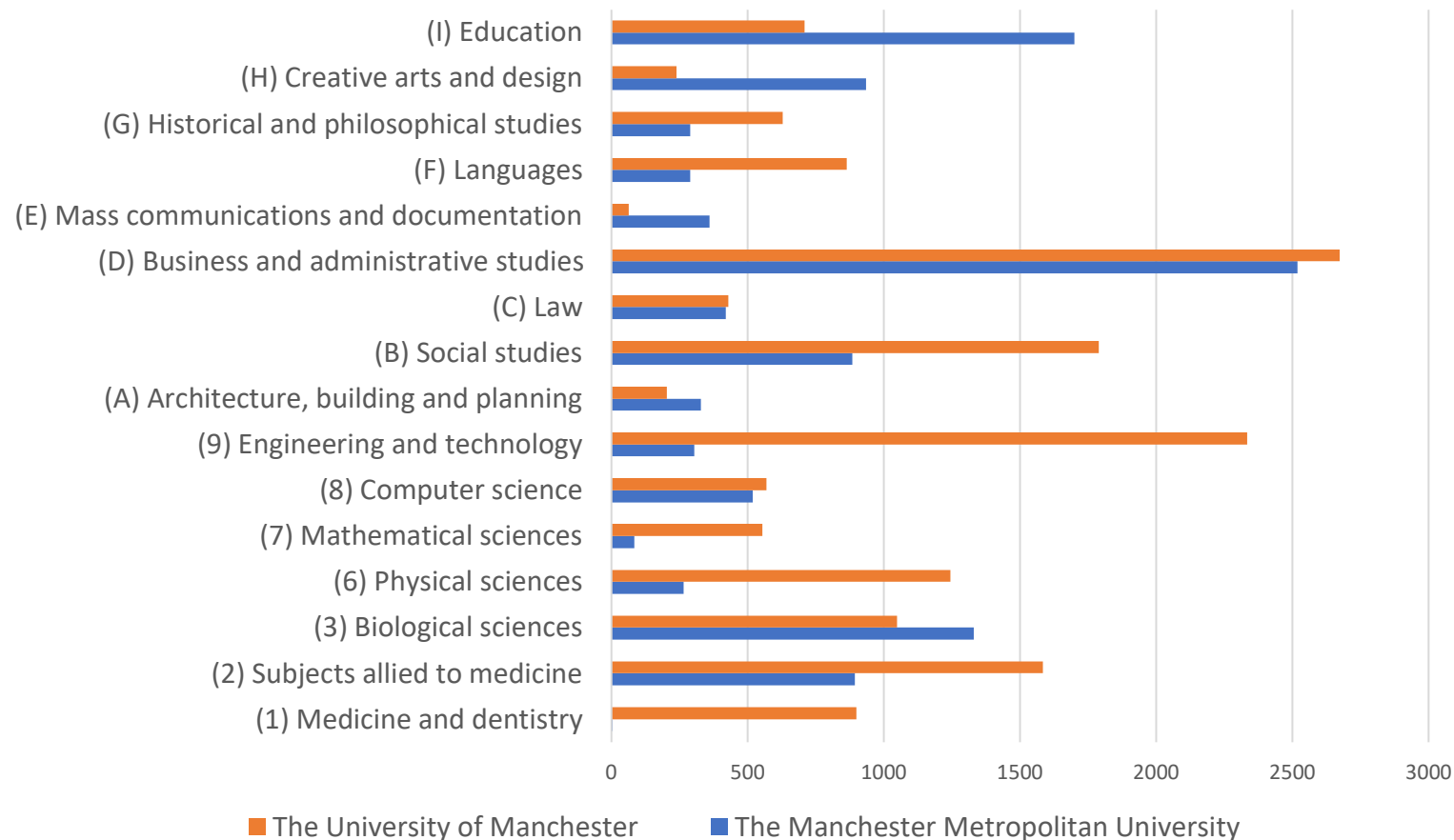


The number of young people expected to turn 18 in 2020 (16 in 2018) in wards in Manchester ranges from 21 to 275. The highest concentrations of young people turning 18 in 2020 can be found in communities including:

- Moss Side
- Longsight
- Burnage
- Ardwick
- Cheetham Hill
- Harpurhey
- Clayton and Openshaw

Almost 10,000 Graduates will enter the city's labour market in 2020

Subject area of qualifications achieved at Manchester universities,
Summer 2019



In 2018/19, MMU and the University of Manchester awarded qualifications to 27,010 students at all levels. It is estimated that 18,900 of these were UK domiciled students (30% of the combined intake of both universities were international students). The subject areas in which qualifications were achieved are set out opposite.

According to HESA, 51.5% of students stay in Manchester following graduation. On this basis it is estimated that almost 10,000 graduates will be entering the city's labour market or undertaking further study in the city in 2020.

Summary

- The impact on Manchester's labour market has been significant but broadly in line with national trends. However prior to C-19, Manchester had higher-than-average levels of unemployment and poverty, and C-19 has added substantially to this.
- The rise in people claiming benefits due to unemployment is unprecedented – up by 89% March-May, to reach 34,000 people. We expect this number will rise further, at a slower pace. Neighbourhoods with large BAME populations have seen the highest rise in claimants to date.
- 30% (78,000) of working Manchester residents are on furlough or supported self employment. Estimates vary, but only 1 in 3 employers report that they currently plan to make no redundancies in the coming months.
- Labour demand has fallen sharply. Vacancy postings have halved, but rose slightly in May. We have no clarity on whether the recovery will be swift, or slow – the latter being more damaging
- Apprenticeships is a mixed picture. Starts have fallen. But redundancies are low so far and Manchester's most popular apprenticeship sectors are proving to have more resilient demand. However the outlook for Aug/Sept/Oct is worrying, especially for young people
- Based on previous trends in destinations, we estimate that c3500 key stage 4 and key stage 5 leavers in Manchester are 'at risk' this summer
- We expect several thousand graduates to enter or seek to enter work in the city's labour market over the summer

Emergent themes

Our analysis of the labour market data provided an initial list of opportunities and challenges facing the city, which were explored further via our interviews with key partner organisations and stakeholders.

The emergent themes – listed broadly by urgency of the issue - are listed below.

- Working with people on furlough and education leavers
- Securing the participation of existing apprentices so they complete, and supporting enrolments over the summer/autumn
- Additional employment and skills support for priority groups: such as young people (especially low-skilled), minority ethnic groups, over-50s
- Improved return to work support
- Moving forward major projects, stimulating new labour demand
- How to mitigate impacts on those who are already long term unemployed

4. Findings

Future labour demand and supply
opportunities and challenges

Findings - method

Equipped with our desktop analysis of the labour market, the project team sought further insight via 44 interviews encompassing 52 individuals. The discussions focused upon understanding from each interviewee:

- How the pandemic has impacted on their organisation
- How they expect their operating environment to change further in the short and medium term
- What this means for their organisation, its workforce and the customers and communities they serve
- How Manchester City Council can best support the city's economy and labour market to mitigate the impact of C-19 and maximise growth opportunities – drawing on the emergent themes listed previously

A mix of interviewees enabled views from a wide range of stakeholders to be gathered, as per the table below.

Type of interviewee	No. of interviews
Employers and employer networks	20
Providers of employment support, business support, education and skills training	10
Local, city regional and national	14

Presentations at MCC's Work and Skills Board further extended the number of individuals who were able to comment on the project as it evolved. A full list of interviewees is available at Annex A.

4.1 Findings: Future labour demand

Employer goodwill

- Employer goodwill is very strong. Every employer that we spoke with supported efforts by MCC to plan for the recovery, displaying a genuine willingness to help the city and its residents at this challenging time.
- The next few months present an opportunity for MCC and its partners to capitalise on this goodwill, employers appear very willing to participate in programmes, feed back intelligence and insight, playing the fullest part in supporting the city's recovery.
- There is a sense of shock among many employers about the scale of the labour market downturn now affecting the city and the country.
- Employers expect MCC to lead the recovery in the city - setting the agenda, developing new programmes and securing capital investment. Such leadership will help build confidence in the city and its economy.

Employer uncertainty

- No employer that we spoke with confidence about their organisation's future plans, particularly in relation to the workforce – a 'wait and see' approach has been almost-universally adopted.
- Uncertainty about government guidance, consumer behaviour, staff welfare and the risk of a second wave of C-19 infections are making employers' decisions about workforce investment very difficult. The picture is most uncertain in sectors that have the highest exposure to future lockdown risks – such as leisure and the visitor economy.

Findings: Future labour demand

Labour demand is weak and further job losses are to be expected

The winding up of the Government's furlough scheme and difficult trading conditions are likely to result in further job losses over the coming months. The transition out of the furlough scheme from August to October will be absolutely critical – employers we spoke to were unsure about the likely scale of job losses, but most expected that their firms will shed staff post-furlough. Feedback suggests the key risks to the city include:

- Manchester Airport, where around 25,000 staff work, many living in the Wythenshawe area. Furloughing has helped to minimise redundancies to date, however the Airport saw a 99% reduction in flights and 'normal' operations may not return until 2022, impacting on the Airport and related jobs
- Retail, especially in non-food sub-sectors and within grocery too, where the major retailers have recruited additional temporary staff (in the case of the Co-op, 5000 were recruited nationwide) who may be let go as consumer behaviour starts to return to normal
- Hospitality and the night-time economy. The re-opening of pubs and restaurants will breathe some life back into the sector, but culture and arts venues remain closed and many businesses cannot operate profitably even with reduced social distancing requirements now in place. Ventures supported by private equity are thought to be most at risk. The visitor economy has collapsed, with hotels reporting that they expect up to 25% occupancy over the remainder of 2020.
- Universities, which are facing steep drops in income. Lower-paid teaching, admin and back office roles are thought to be most at risk in the coming academic year

Findings: Future labour demand

Furlough scheme is not the only potential cliff-edge

Furlough is the best-known and most significant feature of Government's Coronavirus Job Retention Scheme. The 62,000 Manchester residents on furlough will start to fall from late July, as new applications to the scheme end 30 June. By August employers will pay NI and pension contributions for furloughed staff; in September employers must contribute 10% of salary costs, rising to 20% in October, before the scheme closes.

Employers fear a cliff-edge, whereby they need staff to run their business but have insufficient orders/sales to create the cashflow required to keep people in work.

Other national initiatives are also set to wind down in the coming months, which may put individuals and employers under financial pressure. These include:

- The end of the Self Employment Income Support Scheme, which has been providing financial support to almost 16,000 Manchester residents who are self-employed but do not operate through limited companies. A second and final grant will be paid to participants in August, to cover up to 70% of monthly profits (capped at £6570) for June, July and August.
- Temporary VAT relief for business ends from 30 June, with payments deferred between March and June 2020 required to be paid by 31 March 2021.
- For the self-employed, tax self-assessment payments due on 31 July 2020 can be deferred but must be paid by 31 January 2021.

Findings: Future labour demand

Despite a drop in labour demand, some sectors are still creating job opportunities

Manchester's labour market is very diverse and this gives it a degree of resilience against sector-specific shocks. The GM Forecasting Model states that around 35,000 vacancies are created in Manchester each year as a result of companies needing to replace staff who have left jobs.

While the number of people changing jobs may fall during a recession, feedback indicates that Manchester's economy has continued to create opportunities, those being seen now and in the short term include:

- Transport and delivery driver roles, responding to online retail and grocery/prepared food demand
- Contact centres, many of which have been able to shift to working from home
- IT sector roles, especially those in occupations linked to e-commerce
- Health and care. Jobs within the NHS remain in high demand. Jobcentre Plus and employment support providers report that candidate interest in vacancies in social care is growing and that vacancies remain
- Construction, which has quickly returned to activity levels close to the pre-Covid period on major sites, especially in more senior project management and professional roles

Several respondents highlighted that the return of many migrant workers to Eastern Europe has had a 'cushioning' effect on the labour market, creating more vacancies that would otherwise be available.

Findings: Future labour demand

Medium to long term labour market prospects

Societal trends – such as an ageing population, technology and attitudes to climate change – and capital investments are key to maximising Manchester’s medium and long term labour market prospects.

On the former, interviewees reported that medium to long term labour demand in health and care and ICT/digital sectors is likely to be robust due to anticipated growth in demand for services such as health, care and e-commerce (which already have concentrations of roles within the city).

On digital, interview feedback stated that Manchester can further accelerate growth via increased foreign direct investment and ‘north shoring’ from London, but only if the city can strengthen its talent pipeline in occupations such as cyber security, software development and UX/UI.

Confidence in the construction sector also appeared quite robust, especially in relation to major projects which are increasingly financed by pension funds and other forms of patient capital, rather than banks. Financial services is another sector where confidence appears solid, with few C-19 related redundancies expected.

Recent years has seen a rise in the skill requirement of jobs in Manchester – half of all jobs in the city today are management, professional and associate professional roles, up from 40% a decade ago. While this has undoubtedly helped Manchester’s economy grow, few employers expect to see growth in entry level jobs over the long term. This has the potential to further narrow job entry opportunities for those with low skills, placing a premium on activity that enables staff in low paid jobs to upskill and progress in their careers.

Findings: Future labour demand

No lack of major projects with potential to drive growth

While Manchester has a handful of key sectors with positive medium to long term growth trajectories, feedback indicated that major investments will be required to further support the growth of the local economy and labour market, through the development phase (construction) and on to end users. This includes:

- Catalytic projects such as North Manchester General Hospital, Northern Gateway, and Mayfield
- New research and scale-up manufacturing sites, such as the Manchester Manufacturing Innovation Park (North – advanced materials; South – healthcare) and Innovation District Manchester
- Expansion of Space Studios Manchester, further boosting film and TV production in the city

Manchester's approach to achieving zero carbon by 2038 is yet to develop its work and skills planning so quantifying the scale of opportunity is difficult. However, several action areas hold the promise of new jobs and training requirements, some of which could be suitable for ILM activity, eg:

- Domestic retrofit, which for social housing alone would include 70,000 properties at a cost of £1bn (most likely via a BEIS capital programme), with privately-owned properties upgraded later
- Renewables generation from commercial and public buildings, such as PV on roof spaces
- The prospect of new building regs requiring zero carbon new builds, possibly by 2023 in the city
- Low carbon vehicles and infrastructure development – vehicles, charging points, cycle routes etc
- Environmental activities, such as Manchester's slice of the £100m community forest planned between Hull and Liverpool

Findings: Future labour demand

Supply chain resilience needs may create opportunities

The pandemic and the growing risk of a no-deal Brexit have focused attention on the resilience of supply chains in sectors such as construction, food, textiles, aerospace. While large-scale reshoring is not anticipated, there is potential to create growth and jobs in high value/niche areas over the medium to long term. Employers report that domestic supply chain participation is limited (especially in construction). Supply chain disruption is now being priced into products and contracts, narrowing overseas producers' cost advantage. Employers based within or operating in Manchester indicated their willingness to work with MCC and GMCA to share best practice and explore opportunities for increasing supply chain participation within the local area.

Changes to working practices

Landlords and employers were unclear about whether the experience of lockdown will change working practices over the longer term, but some trends may have implications for the function of the labour market in the city centre. Around 25% of city centre offices were reported to be open in mid-June, partially occupied though staff in senior roles (with more disposable income) are more likely to still be working from home. Firms may be less willing to locate in areas with heavy reliance on busy public transport.

Studies in London suggest that overall demand for Grade A office space may fall around 20% over the long term, though opinions vary on this point. Employers reported being more comfortable with staff working from home, potentially squeezing demand for office floorspace. However this may be balanced if social distancing requires less intensive office use. There are also implications for hospitality and retail if the working population of the city centre does not recover to pre-pandemic levels.

4.2 Findings: Supporting residents

The scale of the crisis means radical steps are required

The unprecedented pace at which the Claimant Count has grown, and the risk of further rises as the furlough and self-employment schemes unwind, means that there was a consensus among respondents that ‘business as usual’ responses will fail to deal adequately with the scale of the labour market challenge.

This does not mean that a wide range of new programmes are required – in general, respondents feel that it is better to build on existing programmes where possible – but there is an acknowledgement that for some priorities either no such intervention currently exists or the severity of the issue necessitates new approaches.

Concern that labour demand will be insufficient

Several interviewees expressed concern that the number of available jobs will be insufficient relative to the number seeking jobs, recommending that MCC and its partners bring forward key projects and other interventions to stimulate labour demand.

There was a consensus that any programmes introduced to support residents to remain in or return to work must be co-designed and implemented with employers, so that local people can be best prepared to meet the requirements of occupations where employer demand is either already known or likely to materialise.

Findings: Supporting residents

Several groups were identified by interviewees but not all can be priorities

Young People: Respondents felt that young people are likely to be most exposed to the labour market downturn, with the potential for a career-long 'scarring' effect of youth unemployment. Young people more commonly lack experience and workplace skills, putting them at a disadvantage when seeking jobs, especially if they have low prior skills attainment. Employers added that social distancing and working from home reduces their capacity to recruit and train young people.

Over-50s: Manchester has high levels of worklessness among its over-50 population, much of this is understood to be a legacy of mass unemployment in the 1980s. There is a broad consensus among respondents that this group requires tailored support, with digital skills and re-training, along with age-sensitive advice and support within programmes.

Black, Asian and Minority Ethnic residents (BAME): The spike in the Claimant Count in neighbourhoods with high BAME populations is reported to be driven by the high proportion of residents in these areas who work in occupations linked to hospitality and the night time economy. Contributors emphasised the need for support with career progression for existing BAME workers, retraining opportunities linked to vacancies and digital/ESOL skills for the unemployed.

Existing long-term unemployed and inactive: There are around 30,000 Manchester residents who were already long term unemployed or inactive before the crisis hit. With large numbers of people newly unemployed, interviewees are keen to ensure that support for the long-term unemployed is not deprioritised in the face of other demands on resource.

Other claimant groups: Some contributors were keen to ensure that, while levels of need will be greater in priority groups such as those highlighted above, this should not eclipse others such as adults aged 25-49, many of whom support dependent families. Graduate unemployment is also a risk locally, given a large student population and high graduate retention rate.

Findings: Supporting residents

Flexible models are required for employment and skills support programmes

Several respondents highlighted the need for programme delivery to flex to respond to individuals' circumstances, job prospects in the labour market, and delivery affordability criteria. For priority groups, practitioners favour an approach that embeds their priority status within delivery KPIs and contract funding mechanisms.

Several comments were received pointing out that apprenticeships are not the only answer to skills challenges. Feedback also focused on the lack of clarity about the specificity of future skills demand – digital and low carbon are routinely highlighted as areas of future skills demand, but more nuanced approaches are required to provide clarity.

Concerns that the capacity of post-16 education and training may be insufficient to meet demand

Supporting more young people to remain in education at age 16 or 18 is one of the most effective ways of preventing youth unemployment, by effectively 'shielding' this priority group from a very challenging labour market.

However concerns were expressed about whether post-16 providers have the flexibilities and the funding (which for colleges is based on last year's learner volumes) to create the capacity required within post-16 education and training. Concerns relate to the scope of learning on offer (to what degree does Manchester have an effective offer for 18 and 19 year olds?) and the scale at which post-16 providers are able to grow their provision (noting the lagged learner number funding model used by the ESFA).

Findings: Supporting residents

Apprenticeships are proving more resilient but summer 2020 likely to be difficult

There is concern about the impact of the drop in apprenticeship starts on the available post-16 training and education infrastructure within the city. Employers and other stakeholders are strongly in favour of interventions that can support demand for apprenticeships through this difficult period. August, September and October are of particular concern, this being the period when most young people start apprenticeships. If employer demand fails this summer, alternative forms of work-based learning provision may be needed.

Longer-term labour market trends put a spotlight on adult retraining

Discussions with employers highlighted concerns about the ability of many lower-skilled workers to retrain in the face of structural change in the labour market. The past decade has seen the share of jobs in Manchester that require level 4+ skills rise from 40 to 50%. At the same time, automation and changes in working practices have 'delaboured' business functions that previously undertaken people in lower-paid roles, which feature disproportionately high numbers of BAME and young workers.

Discussions with employers revealed three related concerns, specifically whether;

- an effective and affordable training offer exists for adults seeking of re-skill and change career;
- enough adults are able and motivated to take up such an offer (noting that those on low wages are often least likely to undertake training);
- employers pay sufficient attention to developing the skills and career prospects of low paid staff, when evidence suggests that training budgets tend to be prioritised on better qualified and paid staff.

Findings: Supporting residents

Effective transitions for learners leaving key stage 4 and key stage 5

Transitions at Key Stage 4 and Key Stage 5 will be key to minimising the number of young people who leave education and become unemployed or inactive. Respondents feel that activity should focus on supporting more young people to remain in education as a mechanism for ‘shielding’ them from the labour market for the time being. Any extension of the City Council’s current September Guarantee for 16 year olds must be backed up with the capacity and resource to make it a meaningful commitment to young people at this time.

Self employment has the potential to become a major source of temporary income

Jobcentre Plus reported growing interest in self-employment among new claimants and those on furlough, but at the same time there has been a sharp increase in new Universal Credit claims from residents who were previously self employed and were ineligible for government support schemes. Respondents highlighted the potential of self-employment as a route to securing income in a difficult labour market for a wide variety of potential claimants – ranging from those made redundant seeking to capitalise on specialist skills, through to graduates seeking temporary income via the gig economy, or as part of a portfolio career for those working in sectors such as culture and the arts.

GM has one of the most extensive start-up support service offers of anywhere in the country, however provision of advice and guidance for unemployed residents seeking to set up their own business (compared to those seeking post-start support) is limited both in terms of the scale of delivery and the scope of the service on offer.

Summary

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Employer goodwill is extremely strong • Solid job growth prospects in several sectors, likely to be better than other parts of the region • Diverse employment base, insulating against sector-specific shocks • MCC's relationships, networks and influence is strong despite HMG tilting towards towns and CAs – MCC recognised as credible • Growing high skills base of residents, 50% jobs now require level 4+ skills 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Qualifications of residents constrain access to opportunities • High levels of unemployment and inactivity prior to the crisis risk being compounded by volume of new claimants. Levels of poverty in the city are already severe • Current funding rules constrain the degree to which post-16 education can 'shield' young people from the labour market • Many self-employed unsupported through the crisis and adding to claimant count
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Outlook in key sectors such as digital, construction, health and care remain strong and Manchester specialises in all of them • Plenty of major catalytic capital projects in the pipeline that appear likely to attract public and private investment • Scope to grow self employment as a route to additional household income for some client groups 	<p>THREATS</p> <ul style="list-style-type: none"> • Employer uncertainty - second wave and/or local lockdown will cause further serious harm • Furlough end risks redundancies at employers of all size and sector, as does end of temporary tax relief and self-employment scheme • Longer term, reduction in entry level opportunities appears likely • No-deal Brexit a real possibility

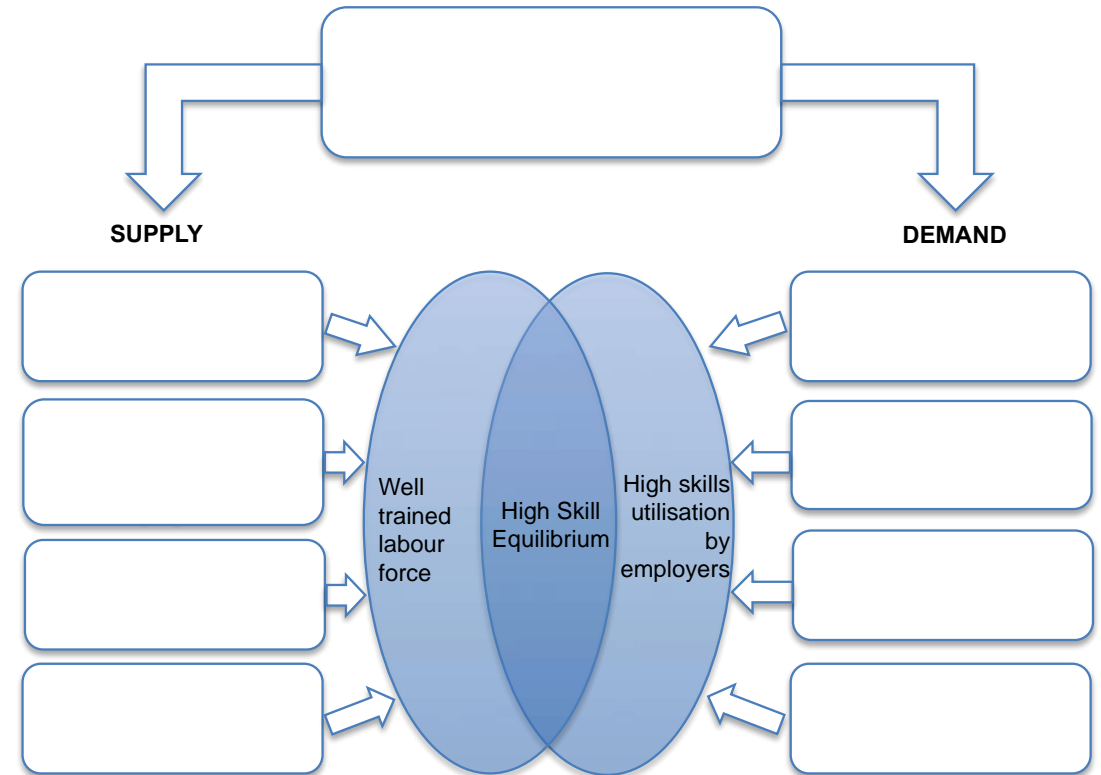
4.3 Past evaluations and international best practice

In developing our analysis we have reviewed past evaluations and relevant international case studies to identify learning that can be applied in Manchester.

It is widely accepted that activity to improve labour market outcomes requires action to upgrade the supply of labour while simultaneously seeking to grow demand for skilled labour from employers.

The diagram from the OECD, opposite, provides a summary of how such a framework might operate under more normal labour market conditions in places such as Manchester, to grow and maintain a 'high skills equilibrium' which has proven to be more resilient in times of economic hardship.

The full range of actions on the demand side are not within the scope of this study, however our work to date has highlighted the need to progress catalytic development projects as a way of stimulating labour demand in the city.



Reproduced from OECD (2008) Skills for Competitiveness: Tackling the low skilled equilibrium conceptual framework, Paris: OECD

Past evaluations and international best practice

Our review of interventions included analysis of programmes from the USA, Canada, Finland, France, Netherlands, Spain, Germany and Singapore. The key learning from these case studies includes:

- For young people seeking their first job, evidence indicates that programmes work best when they support individuals to progress their careers once they have started work by combining professional training, business communication skills and access to apprenticeships.
- Employer involvement in vocational programmes for 15-18s in the USA has proven effective - participating young people earn a wage premium of 11% at age 26, compared to others. This is due to better insight into the world of work, improved employer contacts, work experience and a grasp of how to achieve aspirations. Evidence from Finland shows entrepreneurial education at KS3/KS4 helps build resilience required in careers
- Online training has been shown to help more people take responsibility for their learning. In France and Singapore, recent programmes operate a more flexible distributed system that features less central control and more scope for people to act on what they know now.
- Support programmes for older workers in Canada found that digital literacy, workplace and vocational skills, and employer placements were key to improving labour market participation

Investment in labour market responses to the pandemic have varied in scale. Other countries commonly intensify and expand existing programmes, such as wage subsidies. Germany has seen a massive €50bn investment to scale up key technologies and a further €550m on facilities for digital learning. Germany has also relaxed rules and created new incentives for employers to take on apprentices who have been made redundant

Past evaluations and international best practice

Prominent examples of UK programmes delivered in response to past recessions include:

Future Jobs Fund launched in Autumn 2009 to create subsidised jobs for unemployed young people. Costing £6500 per head, it created work for 105,000 participants (1500 in Manchester). It gave a job and a wage when few jobs were available and it improved employer perceptions of young people. But there was insufficient focus on participants sustaining work once the programme ended, hindered by a rule that jobs had to deliver community benefit (ruling out the private sector). The training offered was often not of adequate quality.

The **ProAct programme** launched in 2009 in Wales to provide training for staff working short hours and/or at risk of redundancy. It co-funded training and salary costs (while training) for staff to undertake courses selected by their employer in line with their business plan. It enabled staff to be reskilled and upskilled, allowing employers to redeploy them into new roles or work more hours. Training was certified, so that it would be transferrable should the participant be subsequently made redundant. Activity was targeted in priority sectors.

Programme-Led Apprenticeships (PLAs) were an interim measure to support work-based learning during a period of weak employer demand, so that learners could start an apprenticeship before taking up employment. An Ofsted evaluation in 2008 found that successful PLAs blended high quality off-the-job training with well-designed work placements, building knowledge and experience that can then be applied to the workplace once the learner is recruited. Common pitfalls included irrelevant training, poor quality work placements and the inability of some providers to secure employment for learners.

5. Analysis

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5.1 Calibrating MCC's response

MCC has a pivotal role to play in leading and convening the response to the economic recovery within the city. The function of the labour market, current management and funding arrangements for key services, and the spending power of Government mean that in large part, MCC will be influencing and shaping the activities of others in order to deliver on the work and skills agenda for the city's employers and residents.

Three main types of activity will be required from MCC, as follows:

1. Activities where the City Council either has direct control over relevant activity (such as its own recruitment, training delivery such as via MAES), or where MCC is in a position to influence the development of, and access to, jobs and skills (such as via its procurement strategy, or major developments)
2. Activities where the City Council needs to work with other partner organisations, to influence commissioning and delivery of services that support its residents and employers (such as The Manchester College, GMCA and The Growth Company)
3. Activities where the City Council needs to lobby and build proposals with others (such as Core Cities) that secures new programmes and investment in the local labour market

5.2 Critical success factors

Leading the economic recovery in relation to work and skills in Manchester presents MCC with a major challenge.

Based on the feedback received through this project, we have outlined below a handful of critical success factors that we believe will help the city in this task. They include:

- Maintaining and further developing the employer goodwill so that they continue to share insights, offer to host placements, participate in retraining programmes for staff, etc
- Capacity to act, noting that MCC is a much smaller organisation now than it was in the pre-austerity days before the last recession
- Track record of working in partnership and co-production with central govt and local stakeholders to make best use of local opportunities. Their participation in developing this plan, and their continued buy-in of its delivery, has further strengthened these relationships
- Regular monitoring of data and trends, to assist with the identification and addressing of emergent issues and risks
- Flexibility, being prepared to change plans when the operating environment alters – as it might via the early July ‘fiscal event’ and the Autumn three year Comprehensive Spending Review

5.3 Priorities - background

In common with the rest of the UK, Manchester is facing its worst labour market crisis for a century.

The City Council has choices to make – it cannot address all of the myriad of opportunities and challenges now facing local people and employers.

Drawing on the project's findings, we have drafted an initial list of six work and skills priorities for MCC as it plans for the economic recovery. In selecting each priority, we have considered the scale of the issue/risk, the role that MCC can play in leading or shaping an effective response, and the question of timing (aware that some activities need to start immediately).

The six priorities are listed overleaf. Recommended actions to deliver on these priorities are outlined in detail in section 6.

Priorities

1. Minimise the number of Manchester residents who move from being on furlough to redundancy as the Coronavirus Job Retention Scheme winds down over the coming months
2. Support unemployed Manchester residents to re-enter work as quickly as possible - especially young people, the over-50s and BAME groups
3. Maximise new job creation, increasing overall labour demand in the city
4. Minimise the number of young people who become unemployed after leaving education and training in Manchester
5. Support apprenticeship and other training opportunities to better equip employers with the skills to survive and grow, while helping more residents to upskill and progress in their careers
6. Improve the support available to long term unemployed/inactive residents, to reduce the risk that they will be 'crowded out' in the jobs market by the influx of new claimants.

6. Recommendations

Recommendations

Priority 1	Recommendation	Rationale	Timescale	Partner involvement
Minimise the number of Manchester residents who move from being on furlough to redundancy as the Coronavirus Job Retention Scheme winds down over the coming months	<p>Stemming unemployment via targeted, employer-led training. Enable staff returning from furlough at viable businesses who are at risk of redundancy or working limited hours access employer defined, short, flexible training solutions co-funded by HMG.</p> <p>Based on the ProAct model from Wales, training must be linked to standards and/or qualifications that are recognised by other employers. Deadweight can be minimised by a training plan linked to a business plan, and a sectoral focus on areas such as digital, bioscience and health innovation. This intervention could be targeted at over-50s and BAME workers.</p> <p>Funding could be derived from central government (via the National Skills Fund and National Retraining Fund); if this is not available, GMCA should examine scope for aligning use of AEB and ESF in support of the project.</p>	<p>Over 62,000 residents are on furlough. Only a third of employers think they will make no redundancies.</p> <p>The claimant count has doubled in the past two months, and could go much higher if those returning from furlough are made redundant in large numbers.</p>	Starting as soon as possible given furlough starts to unwind from next week, for an initial six-month period.	<p>GMCA has proposals for extensive retraining activity linked to key growth sectors, with significant investment proposed via ESF (for employer engagement) and AEB/NSF/NRF.</p> <p>If this is to be delivered in Manchester, MCC should work with GMCA (and HMG where required) to ensure that within the model:</p> <ol style="list-style-type: none"> 1. Any training should be occupation-specific, identified by the employer and linked to their business plan 2. That it is launched ASAP, aware that furlough is about to start winding down 3. That participating employers are viable organisations with future employment prospects for participating learners

Recommendations

Priority 2	Recommendation	Rationale	Timescale	Partner involvement
<p>Support unemployed Manchester residents to re-enter work as quickly as possible, with a priority focus upon:</p> <ul style="list-style-type: none"> • Young people • The over-50s • BAME communities 	<p>An intermediate employment with training programme for young people for whom work would usually be a realistic prospect but are unemployed. Prioritise young people with lower attainment. The programme should feature paid work within occupational areas with good post-Covid prospects (including private sector); and high quality training relevant to future job growth.</p> <p>Prioritise over-50s and BAME communities within the proposed response to furlough (priority 1) and accelerating recovery (priority 5) recommendations. Practical steps should include:</p> <ul style="list-style-type: none"> • Designing into programme specifications an intensified focus on engagement and delivery in communities with concentrations of BAME and over-50 unemployed residents • For BAME claimants, digital skills and support with career progression once in work will be key • Age-sensitive support for the over-50s will prioritise core digital and practical workplace skills as a standard feature of any labour market programmes for older people • Specification of contract management KPIs and payment models that prioritise better outcomes for BAME and over-50s within employment and skills support programmes. 	<p>Claimant count risen from a high base in Manchester, up by 98% between March and May for young people, 73% for the over-50s.</p> <p>The increase in the claimant count March-May 2020 has been most acute in neighbourhoods with high BAME populations</p> <p>Feedback indicates that for BAME groups, career progression activity is often more limited because of concentrations of BAME staff in entry level roles.</p>	<p>From Sept 2020, for an initial 12 month period.</p>	<p>Resource to support intermediate employment will need to come from HMG; while the programme itself will likely best operate on a GM footprint – requiring MCC to work with GMCA and HMG (via Core Cities) to influence design and implementation.</p> <p>GMCA's current proposal is for an ILM that is more limited in scope (for the very hardest to help) – MCC should recommend that this is broadened to encompass a wider group of young people who will find labour market attachment difficult in the current climate.</p> <p>MCC should work with GMCA to consider how over-50s and BAME groups can be better reflected in programme design, delivery and contract management.</p>

Recommendations

Priority 3	Recommendation	Rationale	Timescale	Partner involvement
Maximise job creation, increasing overall labour demand in the city	<p>MCC to examine its sector-leading social value procurement policy to identify how it can intensify focus on outcomes for unemployed BAME residents, young people and the over-50s.</p> <p>That MCC continues to bring forward key capital projects that stimulate labour demand. Work and skills outcomes must be key to project planning – maximising resident access to opportunities.</p> <p>Undertake employer-led work with the Growth Hub, Siemens and Ask Developments to identify opportunities to support supply chain resilience, increasing economic activity in the city.</p> <p>Further strengthen support for self-employment via an expanded offer for people who are unemployed and may use self-employment to generate more household income. This would require DWP income rules for participants to be relaxed. GMCA funds and JCP Flexible Support Fund could support.</p> <p>Develop a zero carbon 2038 skills strategy built on a sound understanding of the labour and skills requirements, covering specialist skills (higher level), adaptation of existing skills (trades) and behaviour change to shape attitudes and regulation.</p>	<p>Job postings in the local area halved between March and April. A small uptick was registered in May (9%).</p> <p>Brexit and C-19 are creating difficulties for global supply chains in some sectors</p> <p>Self-employment popular with who require flexibility or need portfolio careers. Support is weaker for those planning self-employment, compared to those who are already self employed (only 7% of unemployed eligible for New Enterprise Allowance)</p> <p>2038 is an ambitious target and will require a strong skills base if delivery activity is to be completed to the required standard</p>	Autumn/ Winter 2020/21.	<p>Engage via Core Cities with HMG on catalytic projects – consistent message to HMG</p> <p>Supply chain activity requires private sector leadership, best delivered by Growth Hub – employers are very happy to share their knowledge and leadership on this issue.</p> <p>Work with GMCA to strengthen self-employment aspects of its proposals. MCC could offer to pilot enhanced support offer for newly unemployed who are ineligible for New Enterprise Allowance.</p>

Recommendations

Priority 4	Recommendation	Rationale	Timescale	Partner involvement
Minimise the number of young people who become unemployed after leaving education and training in Manchester	<p>Extend Manchester's September Guarantee for 16 year olds to cover 17 (those completing 1 year courses, dropping out, or leaving with AS levels) and (subject to the availability of an offer for them) 18 year olds. The model should be based on the current guarantee – case conferences led by MCC, providers leading implementation. There should be a sharp focus on 17/18 year olds studying in sectors with viable job prospects, and/or progressing to a higher level of study.</p> <p>Enhance the capacity of post-16 education and training in Manchester to 'shield' young people from the labour market by:</p> <ul style="list-style-type: none"> • ESFA allowing 18/19 year olds to repeat level 3 from summer 2020 if they are completing in sectors with very poor job prospects. ESFA provider budget tolerances should rise from 5% to 10% to fund this. • Consideration given to opening up level 3 study programme funding to training providers, who have specialist facilities underutilised as apprenticeship starts fall. This would require DfE to review how its lagged funding model prevents market entry <p>MCC to make available space for distance/online learning – leisure centres, libraries; also identify (with GMCA) where additional capital investment may be required to respond to skills demand.</p> <p>DfE to increase ALS (additional learning support) to providers, to ensure that all learners have IT hardware and broadband/data to access online learning and data for online learning. The latter could be supported via corporate sponsorship, extending GMCA scheme</p>	<p>c.3500 KS4 and KS5 leavers are 'at risk' this summer, based on DfE destinations data</p> <p>Up to 10,000 UK-domiciled graduates are likely to remain in Manchester this summer, many of whom will be seeking employment but lack workplace experience</p> <p>Experience of online learning has been mixed, key issue is the availability of hardware and for many learners, having a place where they can learn (home environment unsuitable)</p>	<p>Much of this can or should start ASAP, especially the elements under control of MCC, eg Sept Guarantee, spaces for online learning.</p> <p>Anything involving ESFA or DfE involvement will take time and may require a summer 2021 implementation date.</p>	<p>Advise GMCA on operation of their proposed 18-30 guarantee.</p> <p>Work with Core Cities in ESFA and higher technical training proposals as all require resource and/or funding flexibility from HMG.</p> <p>Liaise with providers and IAG services to extend MCC's existing September guarantee.</p> <p>GMCA re scope to extend current sponsored broadband to school pupils.⁵⁵</p>

Recommendations

Priority 4 (continued)	Recommendation	Rationale	Timescale	Partner involvement
Minimise the number of young people who become unemployed after leaving education and training in Manchester	<p>MCC works with providers, GMCA and Core Cities to seek flexibilities in the DfE's post-16 lagged learner funding model that allows providers to recruit more young people (as a way of shielding them from entering the labour market) without cause significant cashflow issues.</p> <p>Unemployed graduates and those with higher diplomas aged under 25 to be offered a higher technical training scheme, featuring</p> <ul style="list-style-type: none"> • 6/12 month postgrad programme, work experience coupled with additional training • Opportunities be within sectors that are aligned to local industrial strategy but where firm-level performance is, or risks being, impacted by a lack of skills • A loan to participants to support with living costs 	<p>Lagged learner number funding model requires providers to cashflow increases learner numbers for 12 months before being paid. If we want to expand the capacity of post-16 learning to shelter young people from the labour market, it is doubtful whether providers could support an extra 2000 enrolments (who might usually seek jobs) in Manchester based on the existing funding model.</p> <p>Graduate unemployment peaked at almost 15% in the last recession. Employers report skills shortages in STEM sectors. Uniquely in GM, Manchester retains and attracts large numbers of graduates each summer, who risk joining</p> <p>Nationally, 1 in 3 of post-2007 graduates have higher quals than their occupation requires. 10% of people with degrees in GM are low paid (all age), GB average 8%</p>	<p>DfE discussion should be imminent, ideally seeking flexibilities prior to early July fiscal event.</p> <p>Higher technical programme to roll out from Autumn 2020.</p>	<p>MCC will be unique in GM in potentially having a significant graduate unemployment problem – may want to pursue this proposal largely via Core Cities.</p> <p>DfE funding discussion needs to be a united front across providers, GMCA, Core Cities etc</p>

Recommendations

Priority 5	Recommendation	Rationale	Timescale	Partner involvement
Support apprenticeship and other training opportunities to better equip employers with the skills to survive and grow, while helping more residents to upskill and progress in their careers	<p>Launch Programme-led Apprenticeships as a temporary measure to prepare young people for jobs in sectors where demand is currently weak but it will grow (construction, manufacturing, hair, etc). PLAs must blend high quality off-the-job training with well-designed work placements.</p> <p>Flex ESFA funding rules to:</p> <ul style="list-style-type: none"> - Allow apprentices made redundant to be fully funded for at least 6 months (currently 12 weeks) to complete. - Ease ESFA funding and management rules to allow more study programme providers to transfer learners into apprenticeship mid-year - Support GMCA's plans for more flexible Apprenticeship Levy transfers, simplifying the process and raising the cap <p>Accelerate the recovery of sectors through supported recruitment and training to allow employers to recruit and retrain staff to help the business's future survival and growth. This would require DfE to create an extended AGE grant and broaden of employers' NI relief to all ages (while lowering salary cap to £25K) to enable activity.</p> <p>Selected sectors and sizes of business should be targeted, focusing on employers which would otherwise downsize or stop trading without support to retain and train staff. Proposals must be linked to a firm's business plan</p>	<p>Apprenticeship recruitment of young people during crucial months of Aug, Sept and Oct 2020 at risk as employer demand is weak.</p> <p>ESFA rule flexibilities will allow more young people to enter apprenticeships and to complete, despite difficult labour market.</p> <p>Supported recruitment and training via this model will:</p> <ul style="list-style-type: none"> - Grow apprenticeship volumes - Support employers to 'bridge' the period post-furlough when income does not cover overhead, but they do not want to let staff go as future growth prospects are good 	<p>PLAs and ESFA rule flexes to be sought for 2020-21 academic year (as far as possible)</p> <p>Accelerating recovery proposal would work best if rolled out from Sept, as employers take stock following furlough scheme.</p>	<p>PLAs will require lobbying of DfE and ESFA, alongside providers and trade associations</p> <p>Accelerate recovery model requires flexibility in incentives (which are likely to be already under consideration at DfE) and capacity funding to support business engagement and skills planning.</p>

Recommendations

Priority 5 (continued)	Recommendation	Rationale	Timescale	Partner involvement
Support apprenticeship and other training opportunities to better equip employers with the skills to survive and grow, while helping more residents to upskill and progress in their careers	<p>MCC to develop new post-16 curriculum priorities that target the best quality technical education and vocational training for the city. Recommendations that are actionable by providers will be required, eg:</p> <ul style="list-style-type: none"> • Expectations in relation to the sectors and occupations that are critical to the future economy of the city • Preferred delivery models that engage and retain learners effectively • Expectations regarding the participation of employers in curriculum design and delivery • Capital and resource investment requirements <p>Led by the Work and Skills Board, review the offer in the city for adults seeking to reskill and retrain, targeted on those in low paid roles often occupied by local people and BAME staff. This should include:</p> <ul style="list-style-type: none"> • Seeking an extension of the national entitlement to a first level three qualification to learners of all age, not just those aged 19-23 (as now). • Leadership by employers and employer networks to strengthen the commitment of business to developing the careers of our lowest paid • Consideration of how GM skills commissioning activity can support low paid workers to progress 	<p>Post-16 Skills is undergoing huge change – T-levels, level 4/5, apprenticeships and now a major labour market downturn.</p> <p>MCC is providing financial support to the TMC investment in its estate, to create world-class learning facilities for Manchester employers and residents.</p> <p>Rising skills profile of Manchester’s labour market and anticipated impact of automation will likely result in a drop in entry level roles. Meanwhile, adult learning has dropped – especially at level 3, with the introduction of loans.</p>	Early 2021 or 2022, to shape curriculum planning for the subsequent academic year	<p>Close work with TMC, but seek to engage other key post-16 providers too.</p> <p>Liaise with GMCA regarding its curriculum priorities and provider engagement activity.</p> <p>Work with GMCA, Core Cities and trade associations (eg AELP, GMLPN, AoC, GMCG) regarding the adult level 3 entitlement and associated AEB lobbying</p>

Recommendations

Priority 6	Recommendation	Rationale	Timescale	Partner involvement
Improve the support available to long term unemployed /inactive residents, to reduce the risk that they will be 'crowded out' in the jobs market by the influx of new claimants	<p>Work with GMCA to tighten focus of current and planned devolved employment support programmes on the barriers faced by long term unemployed and inactive residents in Manchester.</p> <p>Work with MACC and other VCS groups to explore development of large-scale volunteering programme for unemployed/inactive residents of all age as part of an individual's pathway to employment. Whitehall interest in VCS organisations supporting unemployed and inactive residents with volunteering in (for example) advice and guidance to public transport users, environmental projects, high streets and public spaces.</p> <p>Enhance the skills of the long term unemployed/inactive residents – such as through the inclusion of basic digital skills top-up within Working Well and other relevant support programmes.</p>	<p>Manchester has around 30,000 working age residents who were already long term unemployed or economically inactive (usually owing to ill health).</p> <p>Current Working Well delivery is performing less well in Manchester than other parts of GM, despite inquiries indicating that the challenges faced by Manchester residents are not dissimilar to those found elsewhere in GM.</p>	Spring 2021	<p>Support GMCA proposal to HMG that £30m DWP budget for Work and Health Programme needs to be confirmed in CSR and granted to GMCA.</p> <p>Work with MACC on volunteering proposals, high level of interest from Whitehall departments so could pursue via Core Cities.</p>

Implementation priorities

The crisis in our labour market has developed at unprecedented speed. This creates a need for urgent action to prevent current problems from continuing to deepen at an alarming pace.

Recommendations that require immediate attention include:

- **Priority 1:** Targeted, employer-led training to retrain and redeploy staff returning from furlough, to minimise the rise in the claimant count (priority 1). Lobbying is required immediately of HMG, along with discussions with GMCA and via Core Cities, to ensure that an intervention can be rolled out at speed, potentially working with GM Growth Hub to identify and access businesses that would most benefit.
- **Priority 2:** Commitment from HMG to an expansive intermediate labour market programme to address the unfolding youth unemployment crisis, which risks deepening further as we move in to the 2020-21 academic year.
- **Priority 5:** Flexibilities and incentives – such as permitting Programme-Led Apprenticeships, extending NI relief and introducing AGE grant – that will help sustain apprenticeship activity and support job retention through the critical summer/autumn period

The Chancellor's announcements in early July are likely to bring forward some eye-catching interventions that can be rolled out quickly, with more considered analysis and proposals due to come forward in the Autumn 3 year Comprehensive Spending Review. However the 4-5 months between now and the CSR could prove extremely challenging unless action is taken now to mitigate the labour market crisis.

Annex A - Interviewees

Mat Ainsworth

Vaughan Allen

Pat Bartoli

Jessica Bowles

Helen Boyle

Mags Bradbury

Melissa Brown

Nick Cole

Andy Fawcett

Jonathan Felce

Katie Gallagher

Anne Gornall

Brian Hay

John Holden

Assistant Director – Employment

Chief Executive

Head of City Centre Regeneration

Director of Strategy

Strategic Decarbonisation Manager

Associate Director of Equality,
Diversity and Inclusion

Senior Policy Adviser

Research Manager

Co-Executive Director

Relationship Director

Managing Director

Co-Executive Director

Chief Executive

Associate Vice President, Major
Special Projects

GM Combined Authority

CityCo Manchester

Manchester City Council

Bruntwood

Electricity North West

Manchester University NHS Foundation Trust

HM Treasury

Manchester City Council

GM Learning Provider Network

Barclays

Manchester Digital

GM Learning Provider Network

Cardinal Maritime

University of Manchester

Annex A - Interviewees

David Houlston	Head of Policy	Manchester City Council
John Hughes	Managing Director	Ask Developments
Michelle Humphreys	Director of Strategic Projects	Manchester University NHS Foundation Trust
Richard Jeffery	Director of Business Growth	The Growth Company
Colin Johnson	Managing Director, Operations	Space Studios Manchester
Adam Jupp	Corporate Affairs Director	Manchester Airport
Sharmila Kar	Director of Workforce and OD	Manchester Health and Care Commissioning
Trish Keating	Executive Director	Tech Manchester
Justin Kelly	Director of Corporate Communications and Business Development	Siemens UK
Elizabeth Lawson	Policy Advisor (Adult Skills)	HM Treasury
Michelle Leeson	Managing Director	Growth Company: Employment
Jon Lenney	Director of Workforce and OD	Manchester Local Care Organisation
Paul McGarry	Assistant Director	GM Ageing Hub
Gemma Marsh	Assistant Director – Skills	GM Combined Authority
Simon Mason	Senior Policy Adviser	Ministry of Housing, Communities and Local Government

Annex A - Interviewees

Nick Mellor	District Manager	Jobcentre Plus
Clive Memmott	Chief Executive	GM Chamber of Commerce
Elizabeth Mitchell	Policy and Partnerships Manager	Manchester City Council
Chris Murray	Director	Core Cities UK
Cllr Nigel Murphy	Deputy Leader	Manchester City Council
Tim Newns	Chief Executive	MIDAS
Lisa O’Loughlin	Deputy CEO/Principal	The Manchester College
Rob Page	Commercial Director	Space Studios Manchester
Siobhan Pollitt	Chief Executive	Back on Track Manchester
Cllr Luthfur Rahman	Executive Member for Skills, Culture and Leisure	Manchester City Council
Jon-Paul Rimington	Managing Director	Growth Company: Education and Skills
Nigel Rose	Strategic Lead (Commissioning)	MACC
Julie Rushton	Head of Adult Skills and Learning	Manchester City Council
Jonny Sadler	Programme Director	Manchester Climate Change Agency
Carina Schneider	Senior Policy Adviser-	Ministry of Housing, Communities and Local Government

Annex A - Interviewees

Dan Shercliff	Senior Manager	Manchester Adult Education Service
Tamanna Sidika	Policy Team Leader	Cities and Local Growth Unit (MHCLG & BEIS)
Annie Smith	Head of Enterprise Commercial	PeoplePlus Enterprise
Nick Brooks-Sykes	Director of Tourism	Marketing Manchester
John Thornhill	Chief Executive	LTE Group
Andy Westwood	Professor of Government Practice and Vice Dean of Humanities	University of Manchester
Mike Wild	Chief Executive	MACC
John Wrathmell	Director, Research and Strategy	GM Combined Authority

THINK...

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TO: Economic Recovery Group
FROM: City Policy
SUBJECT: Summer Statement July 2020
DATE: 9 July 2020

1.0 Introduction

- 1.1 On Wednesday 8 July 2020, the Chancellor of the Exchequer, Rishi Sunak MP, delivered a Summer Statement to the House of Commons. The statement was anticipated as a “fiscal event” but saw the Chancellor deliver a policy paper “A Plan for Jobs”.
- 1.2 The Chancellor had previously delivered a Spring Budget in March 2020 (the briefing for which can be accessed [here](#)). The Budget has been supplemented with further announcements of funding support packages in light of COVID-19, including the introduction of the Coronavirus Job Retention Scheme (furlough), direct support for households, business support, and public service spending. According to the Government, the total direct fiscal funding support packages prior to the Summer Statement was £158.7bn. The Government has termed this support as the first stage of its COVID-19 economic response, focused on protection.
- 1.3 The announcement was termed the second phase of the COVID-19 economic response, focusing on jobs. Overall, the Chancellor announced a substantial level of investment in the Statement, mainly aimed at job creation and protection. However, there was notable lack of detail and omissions for some struggling sectors (such as retail and aviation) and public funding.
- 1.4 The Chancellor confirmed the Autumn Budget and Comprehensive Spending Review - the third phase of the COVID-19 economic response - which he stated will focus on longer term recovery and rebuilding the economy, and will “deal with the challenges facing our public finances”. It is thought a National Infrastructure Strategy will be published alongside the Budget.
- 1.5 The economic impact of COVID-19 continues to widen, with the World Bank predicting the deepest global recession since WWII. The Bank of England predicts that the UK economy could be facing its largest fall in annual output in over 300 years and that the unemployment rate could peak at 10%, with large scale redundancies as the Job Retention Scheme comes to an end. Initial Office of National Statistics estimates suggest the UK’s Gross Domestic Product fell by 25% between February and April. The Government’s measures (alongside the Bank of England’s monetary support) will help to mitigate some of the impact but the scale of the financial crisis remains large.
- 1.6 This briefing provides a headline summary of key announcements in relation to key policy areas, and any specific considerations for Manchester. Many of the

announcements presently lack detail, with further announcements are expected over the coming weeks.

- 1.7 The full Government announcement can be found here:
<https://www.gov.uk/government/publications/a-plan-for-jobs-documents/a-plan-for-jobs-2020>

2.0 Announcements

- 2.1 The Government announced four areas of policy decisions within A Plan for Jobs, totalling up to £30bn worth of fiscal support: Jobs Retention Bonus Scheme; Supporting Jobs; Protecting Jobs; and Creating Jobs. Each of these areas are examined below, with details given where known, alongside considerations for Manchester.

3.0 Job Retention Bonus Scheme

- 3.1 As the Job Retention Scheme comes to an end in October, the Government announced new incentives for employers to bring furloughed staff back with the announcement of the Jobs Retention Bonus Scheme:
- Employers who ensure furloughed employees are brought back into continuous employment until January 2021 will be eligible to receive a £1,000 bonus per employee
 - £9 billion investment would be required if employers brought back every employee that they had furloughed
 - Employees must be paid at least £520 on average, in each month from November 2020 to January 2021
 - Bonus payments to employers would begin from February 2021
 - Further detail on the scheme are expected by the end of July 2020
- 3.2 As at the end of May, 62,000 Manchester residents were furloughed, with furlough most common in the foundational services, including accommodation, food service and retail. Whilst the bonus scheme may encourage some businesses to bring employers back into employment alongside further reopening measures, it relies on businesses having enough customer demand, the ability to operate under social distancing and the cash flow to wait until the bonus. As such, whilst this announcement may help mitigate some of the impacts, the city is still likely to see an increase in unemployment at the end of furlough.

4.0 Supporting Jobs

- 4.1 The Chancellor's announcements for supporting jobs fell into three main areas - support for young people (Kickstart Scheme, apprenticeships and trainee), support for the unemployed and support for the education sector.
- 4.2 Kickstart Scheme - the headline announcement for young people, the Government will introduce a £2bn scheme designed to support young people aged 16 - 24 who are at risk of long term unemployment into newly created paid employment opportunities. The scheme will begin in August 2020, with the first 'Kickstarters' in jobs from autumn. The Government will directly pay employers young people's wages for six months, plus an amount to cover overheads. For a 24 year old, the grant will amount to approximately £6,500. The funding is conditional on jobs being offered that are additional to existing jobs. Eligible young people must be in receipt of Universal Credit, and 'Kickstarters' must be employed for a minimum of 25 hours per week and paid at least the National Minimum Wage rate. Employers need to provide 'Kickstarters' with training and support to find a permanent job. Government has said there is no cap on the number of places available.
- 4.3 Support for apprentices and trainees - two schemes were announced to incentivise employers to recruit new apprentices and trainees, especially young people:
- The Government will pay businesses £2,000 per new apprentice aged under 25, and £1,500 per apprentice aged over 25, from 1 August 2020 to 31 January 2021. This incentive is in addition to the existing £1,000 payment the Government already provides for new 16-18 year-old apprentices, and those aged under 25 with an Education, Health and Care Plan.
 - An additional £111m this year in a traineeships fund for high quality work placements and training for 16-24 year olds in England. Employers who provide trainees with work experience will be funded £1,000 per trainee. The Government predicts that this funding could triple participation in traineeships, and stated a commitment to improve provision and expand eligibility for traineeships to those with Level 3 qualifications and below.
- 4.4 Support for education sector - three policy decisions were announced to provide the sector with the capacity to support people into employment or stay in education and training:
- £101m for the 2020/21 academic year to create more places on Level 2 and 3 courses to support 18-19 year olds leaving school or college to find work in high-demand sectors, like engineering, construction and social care
 - An additional £32m in new funding for the National Careers Service to provide personalised advice on training and work to 269,000 more people in England over the next two years
 - An additional £17m to triple the number of sector-based work academy placements in England to provide vocational training and guaranteed interviews for more people, tailored to gaining skills needed for employment opportunities in their local area

- 4.5 Support for the unemployed - a number of policies to support unemployed people back into work were announced:
- £895m to double the number of work coaches in Jobcentre Plus across the UK before the end of the financial year (N.B. if it not clear if this is entirely new funding)
 - £150m funding increase for the Flexible Support Fund to increase the capacity of the Rapid Response Service and provide local support to claimants by removing barriers to work (e.g. travel expenses for interviews)
 - Up to £95m this year to expand the scope of the Work and Health Programme to introduce additional voluntary support for those on welfare that have been unemployed for more than 3 months. The Government have stated that this expansion will have no impact on the existing provision for those with illnesses or disabilities so presumes a large increase in new claimants.
 - £40m funding for the private sector to create an online job finding support service for those who have been unemployed for less than three months
 - A stated expanded 18-24 year old youth offer at DWP but no funding figure or further detail given
- 4.6 The main focus of these measures all act to try and minimise the number of young people who will become unemployed after leaving education and training. This is a key priority for Manchester as the cohort has been the greatest impact to date according to claimant count (98% increase between March and May 2020). The Kickstart scheme (similar to the 2009 Future Jobs Fund but with less funding) has the potential to provide an intermediate employment solution for young people; however, the Universal Credit criteria is likely to be a barrier for 16 - 18 year olds accessing the scheme. Apprenticeship starts in Manchester are down 51% year on year, with this figure rising to 74% decline for 16-18 year olds; support for apprenticeships and Level 2-3 qualifications may help to mitigate this. However, both the Kickstart scheme and the apprenticeship and trainee support relies on businesses being in a position where they can create new job roles.
- 4.7 Whilst the support for young people is welcome, there is a gap in the announcements for those who are already long term employed and the over 50s, who are at high risk of becoming unemployed and will struggle to re-enter the labour market. This has the potential to reinforce existing inequalities in Manchester. There is also a gap in specific support for graduates; with 10,000 graduates due to enter the city's labour market in 2020, lack of support may lead to graduates taking non-graduate jobs, reducing the opportunities for residents further from the labour market.

5.0 Protecting Jobs

- 5.1 The protecting jobs policy decisions focused on the hospitality and tourism sectors:
- Eat Out to Help Out - a new scheme entitling every diner (including children) to a 50% discount of up to £10 per head on food and non-alcoholic drinks at

any participating food establishment between Monday and Wednesdays during August 2020. Businesses need to sign up to the scheme via a website (will open on 13 July) and will then be fully reimbursed for the 50% discount within five days. This is the first time a Government-backed discount has been trialed in the UK.

- Temporary VAT cuts on food, non-alcoholic drinks, accommodation and attractions - reduction from 20% to 5% from 15 July 2020 to 12 January 2021. Further guidance will be published by HMRC in the coming days but the Government predicts this will act as a £4bn stimulus.

5.2 Hospitality and tourism have among the highest level of furloughed workers both in Manchester and the UK; these policies aim to increase both footfall and business confidence, especially over the traditional summer holiday period, to allow more employees to return to work. Both sectors also employ a large number of young people, in line with other policies announced. 'Eat Out to Help Out' relies on businesses having the cash flow to offer the discount and reclaim the funding, and to sign up to the scheme digitally, which may exclude a number of smaller food retailers. The success of both policies relies on consumers having the disposable income to spend and feeling safe enough to do so.

5.3 Whilst the hospitality and tourism sectors have been hard hit by COVID-19, there was a noticeable absence of policy decisions for other sectors that are likely to see large job losses as the furlough scheme ends, such as retail, aviation and the events industry.

6.0 Creating Jobs

6.1 The majority of announcements for creating jobs had already been announced by the Prime Minister on 30 June as part of his 'Build, Build, Build' £5bn infrastructure package. However, *they are included below in italics* as slightly more detail was made available at the Statement. The announcements fell into three main areas: housing, green recovery, and accelerating investment (typically additional funding for already previously announced programmes).

6.2 Housing - housing related announcement included:

- Green Homes Grant - £2 billion scheme to provide homeowners and landlords with at least two thirds of the amount they spend, up to £5,000 per household, to make their homes more energy efficient. For those on the lowest incomes, the scheme will fully fund energy efficiency measures of up to £10,000 per household. The Government are aiming to upgrade over 600,000 homes across England and believe the scheme could support over 100,000 green jobs. No detail is yet available on how the funding scheme will work or whether there is an aligned training and skills offer.

- Temporary Stamp Duty Land Tax cut - temporary increase in the nil rate band from £125,000 to £500,000 from 8 July 2020 until 31 March 2021 to encourage house sales, especially first time buyers. In reality, the largest impact of this will be felt in London and the South East as there are limited transitions above £500,000 elsewhere in the country.
- Social Housing Decarbonisation Fund – £50 million demonstrator project in 2020/21 to decarbonise social housing, with an implication that further funding could be available at a later date.
- Affordable Homes Programme – confirmation of the £12.2bn 5 year programme announced at Budget in March to support up to 180,000 new affordable homes for ownership and rent in England, with the majority of homes built by 2025/26, and the rest by 2028/29. It will include a 1,500 unit pilot of First Homes, where homes are sold at a discount of 30% to get local residents on the housing ladder, with prioritisation for Armed Forces and key workers.
- Short-Term Home Building Fund extension – additional £450m in development finance to small and medium sized housebuilders that are unable to access private finance to build approximately 7,200 new homes. A proportion of this fund will be reserved for firms using Modern Methods of Construction.
- Brownfield Housing Fund – £400m between seven Mayoral Combined Authorities, including Greater Manchester. 90% will be allocated immediately on a per capita basis, with the remaining 10% to be allocated through a competitive process.
- Planning reform – new legislation is to be introduced this summer to make it easier to “build better homes in the places people want to live”. A policy paper setting out the plans for reform will be launched later this month.

6.3 Green recovery - sustainable-related funding announcements included:

- Public Sector Decarbonisation Scheme – £1bn of grants to public sector bodies (including schools and hospitals) to fund energy efficiency and low carbon heat upgrades.
- Green Jobs Challenge Fund – up to £40m for public authorities and environmental charities to create and protect 5,000 jobs in England. The jobs will involve improving the natural environment (including planting trees, restoring habitats and clearing waterways) and creating green space for people and wildlife.
- Direct Air Capture – £100m of new funding for researching and developing carbon capture innovation
- Automotive Transformation Fund – £10m of the £1bn of funding that was announced last year to be made available immediately to scale up the manufacturing of the latest R&D batteries, motors, electronics and fuel cells innovation, with a particular emphasis on electric vehicles.
- Courts sustainability – £40m to reduce energy and water usage in the courts and tribunals estate.

6.3 Accelerating investment - all of the announcements had previously been mooted. Beyond shovel ready and transport, the focus was on the public sector estate, especially health:

- Local infrastructure projects – £900m for shovel-ready projects in England in 2020/21 and 2021/22 to drive local growth and jobs. Funding will be provided to Mayoral Combined Authorities and Local Enterprise Partnerships.
- Local road maintenance – additional £100m to deliver 29 local road maintenance upgrades across England in 2020/21. This is in addition to the previously announced £1.5bn funding in 2020/21 on improving local highway infrastructure.
- Unblocking Manchester's railways – £10m designed and development funding to improve the reliability and capacity of the Manchester rail network.
- Towns Fund capital acceleration – £96m of accelerated investment this year for town centres and high streets.
- World-class laboratories – £300m investment in 2020/21 to boost equipment and infrastructure across universities and institutes across the UK.
- Health Infrastructure Plan – a further £200m to accelerate a number of the 40 new hospital building projects across England. North Manchester General Hospital was included in the previous HIP announcement in 2019.
- NHS maintenance and A&E capacity – £1.05bn during 2020/21 for NHS critical maintenance and A&E capacity.
- Modernising the NHS mental health estate – up to £250m in 2020/21 to replace mental health dormitories with single bedrooms across 25 mental health providers in England.
- Further Education estate funding – £200m of the £1.5bn commitment for FE capital funding made at Budget in March will be brought forward to 2020/21 to support colleges to carry out maintenance projects.
- School estate funding – additional £560m for schools to improve their buildings and estates in 2020/21. This is in addition to £1.4 bn announced for school maintenance earlier this year.
- School rebuilding programme – £1bn to fund the first 50 projects of a new ten year school rebuilding programme. These projects will be confirmed in the autumn, with construction starting on site in September 2021. Further detail on future waves will be confirmed at the CSR later this year.
- Court modernisation – £102m to modernise the court estate, including £10m for local regeneration projects outside London and the South East to support employment and economic growth.
- Prison and probation estate funding – £143m to improve the prison and probation estate.

6.4 Other creating job announcements included:

- Construction Talent Retention Scheme – scheme to match workers at risk of redundancy to construction opportunities across the UK.

- Office for Talent – scheme aiming to attract, retain and develop research and science talent; this will be based in No.10, with delivery teams across government departments.

6.5 Given the majority of these announcements had been made previously by the Prime Minister, the lack of detail is disappointing. Initial statements suggest that funding for the majority will either be made available to Combined Authorities (such as the shovel ready projects) or will be via competitive funds. Green infrastructure announcements align well with Manchester's zero carbon initiatives but are not as ambitious as many hoped for and will require an aligned skills programme to allow those who most need the created jobs to access them. Manchester is well placed to capitalise on the R&D / universities announcements.

7.0 Conclusion

7.1 The Statement announced a substantial level of investment, mainly aimed at job creation and protection, and with a focus on young people. Whilst this is welcome, there is a lack of detail on proposals, limited announcements to support over 50s and long term unemployed, and little support for struggling sectors other than hospitality and tourism. Public funding was also a key omission, with further detail now hoped for in the Autumn Budget.

**Manchester City Council
Report for Resolution**

Report to: Executive – 29 July 2020

Subject: Capital Budget Review and Programme Monitoring 2020/21

Report of: The Deputy Chief Executive and City Treasurer

Summary

This report informs members of:

- (a) Progress against the delivery of the 2020/21 capital programme to the end of June 2020.
- (b) The revised capital budget 2020/21 taking account of changes between the approved capital budget and any further changes occurring in year.
- (c) The latest forecast of capital expenditure and the major variances since the Capital Programme Outturn report submitted in June 2020.
- (d) The impact any variations may have on the Capital Programme for the period 2020/21 to 2023/24.

Recommendations

The Executive is recommended:

- 1. To approve, under the emergency provision of the Council Decisions on 25th March 2020 - "Constitutional Amendments and Other Matters for Council Business Continuity - Part 7", the virements over £0.5m between capital schemes to maximise use of funding resources available to the City Council set out in Appendix A.
- 2. To approve the revised prudential indicators, as outlined in Section 21.
- 3. To approve virements under £0.5m within the capital programme as outlined in Appendix A.
- 4. To note and comment on the prioritisation process as outlined in Section 5.
- 5. To approve projects to proceed as identified at paragraph 5.8.
- 6. To note that approvals of movements and transfers to the capital programme, will reflect a revised budget total of £471.5m and a latest full year forecast of £471.4m. Expenditure to the end of June 2020 was £30.7m. Expenditure as at 2nd July 2020 was £140.2m which includes the support for Manchester Airport Group as outlined in paragraph 16.4 below.

7. To note the prudential indicators at Appendix C.

Wards Affected: All

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city

Under the governance process for capital expenditure decision making, zero and low carbon measures are a key component. All capital projects are reviewed throughout the approval process with regard to the contribution they can make to Manchester being a Zero-Carbon City. Projects will not receive approval to incur costs unless the contribution to this target is appropriate.

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The capital programme contributes to various areas of the economy including investment in public and private sector housing, education and children's social care, transport infrastructure, major regeneration activities, environmental, cultural and leisure services.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The capital programme includes substantial investment in education and also provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The capital programme includes investment in adult and children's social care, education, housing and the environment, cultural and leisure services, all of which contribute towards the strategy.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in all areas of the capital programme contributes towards this community strategy, notably the investment in sustainable and affordable housing, building schools for the future, transport, environmental and major regeneration programmes.
A connected city: world class infrastructure and connectivity to drive growth	The capital programme includes investment in highways infrastructure, and broadband expansion.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

All Revenue consequences are included in the current Revenue Budget.

Financial Consequences – Capital

The latest forecast of expenditure for 2020/21 for Manchester City Council is £471.4m compared to the proposed revised budget of £471.5m after the changes proposed in this report, which is shown in the table at paragraph 18.1. Spend as at 30th June 2020 was £30.7m. Spend as at 2nd July 2020 was £140.2m which includes the support for Manchester Airport Group as outlined in paragraph 16.4 below. The programme is subject to continual review to establish whether the forecast remains achievable. Whilst the intention is for the City Council to progress the programme as stated, some projects and their sources of funding may require re-profiling into future years.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Report to the Executive 12th February 2020 – Capital Strategy and Budget 2020/21 to 2024/2
- Report to the Executive 11th March 2020 – Capital Programme – Capital Programme Update

- Report to Council 25th March 2020 - Constitutional Amendments and Other Matters for Council Business Continuity
- Report to the Executive 3rd June 2020 - Capital Programme Outturn 2020/21
- Report to the Executive 3rd June 2020 - Capital Programme - Capital Programme Update
- Report to the Executive 3rd July 2020 - Capital Programme - Capital Programme Update

1. Introduction

1.1 The purpose of the report is to:

- Review and update the capital programme following the 2019/20 outturn;
- Provide an update on the impact of COVID-19 on programme delivery, and make recommendations on the schemes which have been paused;
- Update on the overall capital financing position;
- Detail the work underway to review and update capital investment priorities in the light of COVID-19.
- Provide an update to members on the progress of the capital programme in the three months to the end of June 2020.
- Inform members of the latest estimates of capital expenditure for 2020/21 and to show forward commitments into the 2021/22 to 2024/25 capital programme.
- Confirm that there are adequate levels of resources available to finance the capital programme.
- Update the prudential indicators.

1.2 A summary of each part of the programme is included within the report, providing details on the major projects. This is presented alongside a summary of the financial position, and as a result any changes to the budget that are required.

1.3 Appendix A details the virements requested across the programme since the Executive approved the revised capital budget in June 2020. Appendix B details the revised capital budget for each project, taking into account the virements requested, and any re-profiling between years which has been identified. Appendix C notes the prudential indicators.

2 Contributing to a Zero-Carbon City

2.1 To reflect the climate change emergency that the Council has declared, the capital expenditure business case template has been updated to include a carbon measure for both during the project progression stage and the ongoing lifecycle post completion. The intention is that the carbon footprint of a scheme is considered as part of the decision making process. This work is ongoing and will reflect the decisions taken by the Council on how it will meet the future carbon reduction targets in order to become carbon neutral by 2038.

3 Capital Budget

3.1 Executive approved the revised Capital Budget for the period 2020/21 to 2023/24 in June 2020. Since then, subsequent capital budget increase reports were submitted to the Executive. The revised capital budget, before changes proposed in this report, is shown below:

Capital Programme 2020-2024	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total Programme £m
Capital Budget (June 20)	354.9	324.8	245.1	69.3	994.1

Capital Programme Update (Approved March June 20)	149.7	1.5	0.0	0.0	151.2
Capital Programme Update (Approved July 20)	4.0	0.7	0.0	0.0	4.7
Revised Capital Budget	508.6	327.0	245.1	69.3	1,150.0

- 3.2 The figures shown above also include those approved by the Executive Member for Finance and Human Resources and the Deputy Chief Executive and City Treasurer under delegated powers.

4 COVID-19 impact on the Capital Programme and response

- 4.1 The lockdown phase of the COVID-19 response had considerable implications for projects across the capital programme. As reported to Executive in May, works were able to continue on site for the two major projects the Town Hall project and The Factory, but productivity was reduced due to social distancing measures being implemented. Works also continued at Alexandra House, on the school works to increase SEN places, the design for a school at Hyde Road, and on minor works across the Council and HRA estates.
- 4.2 Schemes which were not contractually committed were put on hold due to concerns of the impact of Covid-19 on cost and productivity if they moved into contract at this point. This could have increased costs by an estimated 4 to 7% for projects, depending on their complexity, in part due to the scale of construction inflation currently being observed in the market.
- 4.3 The inflationary impact of COVID-19 across the programme is already being seen. The social distancing requirements on sites reduces productivity, meaning longer work programmes. This is evident in cost pressures to the works to increase SEN places, and on works across the corporate estate. Where possible additional costs will be contained within existing project contingency budgets, but in some cases additional budget may be required.
- 4.4 A specific budget allocation for future inflation risk was added to the programme in March, of which c. £20m remains. There is a further request for £2.7m to meet the additional inflation costs for Abraham Moss Leisure Centre included in the Capital Update Report.

5 Prioritisation Process

- 5.1 Given the constraints on resources, the role that capital investment can play in the recovery plan for the City and the number of strategic priorities the Council is committed to deliver, as outlined below, it is essential that there is a full review of the programme and pipeline, and that priority schemes can be progressed at pace and lower priority ones paused or removed.
- 5.2 In February, as part of the Capital Strategy and Corporate Plan the investment priorities were agreed as follows:
- halving carbon output over the next five years;

- delivery of new affordable housing stock;
 - developing a more inclusive economy;
 - market intervention where required;
 - ensuring the corporate estate is fit for purpose; and
 - being a well-managed Council.
- 5.3 Following the work undertaken to form the Recovery Plan for the city is it clear that the following are also important investment priorities to support recovery:
- catalytic for growth;
 - support job creation;
 - reduction of carbon emissions
 - housing growth
 - place-based transformation of health, economic and social outcomes
- 5.4 Work is being undertaken across all service areas to understand the potential future capital investment requirements, to allow for each to be assessed against the Corporate Plan and Recovery Plan priorities. Given the financial situation of the Council, this needs to be coupled with the extent to which projects could support the revenue budget. This could be through:
- creating or supporting the delivery of revenue savings;
 - avoiding additional revenue cost; or
 - increasing revenue income through, for example, increasing the council tax or business rates tax base.
- 5.5 All investment proposals will also be assessed for social value which can be delivered, carbon impact, and contribution to the Our Manchester Strategy objectives.
- 5.6 If investment proposals support delivery of the priorities set out above, and have a positive impact on the revenue budget, they will be considered for approval. Use of external funding must be maximised, as any schemes funded from Council resources will not progress unless they are a clear priority.
- 5.7 Work on the potential future capital investment requirements will continue, with the immediate investment priorities brought forward to the Executive in October. If any projects are particularly urgent they may be brought forward as part of the Capital Update report each month. The longer term capital programme will be considered alongside the revenue budget requirements.
- 5.8 On this basis, it is proposed that the following projects which were paused in response to the COVID-19 pandemic, and which already form part of the approved programme, are progressed:
- Piccadilly Gardens phase 1
 - Hammerstone Road depot redevelopment - subject to a full review of the requirements of what the Council needs from the depot and the scale of the office space to be reconsidered.
 - Medieval Quarter
 - Abraham Moss rebuild - it is estimated that there is an inflationary cost increase of £2.7m following the deferral and due to the impact of COVID-

19. This is one of the proposals in the update report elsewhere on the agenda.

- Gorton Hub - subject to contract review to include provisions for COVID, and potential rescoping of the scale of the project with partners
- West Gorton Park
- Manchester Aquatic Centre - agree to progress to RIBA Stage 4, subject to review of potential maintenance costs if start date for works is deferred.
- National Cycling Centre - agree to progress to RIBA Stage 4.

Further updates on these projects can be found in the report below.

6 Capital Programme Forecast 2020/21

6.1 The latest forecast of expenditure for the Manchester City Council Capital Programme in 2020/21 is £471.4m compared to a revised budget of £508.6m. The variations are shown in the table below.

6.2 The tables in this report show the budget approved by the Executive in February 2020, alongside the current revised budget and the latest forecast. The intention is that there is clear transparency in how budgets have changed.

Capital Programme 2020/21 budget, forecast and spend to date at 30th June 2020

Manchester City Council Programme	Budget set in Feb 20 £m	Revised Budget £m	Forecast £m	Variance £m	Spend to Date £m	Spend to Date as % of Forecast
Highways	58.8	60.7	53.3	-7.4	5.0	9.4%
Neighbourhoods	16.7	23.1	15.6	-7.5	0.6	3.8%
Growth and Development	119.0	131.2	114.5	-16.7	12.9	11.2%
Town Hall Refurbishment	49.1	42.5	44.2	1.7	2.9	6.6%
Housing – General Fund	22.6	17.8	15.0	-2.8	0.9	6.0%
Housing – Housing Revenue Account	38.8	19.8	17.7	-2.1	0.2	1.1%
Children's Services	29.5	44.0	43.7	-0.3	2.9	6.6%
ICT	5.7	3.4	3.4	0.0	0.3	8.8%
Corporate Services	38.2	166.0	164.1	-1.9	5.0	3.0%
Total	378.4	508.6	471.4	-37.2	30.7	6.5%
Reprofiling				-33.1		
Cost Variations				-4.0		
Net over (under) spend				-0.1		

- 6.3 The revised budget shown above reflects the re-profiling noted in the 2019/20 outturn position reported to the Executive in June and any new projects added to the programme since the budget was set in February. Subsequently, the profile of spend for projects from 2020/21 onward has been reviewed to reflect the expected impact of COVID-19 which informs the forecasts shown above.

7 Summary of Main Changes to the Revised Budget

- 7.1 The most significant change to the 2020/21 capital programme has been the addition of the £142m shareholder loan support agreed for Manchester Airport. The first tranche of this support was paid in early July, as noted in paragraph 16.4 below.
- 7.2 The main changes to the programme since the report to Executive in June 2020 are as follows:
- Highways - A total of £5.3m for Highways footway and preventative maintenance programmes will be moved into 2021/22 in line with the procurement timescales.
 - Neighbourhood Services - The Abraham Moss leisure centre programme was paused due to COVID-19. As a result a total of £2.8m will be reprofiled into next financial year.
 - Growth and Development - A total of £9.1m will be reprofiled into future years for the Factory to reflect the revised programme following the cost and programme review and impact of COVID-19. £3.7m across the Asset Management Programme (AMP) will be reprofiled into future years, due to the number of schemes that are currently on hold or have slowed down due to COVID-19. A total of £1.6m will be moved in to 2021/22 for the Piccadilly Gardens phase 1 project due to the decision taken to delay the public consultation until the Autumn.
 - There is a variance against the revised Our Town Hall budget of £1.7m due to a number of factors including an increase in the Pre-Construction Services Agreement (PCSA) period, additional costs for COVID-19, along with a number of tenders being returned including Internal Substructure and Structural alterations.
 - Housing - total re-profiling across the Northwards programme as a result of COVID-19 is £1.8m.
 - Corporate Services - The Gorton Health hub project forecast has been updated in light of COVID-19 and the review of the scope with partners. As a result, a total of £1.6m will be reprofiled into future years. The scope of the scheme is currently being reviewed.
- 7.3 The Position will be closely monitored with the final outturn position being highly dependent on schemes commencing and continuing on schedule and delivering to plan. Major variances, by service area are explained below.

General Programme Risks

- 7.4 As can be seen in the remainder of the report, COVID-19 has had a significant impact on the delivery of the 2020/21 Capital Programme and a number of

schemes have had to be deferred or have been delayed. The report summarises the position based on the best understanding at this point in time and on the assumption that there is not a further outbreak. The forecasts are therefore subject to change.

- 7.5 The Capital Budget is prepared on the best estimate of the spend profile for each scheme across its life and as the scheme develops this may change. This report is intended to highlight the total life and cost of schemes, and the risks associated with their development. All projects carry risk such as delivery risk, third party risk and market risk, including build cost and inflation. Some of the current risks are outlined below.
- 7.6 General inflation in the North West (NW) construction market has not reduced as predicted over 2020/21 and has become more pronounced within Manchester due to the large volume of construction work over the past 3-4 years and in the run up to the lockdown. Forecasting inflation indices for the general North West region has become more difficult given the COVID-19 pandemic, and the effects of this on the construction industry both nationally and in the NW are still being understood.
- 7.7 Current analysis by the Office for Budget Responsibility (OBR) forecasts that GDP could fall by 35% in Quarter 2 2020 and the country could be in the midst of a technical recession as a result of the COVID-19 crisis, but with a bounce back predicted in 2021 with GDP then expected to grow by under 3% per annum over the next few years. Whilst in general the NW region activity will also cool off during the crisis, over the next few years the level of activity in the centre of Manchester is expected to perform better than other regions. Future prices will be very much dependent on the general economic recovery and a range of other factors. Therefore the forecast of inflationary movement, construction demand, tender price changes, etc. as a result of COVID-19, remain difficult to predict.
- 7.8 Current inflation estimates are between 4 and 7%. This will vary for each project. The Council's capital strategy includes provision for inflation to be allocated when appropriate.
- 7.9 The programme contains some budgets yet to be allocated to specific projects but reserved for a particular purpose, such as Education Basic Need funding, the Highways Investment Fund and the ICT Fund. Once the projects underpinning the planned programmes in these areas are developed they are approved through the Council's capital approval process and the budgets allocated and the Capital Budget updated accordingly.
- 7.10 Where specific risks have been identified they are detailed in the relevant section below.

8 Highway Services Programme

- 8.1 The schemes within the current Highways portfolio include the highways improvement investment fund, projects to improve and increase the use of cycle routes which relieve congestion and reduce air pollution from CO₂ emissions,

improvements to pedestrian access in areas in the City, improvements to safety measures and schemes to reduce energy consumption for street lighting.

8.2 The main variances from the original budget set in February 2020 and before the proposals noted in this report are as follows:

- At the July meeting, Executive approved a capital budget increase of £5.0m for the Planned Highways Maintenance Carriageway works 2020/21 funded by the Department of Transportation Challenge Fund Grant.
- In early 2020/21 under delegated powers, the Executive Member for Finance and Human Resources and the Deputy Chief Executive and City Treasurer approved a number of Highways schemes totalling £5.7m to be funded from the Mayors Challenge Fund.

8.3 The Highways capital programme is forecasting to spend £53.3m compared to a revised budget of £60.7m, a variance of £7.4m. The programme is shown in the table below:

Highways	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Forecast £m	20/21 Variance £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
Highways Planned Maintenance Programme	27.9	29.6	22.3	-7.2	119.9	119.9	0.0
Great Ancoats Improvement Scheme	6.0	6.2	5.9	-0.4	9.3	9.3	0.0
Mayor's Challenge Fund Schemes	1.2	6.9	6.9	0.0	11.1	11.1	0.0
Mancunian Way and Princess Parkway National Productivity Investment Fund (NPIF)	4.1	4.9	5.2	0.3	8.8	9.1	0.3
Other Projects	19.6	13.1	13.0	-0.1	126.5	126.8	0.4
Total Highways	58.8	60.7	53.3	-7.4	275.6	276.3	0.7
Reprofiling				-8.0			
Cost Variations				-0.1			
Net over (under) spend				0.7			

Activities

8.4 The Patching Defects and Carriageway resurfacing works within the Highways Planned Maintenance programme for 2020/21 are progressing well, as the reduced traffic volumes at the start of the year have enabled works to be accelerated. For other areas of the programme, contract procurement has taken

longer than originally anticipated and so the budget has been reprofiled accordingly. More information can be found below.

- 8.5 The Deansgate pedestrianisation works have commenced and a temporary closure is now in place on a section of the road to enable the works to be completed.
- 8.6 The first area of the Chorlton Cycling scheme is now complete on site, with the section area due to start in July 2020. The waiver for the contract has been signed to enable works to be delivered.

Variances – All Years

- 8.7 The Manchester Salford Inner Relief Road (MSIRR) Regent Road scheme is reporting an overspend of £0.4m in 2020/21. This is due to various factors, including compensation events submitted from the contractor, rectifying defective works from the original contractor, delays in the programme and adverse weather conditions.
- 8.8 There is an expected £0.3m overspend against the Mancunian Way and Princess Parkway NPIF scheme as a result of the inclusion of the Stretford Road link into the scheme following a change request from Transport for Greater Manchester (TfGM). The overspend is expected to be funded from the Mayor's Cycling Fund and a business case has been submitted to TfGM for approval.

Variances – In Year

- 8.9 The main variances to the revised budget are:

Highways Planned Maintenance Programme

- The Planned Maintenance Programme budget has been reprofiled as the reduced traffic volumes have enabled £1.6m of patching defects and carriageway resurfacing works to be accelerated into 2020/21.
- A total of £5.3m for the footways and preventative maintenance programmes will be moved into 2021/22 due to the contract procurement taking longer than originally anticipated.
- A total of £2.6m will be reprofiled into future years for other highways improvement works. The current forecast now reflects the works that are underway including the design and implementation of the pedestrianisation of Deansgate and the design of the highways corridor works. The service is reviewing potential further schemes for this year and this will be reported back to Executive in October.
- There is a requirement to move £0.9m into future years for the Highways Maintenance Challenge Fund schemes. An additional £5.0m of grant funding has been received this year and added to the budget. Whilst the delivery of the works

are out to tender, with a programme expected to be developed by September, part of these works will be delivered in 2021/22.

Great Ancoats Improvement Scheme

- There is a requirement to move £0.4m budget for the Great Ancoats Improvement Scheme into next financial year following the reprofiling of contingency that will not be utilised this year.

Risks

- 8.10 The Highways programme contains a high number of large and strategically important projects for the highway network and the service is working to ensure that the works can be delivered to the timescales indicated. Works are assessed and scheduled based on the potential network impact in an effort to minimise disruption to commuters wherever possible.
- 8.11 There are inherent risks around external factors such as weather conditions which can hinder the schedule of work. The availability of appropriately skilled resources has also been identified as a significant risk with recent and planned recruitment activity seeking to mitigate associated resourcing risks. The volatility of the marketplace will require increased due diligence checks when appointing future contractors.
- 8.12 Extensive consultation with stakeholders is undertaken to ensure proper engagement and input into the schemes being delivered, as well as to manage expectations within available budgets and realistic timescales. The intention is to minimise the risk of scope creep and raise awareness of the impact of schemes on journey times. Where need is identified, additional funding opportunities through partners are also routinely explored in order to increase project scope.

9 Neighbourhoods Programme

- 9.1 The Neighbourhoods programme is shown in the table below, and is split across three main themes, the details of which are provided separately below:

Neighbourhoods	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Forecast £m	20/21 Variance £m	Spend to Date £m	Spend to Date as % of Forecast
Environment and Operations	6.0	15.3	11.0	-4.3	0.1	0.9%
Leisure	10.1	6.7	3.5	-3.2	0.3	2.7%
Libraries and Culture	0.6	1.1	1.1	0.0	0.2	20.2%
Total Neighbourhoods	16.7	23.1	15.6	-7.5	0.6	3.8%
Reprofiling				-4.6		
Cost Variations				-2.9		
Net over (under) spend				0.0		

- 9.2 In March, Executive approved a budget increase of £9.4m for the purchase of electric refuse vehicles within the Environment and Operations budget, and full spend is expected this financial year.
- 9.3 At Outturn, the Abraham Moss budget was paused due to COVID-19. The budget was reprofiled due to full review of project cost and scope being undertaken before the scheme progresses to the construction phase. The 2020/21 budget is now £3.0m.

Environment and Operations Programme

- 9.4 The schemes within the Environment and Operations Programme are centred on improving the environment with the main focus on the control of waste disposal and promoting recycling.
- 9.5 The Environment and Operations programme is forecasting to spend £11.0m compared to a budget of £15.3m, a variance of £4.3m. The programme is shown in the table below:

Environment and Operations	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Forecast £m	20/21 Variance £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
Waste Reduction Measures	1.2	1.1	1.1	0.0	4.7	4.7	0.0
Waste Contract	3.8	3.8	0.2	-3.6	11.5	8.6	-2.9
Purchase of electric RCVs	0.0	9.4	9.4	0.0	9.4	9.4	0.0
Cremator and Mercury Abatement	1.0	1.0	0.3	-0.7	1.6	1.6	0.0
Total Environment	6.0	15.3	11.0	-4.3	27.3	24.4	-2.9
Reprofiling				-0.7			
Cost Variations				-2.9			
Net over (under) spend				0.0			

Activities

- 9.6 The Cremator and Mercury Abatement Plant Replacement programme has started the procurement process to appoint a contractor. The programme for the specification and design is expected to start in September 2020 with onsite construction in May 2021.

Variances – All Years

- 9.7 The Waste contract budget will be reduced by £2.9m, as the majority of the vehicles will now be replaced through the spend to save scheme to purchase 27 electric refuse collection vehicles. In light of this, the remaining budget has been reviewed and a total of £0.7m will be moved into future financial years.

Leisure Programme

- 9.8 The Leisure Programme provides leisure, sports and park facilities and services to communities across the City to promote health and wellbeing. The programme includes improvements to facilities which are used for events with the intention of also providing an economic benefit.
- 9.9 The Leisure programme is forecasting to spend £3.5m compared to a budget of £6.7m, a variance of £3.2m. The programme is shown in the table below:

Leisure	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Forecast £m	20/21 Variance £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
Parks Programme	3.1	1.4	1.0	-0.4	14.2	14.2	0.0
Indoor Leisure – Abraham Moss	6.0	3.0	0.2	-2.8	22.0	24.7	2.7
Other Projects	1.0	2.3	2.3	0.0	13.2	12.8	-0.4
Total Leisure	10.1	6.7	3.5	-3.2	49.4	51.7	2.3
Reprofiling				-3.2			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

- 9.10 The Manchester Regional Arena Outdoor Athletics Track Replacement project is due to be formally completed in July. The main track laying works are complete with the final account to be prepared.
- 9.11 The outdoor gym for the Greenbank Park Mellands Levenshulme project is now complete. The main contractor for the Rushford Park Mellands Longsight project has been appointed and the planning application submitted. The Debdale Water Sports Centre upgrade is also complete for the Gorton and Abbey Hey project.
- 9.12 Progress has been made with the proposed refurbishment and ongoing maintenance works at the Manchester Aquatics Centre (MAC) and works to the National Cycling Centre (NCC). The RIBA Stage 2 health check for the MAC was undertaken in June 2020. The NCC programme RIBA Stage 2 health check was

undertaken at the end of March with a full report issued. This will inform a further request of funding to take the project to RIBA Stage 4, if agreed.

Variances - All Years

- 9.13 The Abraham Moss Leisure Centre is currently forecasting an overspend of £2.7m against its approved budget. The route to the contract process has been completed however, due to COVID-19, signing of the main contract was placed on hold and the scheme paused, as noted in section 5 above. The temporary library was completed on 22 May 2020 and the temporary sports hall works completed in July. More information can be found in the Capital Update report elsewhere on the agenda.
- 9.14 The Manchester Regional Arena Outdoor Athletics Track Replacement Project has an underspend of £0.4m as result of the final costs coming in lower than the approved budget.

Variances - In Year

- 9.15 There is a requirement to move £0.4m into next financial year for the Parks Development Programme (PDP), due to delays arising from COVID-19.
- 9.16 Further to the points noted in paragraph 9.13, the pausing the Abraham Moss programme has resulted in a total of £2.8m being reprofiled into next financial year.

Libraries Programme

- 9.17 The library programme seeks to bring up to date accessible technology to communities, provide high quality exhibition areas attracting visitors and residents and create new community meeting spaces.
- 9.18 The Libraries programme is forecasting to spend £1.1m against a budget of £1.1m, a variance of nil. The programme is shown in the table below:

Libraries	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Foreca st £m	20/21 Varianc e £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
Open Libraries	0.3	0.3	0.3	0.0	0.5	0.5	0.0
Other Projects	0.3	0.8	0.8	0.0	2.0	2.0	0.0
Total Libraries	0.6	1.1	1.1	0.0	2.5	2.5	0.0
Reprofiling				0.0			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

- 9.19 Design proposals are awaited for the HOME Arches scheme to transform three railway arches situated between HOME's building and Whitworth Street West into a talent development centre for artists of all ages, disciplines and stages of their careers. Once these are agreed, feasibility works will commence.

Variances – In Year

- 9.20 There are currently no variances projected against budget for the Libraries Programme.

Risks

- 9.21 External funding could provide a significant part of budgets to support parks improvements but is subject to lengthy negotiation and is not always successful. The risk profile has been updated to include the ability to secure match funding from external partners including Historic England and the Heritage Lottery Fund. This will be monitored by the programme board.

10 Growth and Development Programme

- 10.1 The Growth and Development programme is shown in the table below, and is split across three main themes, the details of which are provided separately below:

Growth and Development	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Forecast £m	20/21 Variance £m	Spend to Date £m	Spend to Date as % of Forecast
Culture	55.7	71.9	62.8	-9.1	3.7	5.9%
Corporate Estates	33.4	26.7	22.9	-3.8	3.1	14.0%
Development	29.9	32.5	28.8	-3.7	6.1	20.8%
Total Growth and Development	119.0	131.2	114.5	-16.7	12.9	11.3%
Reprofiling				-15.5		
Cost Variations				-1.0		
Net over (under) spend				-0.2		

Culture Programme

- 10.2 The Factory will act as a driver of the next stage of Manchester's and the North's regeneration – with clear cultural, economic, educational and social benefits for the city and the wider region. It will be a new type of venue – one that can commission, produce and present the widest range of opera, dance, theatre, visual arts and popular culture, with an emphasis on new cross-art form collaborations, for a much wider audience than any traditional venue.

- 10.3 Following notice to proceed (NTP) being received, the Factory budget has continually been reviewed and updated, for the revised cash flow from the contractor in line with the latest construction programme and revised fees. The revised budget is now £69.7m.
- 10.4 The Culture programme is forecasting to spend £62.8m compared to a budget of £71.9m, a variance of £9.1m. The programme is shown in the table below:

Cultural	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Forecas t £m	20/21 Varianc e £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
The Factory	54.0	69.7	62.8	-9.1	144.9	144.9	0.0
St Johns Public Realm	1.7	2.2	2.2	0.0	6.7	6.7	0.0
Total Cultural	55.7	71.9	62.8	-9.1	151.6	151.6	0.0
Reprofiling				-9.1			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

- 10.5 As previously outlined work on site is continuing for The Factory but productivity has been impacted by COVID-19 with social distancing measures slowing the work on site. A detailed cost and programme review is nearing completion. The Arts Council England has released funding of £9.3m ahead of the next key stage review, to assist with cashflow on the project.
- 10.6 A revised design is expected for the St Johns Public Realm works at the end of July.

Variances – All Years

- 10.7 As stated above a full cost and programme review is currently underway.

Variances – In Year

- 10.8 A total of £9.1m will be reprofiled into future years, as a number of work packages have been paused whilst the programme is reviewed. This position is likely to change as further work on the cost plan and programme completes.

Risks

- 10.9 The risk profile for the Factory focuses on ensuring the project is delivered within the revised project timescales and forecast. The delivery and installation of the steel required for the building construction forms the critical programme path. The letting of the next phase of work packages is currently taking place.

Corporate Estates Programme

10.10 The programme supports the provision of fit for purpose accommodation for corporate and community use and proactively maintaining and managing the corporate estate which includes reducing carbon emissions.

10.11 The main changes since the budget set in February 2020 and prior to the proposals highlighted in this report are as follows:

- The Hammerstone Road scheme was paused for COVID-19 and as a result, the 2020/21 budget was re-profiled from £9.3m to £4.7m.
- Due to COVID-19, all works on site were paused for the Carbon Reduction programme, and a review of the budget completed. Works have now recommenced and the 2020/21 budget was revised to £3.9m.

10.12 The Corporate Estates programme is forecasting to spend £22.9m compared to a budget of £26.7m, a variance of £3.8m. The programme is shown in the table below:

Corporate Estates	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Forecast £m	20/21 Variance £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
Asset Management Programme	11.7	11.7	8.0	-3.7	21.4	21.4	0.0
Hammerstone Road Depot	9.3	4.7	4.7	0.0	20.1	20.1	0.0
Carbon Reduction Programme	6.4	3.9	3.9	0.0	24.5	24.5	0.0
Estates Transformation	6.0	5.5	5.4	-0.1	18.3	18.2	-0.1
Other Projects	0.0	0.8	0.8	0.0	1.4	1.4	0.0
Total Corporate Estates	33.4	26.7	22.9	-3.8	85.7	85.7	-0.1
Reprofiling				-3.7			
Cost Variations				0.0			
Net over (under) spend				-0.1			

Activities

10.13 As noted in paragraph 5.8, the Hammerstone Road project will be subject to a full review of the requirements of what the Council needs from the depot and the scale of the office space is to be reconsidered. It is expected that, if approved, the scheme will go into contract in December 2020 for a start in January 2021.

- 10.14 Works contracts for 8 buildings within the Carbon Reduction Programme phase 1 project have been agreed and works have commenced with solar panels installed on Wythenshawe Forum. The lighting design for the Town Hall Extension has now been agreed and start on site is expected in July. Following the approval by Executive of the second phase of the programme, consumption data is being analysed and a scheme of works put together. It has been identified that there may be opportunities for more carbon reduction work on the buildings from phase 1.
- 10.15 Work is continuing on site for the Alexandra House project, with completion of the car park expected in December 2020, and the building in February 2021. It is anticipated that the building will then reopen and be reoccupied in March.

Variances – All Years

- 10.16 Following the completion of the Estates Transformation - Hulme District Office project, the final account is now being agreed and an underspend of £0.1m is expected.

Variances – In Year

- 10.17 There is a requirement to reprofile £3.7m across the Asset Management Programme (AMP) into future years, which relates to a number of schemes that are currently on hold or have slowed down due to COVID-19. The main schemes that are affected are works at Platt Hall, markets safety works, the Regional Athletics Centre, Sharp and Space buildings. Further to this, there are mechanical and electrical (M&E) and structural works at various sites that cannot currently progress due to access issues. The entire programme is under constant review in line with government guidelines.

Risks

- 10.18 There is a carefully planned rolling programme of activity to assess and address end of life replacements through the Asset Management Programme with close collaboration with Capital Programmes colleagues to ensure momentum is maintained. This may lead to a change in priorities during the year.
- 10.19 The Carbon Reduction programme is retrofitting efficiency measures to existing buildings of varying ages and conditions meaning there is a possibility that unknown items such as sub-standard electrical infrastructure or asbestos could be uncovered. To mitigate this, the programme has allowed for a 15% works contingency. A detailed building by building risk log will be maintained and managed throughout the delivery phase with key risks being escalated to the Carbon Reduction Programme Board, reporting into the Estates Board.
- 10.20 Ability to secure resources and suppliers in what was a buoyant market is a risk to the Estates Transformation Programme. It is being mitigated through early and ongoing planning to inform pipeline decision making about resource availability and allocation.

Development Programme

- 10.21 The Development Programme seeks to provide sustainable growth and transformation of the City, not only to support internal growth but also to retain international competitiveness by promoting opportunities to develop the City's fabric, infrastructure, business and skills base and connecting local communities to employment opportunities.
- 10.22 The main changes since the budget set in February 2020 and prior to those noted in this report are that at March Executive, a capital budget virement of £1.8m from the Sustaining Key Initiatives budget was approved for the phase 1 works to Piccadilly Gardens.
- 10.23 The Development programme is forecasting to spend £28.8m compared to a budget of £32.5m, a variance of £3.7m. The programme is shown in the table below:

Development	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Forecast £m	20/21 Variance £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
Digital Asset Board (MCDA)	1.5	2.4	0.2	-2.2	27.1	26.1	-1.0
Strategic Acquisitions Board	3.0	3.0	3.0	0.0	17.2	17.2	0.0
Northern Gateway	6.7	6.8	6.8	0.0	25.6	25.6	0.0
Eastern Gateway	0.8	0.7	0.7	0.0	42.5	42.5	0.0
City Centre	6.6	8.0	6.4	-1.6	66.6	66.6	0.0
Other Growth & Development	11.4	11.6	11.6	0.0	52.6	52.6	0.0
Total Development	29.9	32.5	28.8	-3.7	231.6	230.6	-1.0
Reprofiling				-2.7			
Cost Variations				-1.0			
Net over (under) spend				0.0			

Activities

- 10.24 The final fit out works at the Tech Hub in the Bonded Warehouse are now complete with the final payment made for the scheme in May 2020. The first tenants are due to go in during July with an official launch of the building expected to be arranged when social distancing measures permit.

- 10.25 A contractor has been appointed and planning application submitted for the demolition of the concrete wall within Piccadilly Gardens. The second phase of the project will be the appointment of the designer and contractor for the wider scheme after a public consultation is undertaken.
- 10.26 In June, the first four sections of the 'Tower of Light' were installed for the Civic Quarter Heat Network project. The tower will generate low-carbon heat and power for a number of City Centre buildings. Work is expected to be completed later this summer, when the final five sections of the tower are due to be lifted into place, with the wider network expected to be in place by the end of the year.

Variances – All Years

- 10.27 The £1.0m budget for the Space project phase 2 is no longer required and therefore will be removed from the Capital Programme. A new scheme for phase 3 works to the building will be brought forward once developed.

Variances – In Year

- 10.28 There is a requirement to reprofile £0.6m into the next financial year for the Sharp project as the offices are currently let on a temporary basis and the company in situ have extended their occupation, pending suitable space for their size requirement becoming available at the Sharp Project. Once the offices are vacated, the required surveys and design work will be undertaken in order to inform a business case for the expenditure.
- 10.29 COVID-19 has had a significant impact on lettings for the Digital Asset Base - One Central Park project, and so a total of £0.5m has been moved into next financial year to reflect the additional time required to let the building as the office market begins to recover.
- 10.30 A total of £1.6m will be moved in to 2021/22 for the Piccadilly Gardens phase 1 project due to the decision taken to delay the public consultation until the Autumn. After, approval will be sought for a concept design and a complete and detailed design brief for the contractor.

Risks

- 10.31 It should be noted that there are a number of significant elements of the Growth and Development programme, such as the Strategic Acquisitions programme, which are dependent on negotiations with third parties in order to achieve a successful outcome e.g. for land acquisitions. As a result the budget profile is a best estimate and is likely to change. The programme is continually subject to a detailed review and prioritisation exercise.

11 Our Town Hall Refurbishment

- 11.1 The Our Town Hall programme is a major scheme to update the architectural masterpiece that is the Manchester City Centre Town Hall, to protect and improve it for both Manchester and the nation, restoring and re-opening in 2024.

A report was taken to July Executive when Notice to Proceed (NtP) was instructed which detailed the latest information on the scheme, cost and programme.

- 11.2 The Our Town Hall Refurbishment programme is forecasting to spend £44.2m compared to a revised budget of £42.5m, a variance of £1.7m. The programme is shown in the table below:

Our Town Hall	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Forecast £m	20/21 Variance £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
Our Town Hall Refurbishment	49.1	42.5	44.2	1.7	305.2	305.2	0.0
Total Our Town Hall Refurbishment	49.1	42.5	44.2	1.7	305.2	305.2	0.0
Reprofiling				1.7			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

- 11.3 The project has now achieved Notice to Proceed (NtP). The completion of the Building is expected by May 2024 and Albert Square by October 2023.
- 11.4 Work on site continues, with the temporary accommodation now fully operational and the Our Town Hall electric supply decommissioned, with the building now being supplied from a temporary supply. Temporary protection is now being undertaken throughout the building, and the Chimes of the Town Hall Clock have now been turned off. Scaffolding work has now commenced on Princess Street.

Variances – In Year

- 11.5 There is a variance against the revised budget of £1.7m due to a number of factors including an increase in the Pre-Construction Services Agreement (PCSA) period, additional costs for COVID-19, along with a number of tenders being returned over budget such as Internal Substructure & Structural alterations. These have been partially offset by re-profiling of the contingency allowances and Design team fees.

Risks

- 11.6 Due to the size, duration and nature of the programme, risk will be carefully managed through and across the various work packages. Site investigations and early works are vital to inform the design and cost aspects.

- 11.7 Now that the project has received NtP a more detailed timeline of work will be agreed. It is likely that the budget profile will change.
- 11.8 External factors such as supply chain uncertainty and the availability of sufficient and appropriate specialists to ensure the quality of the finished work, will require monitoring to ensure early action can be taken to reduce any negative impact on cost and programme.
- 11.9 A risk to the programme is the nesting peregrine falcons. The ecologist's advice is that there is now only one remaining and the earliest date it might fledge is July. A plan is being developed with the scaffolders to re-mobilise as soon as it has fledged to mitigate any further programme risk.

12 Housing - General Fund

- 12.1 The Private Sector Housing programme focuses on providing affordable housing including the facilities, adaptations and community focus required.
- 12.2 The major changes since the original budget set in February 2020 are as follows:
- As reported at 2019/20 outturn a total of £1.5m for the Disabled Facilities Grant was accelerated from 2020/21 into 2019/20.
 - At Outturn, a review of Private Sector Housing schemes was undertaken in light of the expected impact of COVID-19 and a total of £3.3m was re-profiled into future years.
- 12.3 The Private Sector Housing programme is forecasting to spend £15.0m compared to a budget of £17.8m, variance of £2.8m. The programme is shown in the table below:

Private Sector Housing (General Fund)	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Forecast £m	20/21 Variance £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
Brunswick PFI Land Assembly	0.6	0.6	0.0	-0.6	9.5	9.5	0.0
Disabled Facilities Grant	7.5	6.0	6.0	0.0	53.9	53.9	0.0
Extra Care	1.2	1.2	0.0	-1.2	6.0	6.0	0.0
Ben St Regeneration	0.9	0.2	0.4	0.2	8.7	8.7	0.0
Marginal Viability Fund – New Victoria	6.7	5.6	5.6	0.0	10.5	10.5	0.0
Other Projects	5.7	4.2	3.0	-1.2	85.7	85.7	0.0
Total Private Sector Housing (General Fund)	22.6	17.8	15.0	-2.8	174.3	174.3	0.0

Reprofiling				-2.5			
Cost Variations				0.0			
Net over (under) spend				-0.3			

Activities

- 12.4 The Disabled Facilities Grant award for 2020/21 was received in May 2020. The budget for future years has been reprofiled accordingly to reflect its proposed drawdown and usage.
- 12.5 The Chimebank s.106 scheme purchase has been completed. Highways works within the West Gorton Programme are now complete and works to West Gorton Park have now resumed following the COVID-19 shutdown. Completion is expected in quarter 2.

Variances – In Year

- 12.6 A total of £1.2m has been moved into future years for the Extra Care scheme whilst the Council continues to review schemes to find the optimum balance between those led internally and those by Registered Providers.
- 12.7 A total of £0.2m will be accelerated in to 2020/21 for the Ben Street project as the compulsory purchase order (CPO) has now been completed for a piece of land and one property, and the process of procuring a contractor for the property refurbishment and facelifts, the alley gating and land remediation has now begun.
- 12.8 There is a requirement to move £0.3m into next financial year for the Miles Platting Scheme due to outstanding compensation claims that need to be finalised.
- 12.9 Elsewhere within the Private Sector Housing portfolio, a further review of the likely impact of COVID-19 has been undertaken and a total of £1.5m will be reprofiled into future years across the West Gorton Community Park scheme, the West Gorton phase 2 demolition and acquisition scheme and Brunswick PFI Land Assembly. The Council will continue to review the forecasts in light of COVID-19 and more information will be provided to Executive in October.

Risks

- 12.10 Delays with acquisitions, refurbishment works or sales could potentially result in the Empty Homes Programme being delayed with action needed to minimise the amount of time the Council is responsible for the properties. Similarly, delays to Extra Care schemes could impact on savings projected by Adult Services and the availability of funding from third parties. Given the early stage of this project this risk is not quantifiable but will be closely monitored.

13 Housing Revenue Account (HRA)

- 13.1 The Public Sector Housing programme seeks to bring the estate up to and maintain the Decent Homes standard including statutory health and safety regulations and the reduction of CO2 emissions.
- 13.2 As noted at Outturn, due to COVID-19, all but two projects that were on site in March 2020 were suspended. In line with Council advice, Northwards deferred all capital expenditure for 2020/21 that was not contractually committed, unless there was good reason to continue, and it was able to be delivered. The revised Public Sector Housing budget is now £19.8m.
- 13.3 The Public Sector Housing (HRA) programme is forecasting to spend £17.7m compared to a budget of £19.8m, a variance of £2.1m. The programme is shown in the table below:

Public Sector Housing (HRA)	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Forecast £m	20/21 Variance £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
Northwards	30.6	18.5	16.7	-1.8	80.2	80.2	0.0
North Manchester New Builds	3.5	0.6	0.3	-0.3	10.2	10.2	0.0
Other Projects	4.6	0.6	0.6	0.0	40.6	40.6	0.0
Total Public Sector Housing (HRA)	38.8	19.8	17.7	-2.1	131.0	131.0	0.0
Reprofiling				-2.1			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

- 13.4 Heads of Terms are being prepared with the delivery partner for the Collyhurst Programme, along with progression of master planning and designs for the initial phase of works, as well as the planned public consultation.

Variances – In Year

- 13.5 The defects liability period for the North Manchester New Builds 1 project has been extended due to COVID-19. There is a potential saving of £0.3m against the project, however this has been moved into next financial year until it is determined whether this can be fully realised.
- 13.6 The full programme review in light of COVID-19 for the Northwards Programme has resulted in a total of £1.8m being reprofiled into future years.

Risks

- 13.7 The Northwards programme relies on the performance of a number of contractors to deliver projects which creates a risk of delays. Ongoing monitoring of performance and regular communication with partners are used to manage risks in these areas.
- 13.8 There are risks around obtaining listed building consent and planning approvals required for some of the projects, to be managed through timely collaboration with colleagues in planning and design teams.
- 13.9 Northwards have updated their risk profile to include an expected increase in fire risk assessment costs on the high rise blocks due to an increase in the scope of work following detailed surveys, an increase in contractor costs due to demands on capacity and an increase in insurance costs in relation to accountability and risk.

14 Children's Services

- 14.1 The main focus of the children's services programme is to provide additional school places for children across the City and maintain the school buildings, ensuring that there is investment in modern, energy efficient and high quality education infrastructure which drives reductions in carbon across the estate of schools, 85% of materials are locally sourced and contractors recycle more than 75% of waste products.
- 14.2 The main changes to the budget set in February 2020 and prior to those noted in this report include:
- As reported at outturn, the acquisition of land at Hyde Road is expected to take place before the end of the calendar year and so the total £13.1m budget was reprofiled into 2020/21.
 - The 2020/21 school maintenance allocation was published at the end of 2019/20, and a scheme of works was subsequently approved by Executive. The 2020/21 budget is now £5.2m.
- 14.3 The Children's Services programme is forecasting to spend £43.7m compared to a budget of £44.0m, a variance of £0.3m. The programme is shown in the table below:

Children's Services	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Forecast £m	20/21 Variance £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
Basic Need and SEND Programme	20.8	20.1	20.1	0.0	135.3	135.3	0.0
School Maintenance programme	3.6	5.2	5.2	0.0	11.2	11.2	0.0
Other Projects	5.0	18.7	18.4	-0.3	22.0	22.0	0.0

Total Children's Services	29.5	44.0	43.7	-0.3	168.5	168.5	0.0
Reprofiling				-0.3			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

- 14.4 The North Ridge School Project is facing delays as the window manufacturer shut down their facility due to COVID-19. The Project is expected to be completed by December 2020 but this is under review and may change as the full implications of COVID-19 are established. At this stage the project team believes it may be possible to contain the COVID-19 implications within the overall budget approval.
- 14.5 The Special Educational Needs and Disabilities (SEND) Programme is progressing through the design process for all three projects (North Hulme, Camberwell and Roundwood) within the programme. The market testing for Roundwood is expected to commence within the next few weeks. This process will inform the impact of COVID-19 on the supply chain and the programme.

Variances – All Years

- 14.6 The SEND programme is reporting a total overpend of £0.9m due to inflationary pressures and increased preliminary costs and social distancing measures due to COVID-19. Work is ongoing with the contractor to seek to mitigate cost and programme impacts through value engineering and revised methodologies. The additional funds will be vired from the Education Basic Need Unallocated budget. More information can be found in the Capital Update report elsewhere on the agenda.

Variances – In Year

- 14.7 A total of £0.3m will be moved into next financial year for the Healthy Pupil Capital Fund whilst a scheme is developed for its proposed use.

Risks

- 14.8 As the DfE have confirmed that Manchester will receive no Education Basic Need funding in 2020/21 due to significant investment planned in free schools, the forward plan for the Education Programme will be dependent on the decision on the next wave of free schools. The statutory duty to provide places belongs to the City Council and the relationship with the DfE is key in ensuring that the free school places are delivered on time in order that the duty can be met.
- 14.9 There is a further risk around the Council's ability to meet the continued growth of pupil numbers – particularly in-year school admissions which is more difficult to accurately project and manage. There is also a risk around the pace of

residential development and the demand for school places outweighing the available supply in particular areas of the City. To offset these risks, the Director of Education has developed a School Places plan for 2020 to 2025 using forecasted demand to ensure that there are sufficient high quality school places available in the right areas across the City although this is dependent on identifying appropriate sites in the right areas.

15 ICT Capital Programme

- 15.1 The aim of the ICT programme is to reduce key risks, decommission legacy platforms and to create a simpler, more robust, resilient and easier to support environment. The programme will move towards a modern infrastructure whilst adding business value.
- 15.2 The main variance from the original budget set in February 2020 and before those outlined in this report is that in 2019/20, Executive approved a £1.8m scheme to implement Microsoft 365 across the Council Estate, and as a result the End User devices budget was reprofiled to account for the expected interdependencies between the projects.
- 15.3 The ICT programme is forecasting to spend £3.4m against a budget of £3.4m, a variance of nil. The programme is shown in the table below:

ICT	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Forecast £m	20/21 Variance £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
Microsoft 365	0.0	1.8	1.8	0.0	1.8	1.8	0.0
End User Experience	3.4	0.6	0.6	0.0	1.6	1.6	0.0
Other Projects	2.3	1.1	1.1	0.0	41.7	41.7	0.0
Total ICT	5.7	3.4	3.4	0.0	45.1	45.1	0.0
Reprofiling				0.0			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

- 15.4 The new system as part of the GDPR Project, Infreemation, went live on 1 June 2020. The required training for all users was completed via google meet, which proved to be a successful way of learning in the current COVID-19 situation.
- 15.5 The Telephony contract was awarded in April 2020, and the first stage has now been delivered for the Contact Centres and the ICT helpdesk. Future phases of the project are reliant on the progression of the Microsoft 365 project and the End User Devices scheme.

- 15.6 The procurement process for the LAN and Wireless project has been completed with 6 responses received. The service is currently reviewing these.

Variances

- 15.7 There are currently no variances within the ICT portfolio.

Risks

- 15.8 ICT projects are often interdependent which can lead to adjustments to the schedule of activity should changes occur in a particular project. Some projects may need external support and advice to be delivered and this may create delays as such work is completed.
- 15.9 ICT projects are subject to external factors such as cyber security risks as an incident could result in data unavailability or loss, impacting the Council's critical applications and services. The Council has Public Services Network (PSN) compliant infrastructure and up to date anti-virus software to mitigate this. The use of end of life software and hardware form part of the ICT risk profile to ensure ongoing operation of systems and hardware.
- 15.10 Ongoing risks around expiration of licenses and support contracts are managed through monitoring and review at operational and strategic level, taking into account costs associated with maintaining or changing existing arrangements into future years.

16 Corporate Services Programme

- 16.1 Included in the Corporate Services programme is Gorton Health Hub which will bring together key organisations responsible for tackling worklessness and low skills. This will have a positive impact providing new opportunities for local residents and will contribute to sustainable economic growth by replacing a number of old, poorly maintained and high carbon producing buildings into a more modern, energy efficient purpose built building.
- 16.2 The main variances from the budget set in February 2020, and prior to those reported in this report are as follows:
- At Outturn, the Integrated Working – Gorton Health Hub project assumed a 3 month project delay due to COVID-19 and hence required reprofiling of £7.4m into future years.
 - The package of shareholder support approved for Manchester Airport Group has now been included in the budget. This was an urgent key decision approved in April 2020.
- 16.3 The Corporate Services programme is forecasting to spend £164.1m compared to a budget of £166.0m, a variance of £1.9m. The programme is shown in the table below:

Corporate Services	20/21 Budget set in Feb 20 £m	20/21 Budget £m	20/21 Forecast £m	20/21 Variance £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
Integrated Working – Gorton Health Hub	17.2	9.8	8.2	-1.6	22.8	22.8	0.0
BioMedical Investment	6.1	6.1	6.1	0.0	21.3	21.3	0.0
Manchester Airport Group Support	0.0	142.7	142.7	0.0	142.7	142.7	0.0
Other Projects	14.9	7.4	7.1	-0.3	158.5	158.2	-0.3
Total Corporate Services	38.2	166.0	164.1	-1.9	345.3	345.0	-0.3
Reprofiling				-1.6			
Cost Variations				0.0			
Net over (under) spend				-0.3			

Activities

- 16.4 The support package sought by Manchester Airport Group has progressed, and the negotiations with banks and bondholders have successfully concluded, resulting in the requested covenant waivers for the next 12 months being obtained, and providing breathing space for the Group to begin its recovery. As a shareholder in the Group the Council has previously agreed support, and the first tranche of c. £106.5m has been paid in early July.
- 16.5 Route to contract negotiations for the Integrated Working - Gorton Health Hub project were agreed, although the contract was not executed due to COVID-19. Partners for the scheme have now been contacted to assess whether their plans for the building have altered in light of COVID-19. The forecast has been updated, assuming a start on site in September 2020.
- 16.6 The final installment of the Manchester Airport Carpark investment was paid in April 2020.

Variances - All Years

- 16.7 There is a total expected underspend of £0.3m for the Pay and Display Machines project as a result of the total contingency budget not being utilised.

Variances – In Year

- 16.8 As reported in paragraph 16.5, the Gorton Health hub project forecast has been updated in light of COVID-19 and the review of the scope with partners. As a result, a total of £1.6m will be reprofiled into future years.

16.9 Other variances are as in paragraph 16.7.

Risks

16.10 The nature and scope of the schemes within the Corporate Programme mean that project progression is highly reliant on third parties and there is therefore a risk of external factors causing delays.

17 Capital Resources

17.1 The capital programme is reviewed on an ongoing basis to confirm the resources required to finance capital spend are in place, the future years programme is fully funded and that the required resources are secured within an affordable level of prudential borrowing.

17.2 The table below summarises the current funding assumptions for the full programme. This will be reviewed in line with the overall review of capital programme priorities. The Deputy Chief Executive and City Treasurer will continue to manage the financing of the programme to ensure the final capital funding arrangements secure the maximum financial benefit to the City Council.

Draft funding position for 2020/21 Capital Programme based on current forecast:

	£m
Grants	66.3
External Contributions	35.6
Capital Receipts	25.5
Revenue Contributions to Capital	19.1
Capital Fund	6.1
Borrowing	318.8
Total	471.4

17.3 To note, the draft funding position above includes the financing of the net £0.1m underspends across the Capital Programme. As highlighted in the relevant sections of this report, every effort is being made by officers of the Council to address and reduce this overspend prior to the end of the financial year.

18 Capital Programme Re-phasing and Variations

18.1 Based on the monitoring information above, it is proposed that the capital programme budget is re-phased to reflect the planned delivery of projects in 2020/21 to 2023/24. The cumulative impact of these adjustments are shown in the table below.

Proposed Capital Programme variations 2020/21 to 2023/24

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total Programme £m
Capital Budget (July 20)	508.6	327.0	245.1	69.3	1,150.0
Forecast Reprofile	-33.1	0.5	-0.1	32.7	0.0
Cost Variations	-4.0	0.0	0.0	0.0	-4.0
Proposed Capital Budget	471.5	327.5	245.0	102.0	1, 146.0

Virements

- 18.2 Various schemes across the programme require virements in 2020/21 - 2022/23, as shown in the Appendix A.
- 18.3 The Executive is recommended to approve, under the emergency provision of the Council Decisions on 25th March 2020 - "Constitutional Amendments and Other Matters for Council Business Continuity - Part 7", virements over £0.5m within the capital programme as outlined in Appendix A.
- 18.4 The Executive is recommended to approve virements under £0.5m within the capital programme as outlined in Appendix A.

19 Social Value

- 19.1 All capital business cases are required to provide information on social value impact likely to be generated as part of the scheme. These include details of employment of local residents, training of local residents, improvements in key health outcomes, support of community cohesion, improvement in key education outcomes, help to other excluded groups and promoting environmental sustainability. These are considered as part of the scheme approval process via the Checkpoint system. Work is on-going as part of improving overall contract monitoring to review the monitoring of these activities.

20 Changes to PWLB borrowing rates

- 20.1 On the 9th of October the Public Work Loans Board, an executive agency of the Treasury, increased the cost of borrowing available to the Council by 100 basis points. This means that the future cost of borrowing for the Council has increased, and has implications for local authority debt markets.
- 20.2 Further details on this change, and its implications, can be found in the report on capital financing which was discussed at Resources and Governance Scrutiny Committee on the 5th of November.
- 20.3 As part of the Government's March 2020 budget, a consultation on the future of the PWLB was launched, which has a revised response date of the end of July.

21 Prudential Indicators

- 21.1 The prudential indicators as at the end of June 2020 are shown at appendix C. A number are breached.
- 21.2 Following the decision to provide financial support to Manchester Airport noted above, the indicators need to be revised to reflect this additional capital expenditure which was not part of the budget set in February, and on which the prudential indicators were based.
- 21.3 On the basis of the current capital expenditure and borrowing forecasts included in this report it is proposed that the following indicators are revised:

Indicator	Original	Revised
Forecast Capital Expenditure (Non-HRA)	£339.6m	£453.7m
Forecast Capital Financing Requirement (Non-HRA)	£1,543.1m	£1,637.1m
Maturity Structure of Borrowing - Upper Limit for 10 years and above	40%	20%

22 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

The capital programme contributes to various areas of the economy, including investment in public and private sector housing, education and children's social care, transport infrastructure, major regeneration activities, environmental, cultural and leisure services.

(b) A highly skilled city

The capital programme includes substantial investment in education and also provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts.

(c) A progressive and equitable city

The capital programme includes investment in adult and children's social care, education, housing and the environment, cultural and leisure services, all of which contribute towards the strategy.

(d) A liveable and low carbon city

Investment in all areas of the capital programme contributes towards this community strategy, notably the investment in sustainable and affordable housing, building schools for the future, transport, environmental and major regeneration programmes.

(e) A connected city

The capital programme includes investment in highways infrastructure, and broadband expansion.

23 Key Policies and Considerations

(a) Equal Opportunities

By investing in building adaptations, access for people with mobility difficulties is made easier.

(b) Risk Management

The capital programme is based on forecast costs and funding, and as such there are risks to achieving the programme from external factors such as shortage of labour or materials, alongside market risks such as price fluctuations and interest rate charges. The Strategic Capital Board, and associated Portfolio Boards for each part of the programme, are tasked with regular monitoring of costs, delivery, quality and affordability, to help manage and mitigate these risks.

(c) Legal Considerations

None.

Appendix A – Proposed Programme Virements

Project Name	2020/21 In year virement proposed £000	2021/22 In year virement proposed £000	2022/23 In year virement proposed £000
Carriageway Resurfacing	836	8,385	
Footway schemes	-836	-3,561	
Carriageway Preventative		-4,824	
Total Highways Programme	0	0	0
Harpurhey Lathbury and 200 Estates external cyclical works		-13	
Harpurhey Shiredale Estate externals		-15	
External cyclical works Moston Estates (Chauncy/Edith Cliff/Kenyon/Thorveton Sq)		-2	
External cyclical works Cheetham Appleford estate		-2	
External cyclical works Higher Blackley South		-1	
External cyclical works Newton Heath Assheton estate		-27	
Electricity North West distribution network phase 4 (various)	162		
Delivery Costs			229
Newton Heath - Multi Internal Works	-87		
Higher Blackley - Liverton Court Internal Works	-13		
Various - Bradford/Clifford Lamb/Kingsbridge/Sandyhill Court Internal Works	-74		
Collyhurst - Mossbrook/Roach/Vauxhall/Humphries Court Internal Works	283	49	
Installations of sprinkler systems - multi storey blocks		-274	
ERDF Heat Pumps	108	391	101
Fire Risk Assessments	-758	-42	
Rushcroft and Pevensey Courts Ground Source Heat Pumps	13		
Delivery Costs	-81		
Delivery Costs	4		
Stock Acquisitions	2		
Delivery Costs	-10		
Northwards Housing Programme - Unallocated	451	-64	-330
Total Public Sector Housing (HRA) Programme	0	0	0
Brookside Road Moston		324	

Project Name	2020/21 In year virement proposed £000	2021/22 In year virement proposed £000	2022/23 In year virement proposed £000
North Hulme		266	
Roundwood Road		333	
Basic need - unallocated funds		-923	
Moston Lane Reroof	6		
Schools Capital Maintenance -unallocated	-6		
Total Children's Services Programme	0	0	0
Total Capital Programme	0	0	0

Appendix B – Capital Budgets

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Highway Programme						
Drainage	2,120	1,871	0	0	0	3,991
Patching Defect repairs	2,000	528	0	0	0	2,528
Carriageway Resurfacing	8,049	9,042	0	0	0	17,091
Footway schemes	1,209	2,217	0	0	0	3,426
Carriageway Preventative	2,350	2,250	0	0	0	4,600
Bridge Maintenance	500	2,234	2,233	2,233	0	7,200
Other Improvement works	951	11,921	0	0	0	12,872
Highways Maintenance Challenge Fund	5,160	910	0	0	0	6,070
Hyde Road (A57) Pinch Point Widening	3,147	0	0	0	0	3,147
Manchester/Salford Inner Relief Road (MSIRR)	100	0	0	0	0	100
Great Ancoats Improvement Scheme	5,854	514	0	0	0	6,368
Mancunian Way and Princess Parkway NPIF	4,910	87	0	0	0	4,997
Christie Extension Residents Parking Zones	155	154	0	0	0	309
Hathersage Residents Parking Zones	60	0	0	0	0	60
North Manchester General Hospital Residents Parking Zones	63	0	0	0	0	63
St George's Residents Parking Zones	90	71	0	0	0	161
Rusholme Residents Parking Zones	55	204	0	0	0	259
School Crossings	3,784	0	0	0	0	3,784
Chorlton Cycling Scheme	2,838	1,093	0	0	0	3,931
Northern Quarter Cycling Scheme	1,356	737	0	0	0	2,093
Manchester Cycleway	415	178	0	0	0	593
Beswick Filtered Neighbourhood Development	554	0	0	0	0	554

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Costs						
Green Bridge at Airport City	852	71	0	0	0	923
A6 Stockport Road Pinch Point Scheme	441	5	0	0	0	446
Levenshulme Mini Holland Cycling and Walking scheme	978	0	0	0	0	978
Northern/Eastern Gateway Walking and Cycling scheme-development costs	614	0	0	0	0	614
Rochdale Canal	177	0	0	0	0	177
20mph Zones (Phase 3)	124	0	0	0	0	124
Princess Road Safety Review	60	387	0	0	0	447
Public Realm	1,500	924	0	0	0	2,424
Street Lighting PFI	1,500	3,039	0	0	0	4,539
Didsbury West	23	0	0	0	0	23
A56 Liverpool Road	62	0	0	0	0	62
A56 Chester Road	40	0	0	0	0	40
Sunbank Lane	7	0	0	0	0	7
Sharston Roundabout SCOOT	6	0	0	0	0	6
Derwent Avenue	8	0	0	0	0	8
Woodhouse Park	16	0	0	0	0	16
Arena Security Measures	28	0	0	0	0	28
Ladybarn District Centre	26	0	0	0	0	26
CCTV Operating System Upgrade	243	0	0	0	0	243
Manchester Trash Screens	143	0	0	0	0	143
Total Highways Programme	52,568	38,437	2,233	2,233	0	95,471

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Waste Reduction Measures	1,080	0	0	0	0	1,080
Waste Contract	200	350	350	0	0	900
Purchase of Electric Refuse Collection Vehicles	9,400	0	0	0	0	9,400
Cremator and Mercury Abatement Plant Replacement Strategy	310	1,241	0	0	0	1,551
Park Events Infrastructure	12	0	0	0	0	12
Parks Development Programme	958	2,952	3,574	4,685	0	12,169
Somme 100 Year Memorial	3	0	0	0	0	3
Painswick Park Improvement	2	0	0	0	0	2
Heaton Park Southern Play Area	28	0	0	0	0	28
Wythenshawe Park Sport Facilities	5	0	0	0	0	5
King George V Park	15	0	0	0	0	15
Indoor Leisure - Abraham Moss	212	9,631	10,325	46	0	20,214
Indoor Leisure - Moss Side	68	0	0	0	0	68
Boggart Hole Clough - Visitors Centre	0	535	0	0	0	535
Mount Road	32	0	0	0	0	32
Culture Website	4	0	0	0	0	4
Manchester Regional Arena Track Replacement	404	434	0	0	0	838
Mellands Playing Fields - Levenshulme	164	0	0	0	0	164
Mellands Project - Longsight Ward	330	0	0	0	0	330
Gorton and Abbey Hey Project	292	0	0	0	0	292
Hough End Master Plan - Strat Football Hub Development Costs	200	0	0	0	0	200
Range Stadium Capital Project	168	0	0	0	0	168
Manchester Aquatics Centre - Car Park Improvements	402	0	0	0	0	402

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Non-Turf Wickets - Parks & Playing Fields	232	0	0	0	0	232
GM Archives Web Portal	128	0	0	0	0	128
Central Library Wolfson Award	2	0	0	0	0	2
Central Library Refresh	194	763	0	0	0	957
Open Libraries	305	0	0	0	0	305
Contact Theatre loan	200	0	0	0	0	200
HOME Arches Phase 1	215	0	0	0	0	215
Total Neighbourhoods Programme	15,565	15,906	14,249	4,731	0	50,451
First Street Cultural Facility	14	0	0	0	0	14
The Factory (Build)	60,598	14,415	0	0	0	75,013
St Johns (Public Realm)	2,218	1,981	0	0	0	4,199
Asset Management Programme	7,536	13,291	0	0	0	20,827
Manchester Aquatics Centre feasibility works	464	0	0	0	0	464
Town Hall Complex Transformation Programme	54	0	0	0	0	54
Hammerstone Road Depot	4,749	11,333	3,190	0	0	19,272
Carbon Reduction Programme	3,910	10,200	10,000	0	0	24,110
Greening of the City	500	500	0	0	0	1,000
Estates Transformation	0	800	0	0	0	800
Estates Transformation - Hulme District Office	90	0	0	0	0	90
Estates Transformation - Alexandra House	5,426	1,180	0	0	0	6,606
Ross Place Refurbishment	130	0	0	0	0	130
Proud Trust - Sidney Street	250	0	0	0	0	250
The Sharp Project	0	600	0	0	0	600
Digital Asset Base - One Central Park	230	538	0	0	0	768

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Strategic Acquisitions Programme	3,038	1,323	0	0	0	4,361
Sustaining Key Initiatives	0	3,189	8,600	0	0	11,789
Acquisition of land at Red Bank	2,305	0	0	0	0	2,305
Northern Gateway	4,470	6,675	7,275	4,875	0	23,295
Eastern Gateway - Central Retail Park	709	0	0	0	0	709
Eastern Gateway - New Islington Marina	10	55	0	0	0	65
St Peters Square - Peterloo	106	0	0	0	0	106
Medieval Quarter Public Realm	851	801	0	0	0	1,652
Manchester College	5,000	0	0	0	0	5,000
Digital Business Incubators	200	0	0	0	0	200
Lincoln Square	0	1,200	0	0	0	1,200
Piccadilly Gardens - Phase 1	250	1,561	0	0	0	1,811
New Smithfield Market	0	469	0	0	0	469
Heron House and Registrars	1,966	0	0	0	0	1,966
Civic Quarter Heat Network	9,679	4,000	0	0	0	13,679
Total Growth & Development Programme	114,753	74,111	29,065	4,875	0	222,804
Town Hall Refurbishment Programme						
Our Town Hall refurbishment	44,198	73,369	93,389	69,218	0	280,174
Total Town Hall Refurbishment Programme	44,198	73,369	93,389	69,218	0	280,174
Brunswick PFI Land Assembly	0	1,151	0	0	0	1,151
Collyhurst Regeneration	0	178	1,000	2,700	0	3,878
Collyhurst Environmentals	0	55	0	0	0	55

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Collyhurst Land Assembly	29	0	0	0	0	29
Collyhurst Land Acquisitions	0	210	799	0	0	1,009
Eccleshall Street - 3 Sites	0	0	500	0	0	500
Site Investigation and Early Works HIF Pilot Sites	0	0	65	0	0	65
Miles Platting PFI Land Assembly	127	150	266	0	0	543
Disabled Facilities Grant	6,004	6,200	0	0	0	12,204
Toxteth St CPO and environmental works	0	156	0	0	0	156
Bell Crescent CPO	0	0	0	482	0	482
HCA Empty Homes Cluster Phase 2	107	415	891	0	0	1,413
Princess Road	100	0	0	0	0	100
Empty Homes Scheme	2,000	0	0	0	0	2,000
Ancoats Dispensary: Survey Work to Confirm Major Project Viability	352	0	0	0	0	352
Redrow Development Phase 2 onward	21	0	0	0	0	21
West Gorton Compensation	4	0	0	0	0	4
West Gorton Demolition & Commercial Acquisitions	0	1,341	0	0	0	1,341
HMRP	10	30	89	0	0	129
Collyhurst Acquisition & Demolition (Overbrook & Needwood Close)	0	664	0	0	0	664
Extra Care	0	1,245	1,200	0	0	2,445
Moston Lane Acquisitions	0	0	0	7,500	0	7,500
Equity Loans	0	0	397	0	0	397
West Gorton Community Park	550	25	25	0	0	600
Ben St. Regeneration	428	623	0	0	0	1,051
Marginal Viability Fund - New Victoria	5,550	4,950	0	0	0	10,500

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Chimebank	34	0	0	0	0	34
Total Private Sector Housing Programme	15,316	17,393	5,232	10,682	0	48,623
Charlestown - Victoria Ave multistorey window replacement	1,000	8,320	2,963	0	0	12,283
Harpurhey Lathbury and 200 Estates external cyclical works	-18	18	0	0	0	0
Environmental works	0	5	0	0	0	5
Moston Miners Low Rise externals	0	18	0	0	0	18
Newton Heath Limestone Drive externals	0	6	0	0	0	6
External cyclical works Ancoats Smithfields estate	75	0	0	0	0	75
External cyclical works Charlestown Chain Bar Hillingdon Drive maisonettes	0	11	0	0	0	11
External cyclical works Crumpsall Blackley Village	0	20	0	0	0	20
External cyclical works New Moston	0	8	0	0	0	8
Environmental improvements Moston corrolites	50	0	0	0	0	50
Electricity North West distribution network (various)	194	0	0	0	0	194
Various Estate based environmental works	100	163	0	0	0	263
Delivery Costs	594	867	385	0	0	1,846
Decent Homes mop ups and decent homes work required to voids	0	20	0	0	0	20
One offs such as rewires, boilers, doors, insulation	0	31	0	0	0	31

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Ancoats - Victoria Square lift replacement	4	0	0	0	0	4
Boiler replacement programme	-6	0	0	0	0	-6
Harpurhey - Monsall Multis Internal Works	707	241	0	0	0	948
Newton Heath - Multies Internal Works	1,625	1,512	0	0	0	3,137
Higher Blackley - Liverton Court Internal Works	4	62	0	0	0	66
Various - Bradford/Clifford Lamb/Kingsbridge/Sandyhill Court Internal Works	152	0	0	0	0	152
Charlestown - Rushcroft/Pevensey Court Internal Works	785	158	0	0	0	943
Collyhurst - Mossbrook/Roach/Vauxhall/Humphries Court Internal Works	483	49	0	0	0	532
Decent Homes mop ups phase 10 and voids	197	198	22	0	0	417
One off work - rewires, boilers, doors	2	50	0	0	0	52
Fire precautions multi storey blocks	0	150	0	0	0	150
ERDF Heat Pumps	2,613	1,700	101	0	0	4,414
Charlestown - Rushcroft/Pevensey Courts Lift Refurb	0	525	0	0	0	525
One off type work (rewires/boilers/doors)	211	0	0	0	0	211
Fire Risk Assessments	1,600	3,410	0	0	0	5,010
Northwards - Harpurhey 200 Estate Internal Works	717	134	0	0	0	851
Rushcroft and Pevensey Courts Ground Source Heat Pumps	1,535	888	0	0	0	2,423
Delivery Costs	1,672	1,187	120	0	0	2,979
Bringing Studio Apartments back in use	0	12	0	0	0	12
Various Locations - bringing bedsits back into use	0	104	0	0	0	104

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Delivery Costs	0	15	0	0	0	15
Improvements to Homeless accommodation city wide	0	36	0	0	0	36
Plymouth Grove Women's Direct Access Centre	0	28	0	0	0	28
Improvements to Homeless Accommodation	445	285	0	0	0	730
Delivery Costs	80	45	0	0	0	125
Stock Acquisitions	2	0	0	0	0	2
Adaptations	150	202	0	0	0	352
Various Locations - Adaptations	305	388	0		0	693
Delivery Costs	42	50	0		0	92
Northwards Housing Programme - Unallocated	1,407	0	21,552	0	0	22,959
Collyhurst Maisonette Compensation and Demolition	0	89	935	0	0	1,024
West Gorton Low and High Rise Demolition	26	0	0	0	0	26
Collyhurst Estate Regeneration	0	0	1,541	0	0	1,541
Buy Back Properties - Right to Buy	6	0	0	0	0	6
Collyhurst Regeneration - Highways Phase 1	0	287	1,394	0	0	1,681
Collyhurst Regeneration - Churnett Street	0	0	790	0	0	790
Collyhurst Regeneration - Needwood & Overbrook acquisition / demolition	0	134	0	0	0	134
Willert Street Park Improvements	10	0	0	0	0	10
North Manchester New Builds	38	339	0	0	0	377
North Manchester New Builds 3	245	0	0	0	0	245
Parkhill Land Assembly	0	0	4,270	0	0	4,270
Collyhurst	600	13,890	4,110	0	0	18,600
Buying Back Former Council Homes	0	500	500	500	0	1,500

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Total Public Sector Housing (HRA) Programme	17,652	36,155	38,683	500	0	92,990
Lytham Road	14	0	0	0	0	14
Plymouth Grove Refurbishment	89	0	0	0	0	89
Crossacres Primary School	24	0	0	0	0	24
Dean Trust Expansion	2,859	0	0	0	0	2,859
Brookside Road Moston	5,324	2,069	28	0	0	7,421
North Hulme	3,400	1,248	11	0	0	4,659
Roundwood Road	6,510	1,460	34	0	0	8,004
Coop North Expansion	488	0	0	0	0	488
Our Lady's Expansion	160	0	0	0	0	160
Manchester Communications Academy	111	0	0	0	0	111
Hyde Road Secondary School	1,000	1,000	0	0	0	2,000
Basic need - unallocated funds	0	21,249	44,359	0	0	65,608
Universal Infant Free School Meals (UIFSM) - Allocated	7	0	0	0	0	7
Universal Infant Free School Meals (UIFSM) - Unallocated	75	0	0	0	0	75
Broad Oak Primary School Kitchen	757	0	0	0	0	757
Lily Lane Prim Windows	0	46	0	0	0	46
Moston Lane Reroof	6	0	0	0	0	6
School Cap Maintenance 2020/21	4,110	0	0	0	0	4,110
Schools Capital Maintenance -unallocated	327	3,000	0	0	0	3,327
Early Education for Two Year Olds - Unallocated	52	0	0	0	0	52

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Healthy Pupil Capital Funding	0	257	0	0	0	257
North Ridge SEN	3,127	9	0	0	0	3,136
Special Educational Needs grant	200	483	0	0	0	683
Seymour Road	653	0	0	0	0	653
Commercial Wharf/ISS Refurbishment of YJS Building	97	43	0	0	0	140
Ghyll Head	1,091	0	0	0	0	1,091
Acquisition of land at Hyde Road	13,157	12	0	0	0	13,169
Total Children's Services Programme	43,638	30,876	44,432	0	0	118,946
Internet Resilience	30	0	0	0	0	30
Communications Room Replacement Phase 2	360	3,591	2,331	0	0	6,282
Data Centre Network Design and Implementation	510	0	0	0	0	510
End User Experience	570	1,000	0	0	0	1,570
Microsoft 365	1,760	0	0	0	0	1,760
Telephony	200	200	0	0	0	400
ICT Investment Plan	0	6,717	8,900	7,690	0	23,307
Total ICT Programme	3,430	11,508	11,231	7,690	0	33,859
Pay and Display Machines	220	0	0	0	0	220
Phase 1 Implementation - Locality Plan Programme Office	487	0	0	0	0	487
Integrated Working - Gorton Health Hub	8,234	11,462	483	0	0	20,179
BioMedical Investment	6,100	7,785	0	0	0	13,885

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Manchester Jewish Museum Loan	290	0	0	0	0	290
Manchester Airport Car Park Investment	3,730	0	0	0	0	3,730
FC United	170	0	0	0	0	170
VCSE Small premises works	500	500	0	0	0	1,000
Irish World Heritage Centre Loan	10	0	0	0	0	10
Manchester Airport Group Support	142,700	0	0	0	0	142,700
Inflation	1,980	10,000	6,000	2,000	0	19,980
Total Corporate Capital Programme	164,421	29,747	6,483	2,000	0	202,651
Total Manchester City Council Capital Programme	471,541	327,502	244,997	101,929	0	1,145,969

Appendix C – Prudential Indicators Monitoring

No	Prudential Indicator		Target		As at end June 20	Target Breached Y/N
			£m		£m	
1	Estimated Financing Costs to Net Revenue Stream		6.7%		6.7%	N
2	Forecast Capital Expenditure	Non – HRA	339.6		453.7	Y
		HRA	38.8		17.7	N
		Total	378.4		471.4	Y
3	Forecast Capital Financing Requirements	Non – HRA	1,543.1		1,637.1	Y
		HRA	299.2		299.2	N
		Total	1,842.3		1,936.3	Y
4	Authorised Limits for External Debt	Borrowing	1,384.5		782.7	N
		Other Long Term Liabilities	190.0		190.0	N
		Total	1,574.5		972.7	N
5	Operational Boundaries for External Debt	Borrowing	1,006.2		782.7	N
		Other Long Term Liabilities	190.0		190.0	N
		Total	1,196.2		972.7	N
6	Upper Limits for Principle Sums Invested for over 364 days		0		0	N
			<i>Lower Limit</i>	<i>Upper Limit</i>	%	
7	Maturity Structure of Borrowing	under 12 months	80	0	47.8	N
		12 months and within 24 months	70	0	13.3	N
		24 months and within 5 years	60	0	9.2	N
		5 years and within 10 years	50	0	0.2	N
		10 years and above	80	40	29.5	Y

Manchester City Council Report for Resolution

Report to: Executive – 29 July 2020

Subject: Capital Programme Update

Report of: Deputy Chief Executive and City Treasurer

Summary

This report informs members of requests to increase the capital programme, seeks approval for those schemes that can be approved under authority delegated to the Executive and asks the Executive to recommend to the City Council proposals that require specific Council approval.

Recommendations

1. To recommend that the Executive approve, under the emergency provision of the Council Decisions on 25th March 2020 - "Constitutional Amendments and Other Matters for Council Business Continuity - Part 7", the following changes to Manchester City Council's capital programme:
 - (a) Children's Services – EBN Special Educational Needs and Disability (SEND) Programme Additional Costs. A capital budget virement of £0.923m is requested, funded by unallocated Education Basic Needs Grant.
 - (b) Neighbourhoods – Indoor Leisure – Abraham Moss. A capital budget virement of £2.7m is requested from the Inflation budget, funded by borrowing.
 - (c) Neighbourhoods – Electric RCV Infrastructure – Additional costs. A capital budget increase of £0.150m is requested, funded by Borrowing.
 - (d) Growth and Development – House of Sport. A capital budget increase of £8.420m is requested, funded by borrowing on an invest to save basis.
2. Under powers delegated to the Executive, to approve the following changes to the City Council's capital programme:
 - (e) Highways Services – Chorlton to Manchester Scheme. A budget increase of £8.449m is requested, funded by Mayor's Challenge Fund.
 - (f) Highways Services – Northern Quarter Walking and Cycling. A budget increase of £8.183m is requested, funded by Mayor's Challenge Fund.
 - (g) Children's Services – St Peters RC High School Expansion. A capital budget virement of £0.383m is requested, funded by Unallocated Education Basic Needs budget.

- (h) Neighbourhoods – Gateley Brook Pre-Development Fees. A capital budget virement of £0.116m is requested, funded by Parks Development Programme budget.
- (i) Neighbourhoods – Angel Meadow. A capital budget increase of £0.150m is requested, funded by S106 External Contribution, and a capital budget virement of £0.042m is requested, funded by Parks Development Programme budget.
- (j) Adult Services - Technology Enabled Care (TEC) Digital Platform. A capital budget virement of £0.157m is requested, funded by ICT Investment budget.
3. To note increases to the programme of £0.352m as a result of delegated approvals.

Wards Affected - Various

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city
All capital projects are reviewed throughout the approval process with regard to the contribution they can make to Manchester being a Zero-Carbon City. Projects will not receive approval to incur costs unless the contribution to this target is appropriate.

Our Manchester Strategy outcomes	Contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Contributions to various areas of the economy including investment in ICT services, Housing, and leisure facilities.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Investment provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Improvements to services delivered to communities and enhanced ICT services.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in cultural and leisure services and housing.
A connected city: world class infrastructure and connectivity to drive growth	Through investment in ICT and the City's infrastructure of road networks and other travel routes.

Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The recommendations in this report, if approved, will have no impact on Manchester City Council's revenue budget.

Financial Consequences – Capital

The recommendations in this report, if approved, will increase Manchester City Council's capital budget by £25.352m across the financial years as detailed in Appendix 1.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Report to the Executive 12th February 2020 – Capital Strategy and Budget 2019/20 to 2023/24

Report to the Executive 11th March 2020 - Capital Programme Update

Report to the Executive 3rd June 2020 – Capital Programme Update

Report to the Executive 3rd July 2020 – Capital Programme Update

1.0 Introduction

- 1.1 This report outlines the requests for changes to the capital budget from 2020/21.

2.0 Background

- 2.1 In February each year the Executive receives a report on the capital budget for the forthcoming five financial years and approves a series of recommendations to the City Council which then constitute the approval of the five-year capital programme. Proposals for the capital budget were presented to the Executive on 12th February 2020.
- 2.2 The capital programme evolves throughout the financial year, and as new projects are developed they will be reviewed under the current governance framework and recommendations made regarding whether they should be pursued.
- 2.3 The following requests for a change to the programme have been received since the previous report to the Executive on 3rd July 2020.
- 2.4 Note that where requests are made in the report to switch funding from capital to revenue and to fund the revenue spend from the Capital Fund, this is a funding switch from within the capital programme and will not have a negative impact on the Fund itself.
- 2.5 For the changes requested below, the profile of the increase, decrease or virement is shown in Appendix 1 for each of the projects.

3.0 City Council's Proposals Requiring Executive Approval under Emergency Provision

- 3.1 The proposals which require Executive approval, under the provision of the Council Decisions on 25th March 2020 - "Constitutional Amendments and Other Matters for Council Business Continuity - Part 7", are those which are funded by the use of reserves above a cumulative total of £2.0m, where the use of borrowing is required or a virement exceeds £0.5m. The following proposals require Executive approval, under the emergency provision, for changes to the capital programme.
- 3.2 Children's Services – EBN Special Educational Needs and Disability (SEND) Additional Costs. In May 2018, Executive approved the use of £20m Education Basic Need funding to increase capacity across the SEND and Alternative Provision (AP) estate, with final funding approved in March 2020. Since this approval design and planning works have continued but in light of the current COVID-19 pandemic the basis of the project costings have been updated and are now in excess of the allocated funds. This is due to inflationary pressures, social distancing measures and revised working practices meaning the programme durations have been extended by a total of between 5 and 6

weeks on each project. A capital budget virement of £0.923m is requested in 2021/22, funded by unallocated Education Basic Needs Grant.

- 3.3 Neighbourhoods – Indoor Leisure – Abraham Moss. Due to the current COVID-19 pandemic the project has been delayed resulting in an impact to project costs including inflation, remobilisation and hire fees for the temporary facilities on site. Further impacts are anticipated as the scheme progresses including a preliminary cost due to changes in working practices and availability of sub-contractors and supply chain. Due to the complexity of the scheme and the current delay costs and risks, inflation costs are anticipated at 6%. A capital budget virement of £2.7m is requested in 2022/23 from the Inflation budget, funded by borrowing.
- 3.4 Neighbourhoods – Electric RCV Infrastructure – Additional costs. The Electric RCV capital project to purchase 27 electric vehicles to replace diesel vehicles included funding to support the electric charging infrastructure, a fundamental requirement to charge the vehicles at Hammerstone Road Depot and Longley Lane Depot. The original scheme underestimated the enabling works required to install the charging infrastructure, additional charges are required to support anticipated growth in the next 3 years and the requirements of Grounds Services. A capital budget increase of £0.150m in 2020/21 is requested, funded by Borrowing.
- 3.5 Growth and Development – House of Sport. The proposal is to refurbish an area of the existing National Squash Centre to provide office and meeting facilities for existing occupiers as well as enabling the Council to attract new organisations to Manchester. Through the co-location with sports organisations, it will help the Council and Manchester Active's community participation and health agendas in line with the Our Manchester Strategy. A budget increase of £0.432m in 2020/21 and £7.988m in 2021/22 is requested, funded by borrowing on an invest to save basis.

4.0 Proposals Not Requiring Specific Council Approval

- 4.1 The proposals which do not require Council approval and only require Executive approval are those which are funded by the use of external resources, use of capital receipts, use of reserves below £2.0m, where the proposal can be funded from existing revenue budgets or where the use of borrowing on a spend to save basis is required. The following proposals require Executive approval for changes to the City Council's capital programme:
- 4.2 Highways Services - Chorlton to Manchester Scheme. The project will carry out construction works creating a 5km route that includes large sections of segregation for people travelling on foot and by bike and traffic from Chorlton Park to Manchester. The route will run along Barlow Moor Road, Manchester Road, Upper Chorlton Road and Chorlton Road, linking with existing routes and continuing to the city. A capital budget increase of £0.941m in 2020/21, £6.403m in 2021/22 and £1.105m in 2022/23 is requested, funded by the Mayor's Challenge Fund.

- 4.3 Highways Services - Northern Quarter Walking and Cycling. The Northern Quarter Walking & Cycling scheme was identified by TfGM as an important route around the City Centre for both cyclists and general traffic. The route will create an east-west cycle route to Piccadilly Station via the Northern Quarter to Victoria Station. This scheme will carry out construction works that will make Manchester's Northern Quarter streets even more dynamic and safer, greener and better for everyone, especially for those on foot and by bike, as well as other transport users. A capital budget increase of £2.310m in 2020/21 and £5.873m in 2021/22 is requested, funded by the Mayor's Challenge Fund.
- 4.4 Children's Services – St Peters RC High School. To deliver a programme of works which will make available an additional 20 place year 7 class at the school in readiness for September 2020. A capital budget virement of £0.383m in 2020/21 is requested, funded by unallocated Education Basic Needs grant.
- 4.5 Neighbourhoods – Gateley Brook Pre-Development Fees. The purpose of this proposal is to develop the design and cost plan which will enable a future repair of a large breach in the embankment of Gatley Brook in Didsbury. A capital budget virement of £0.116m is requested, funded by Parks Development Programme budget.
- 4.6 Neighbourhoods – Angel Meadow. This project is to improve the quality of Angel Meadow with improved standards of planting and landscaping. Enhancement of the existing park is required to match the high quality development in the adjacent neighbourhood. A capital budget increase of £0.150m in 2020/21 is requested, funded by S106 External Contribution and a capital budget virement is requested of £0.042m in 2020/21, funded by Parks Development Programme budget.
- 4.7 Adult Services - Technology Enabled Care (TEC) Digital Platform. This proposal requests that a feasibility study be undertaken to explore how a digital platform will support the wider TEC programme. A capital budget virement of £0.157m in 2020/21 is requested, funded by ICT Investment budget.

5.0 Delegated budget Approvals

- 5.1 There have been increases to the programme totalling £0.352m as a result of delegated approvals since the previous report to the Executive on 3rd July 2020. These are detailed at Appendix 2.

6.0 Prudential Performance Indicators

- 6.1 If the recommendations in this report are approved the General Fund capital budget will increase by £25.352m, across financial years as detailed in Appendix 1.

- 6.2 This will also result in an increase in the prudential indicator for Capital Expenditure in corresponding years. Monitoring of all prudential indicators is included within the Capital Monitoring Report during the year.
- 6.3 There is no increase in the requirement for prudential borrowing, and therefore there is no impact on the City's Council Tax.

7.0 Contributing to a Zero-Carbon City

- 7.1 All capital projects are reviewed throughout the approval process with regard to the contribution they can make to Manchester being a Zero-Carbon City. Projects will not receive approval to incur costs unless the contribution to this target is appropriate.

8.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

- 8.1 Contributions to various areas of the economy including investment in ICT services, housing, and leisure facilities.

(b) A highly skilled city

- 8.2 Investment provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts.

(c) A progressive and equitable city

- 8.3 Improvements to services delivered to communities and enhanced ICT services.

(d) A liveable and low carbon city

- 8.4 Investment in cultural and leisure services and housing.

(e) A connected city

- 8.5 Through investment in ICT and the City's infrastructure of road networks and other travel routes.

9.0 Key Policies and Considerations

(a) Equal Opportunities

- 9.1 None.

(b) Risk Management

- 9.2 Risk management forms a key part of the governance process for all capital schemes. Risks will be managed on an ongoing and project-by-project basis, with wider programme risks also considered.

(c) Legal Considerations

- 9.3 None.

10.0 Conclusions

- 10.1 The Capital budget of the City Council will increase by £25.352m, if the recommendations in this report are approved.

11.0 Recommendations

- 11.1 The recommendations appear at the front of this report

Appendix 1 - Requests for Adjustments to the Capital Budget Provision

Dept	Scheme	Funding	2020/21 £000	2021/22 £000	2022/23 £000	Future £000	Total £000
Council Approval Requests							
Children's Services	EBN SEND Additional Costs	Government Grant		923			923
Children's Services	Unallocated Education Basic Needs Grant	Government Grant		- 923			- 923
Neighbourhoods	Indoor Leisure - Abraham Moss	Borrowing			2,700		2,700
Corporate Services	Inflation	Borrowing			- 2,700		- 2,700
Neighbourhoods	Electric RCV Infrastructure - Additional Costs	Borrowing	150				150
Growth and Development	House of Sport	Invest to Save	432	7,988			8,420
Total Council Approval Requests			582	7,988	0	0	8,570
Executive Approval Requests							
Highways Services	Chorlton to Manchester Scheme	External Contribution	941	6,403	1,105		8,449
Highways Services	Northern Quarter Walking and Cycling	External Contribution	2,310	5,873			8,183
Children's Services	St Peters RC High School	Government Grant	383				383
Children's Services	Unallocated Basic Need Grant Funding	Government Grant	- 383				- 383
Neighbourhoods	Gately Brook Pre-Development Fees	Borrowing	116				116
Neighbourhoods	Parks Development Programme	Borrowing	-116				-116
Neighbourhoods	Angel Meadow	Borrowing	42				42
Neighbourhoods	Parks Development Programme	Borrowing	-42				-42

Dept	Scheme	Funding	2020/21 £000	2021/22 £000	2022/23 £000	Future £000	Total £000
Neighbourhoods	Angel Meadow	External Contribution	150				150
Adults Services	TEC Platform - Feasibility	Borrowing	157				157
ICT	ICT Investment Budget	Borrowing	-157				-157
Total Executive Approval Requests			3,401	12,276	1,105	0	16,782
Total Budget Adjustment Approvals			3,983	20,264	1,105	0	25,352

Appendix 2 - Approvals under authority delegated to the City Treasurer

Dept	Scheme	Funding	2020/21 £'000	2021/22 £'000	2022/23 £'000	Future £'000	Total £'000
Private Sector Housing	Ancoats Dispensary Survey Work	External Contribution	352				352
Total Delegated Approval Requests			352	0	0	0	352

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**Manchester City Council
Report for Resolution**

Report to: Executive – 29 July 2020

Subject: Northern Gateway: Progress Update & Housing Infrastructure Fund

Report of: Strategic Director, Growth and Development

Summary

The Northern Gateway initiative is seeking to deliver up to 15,000 new homes over a twenty-year period, spearheaded through a Joint Venture Partnership between the City Council and Far East Consortium International Limited.

This report provides an update on the successful outcome of the City Council's bid for £51.6m into the Government's Housing Infrastructure Fund Programme as well as providing detail on progress being made in finalising the Joint Venture's Initial Development Area Business Plan, which will seek to bring forward much needed new homes in the neighbourhoods of Collyhurst, New Cross and New Town.

Recommendations

The Executive is recommended:

1. To approve the Council entering into a Grant Determination Agreement with Homes England for the receipt of up to £51.6m Housing Infrastructure Fund grant to deliver major infrastructure in the Northern Gateway area, a high level summary of which is set out in the body of this report.
2. To delegate authority to the Strategic Director, Growth and Development, the Deputy Chief Executive and City Treasurer and the City Solicitor to finalise the terms of this Grant Determination Agreement to secure this funding.
3. To delegate authority to the City Solicitor to enter into and complete all necessary documents to give effect to the recommendations set out in i) and ii).
4. Subject to the finalisation of the Grant Determination Agreement, to approve a £51.6m increase to the Capital Budget to be expended on the delivery of infrastructure works that will facilitate the delivery of new homes.
5. To note overall progress being made towards the delivery of new homes as part of an Initial Development Area Business Plan in the neighbourhoods of Collyhurst, New Cross and New Town.
6. To note the approach being taken to identify and deliver social and economic benefits and the alignment with the broader piece of work being developed at

a North Manchester level with partners leading on plans for the North Manchester General Hospital site.

Wards Affected -

Piccadilly; Cheetham; Harpurhey; Miles Platting and Newton Heath

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city

Development proposals in Northern Gateway will build on the low-carbon principles of the Northern Gateway SRF and recognise that future development within the area will need to respond to the zero-carbon target and will be expected to move towards this aspiration through the active utilisation and deployment of leading building technologies.

The planning of the Northern Gateway has been actively developed to facilitate the radical change in the current patterns of energy generation, distribution and use. New homes will be provided on brownfield sites that are well connected to the city centre and major public transport routes and promote the use of cycling and walking.

Our Manchester Strategy outcomes	Contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The Northern Gateway will expand the City Centre in a northern direction establishing sustainable mixed-use neighbourhoods including new jobs and employment opportunities.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The Northern Gateway will provide direct employment opportunities and also meet the demand for housing from residents who wish to live close to the skilled employment opportunities located in and around the Regional Centre.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Development of the Northern Gateway offers the potential to deliver on the objectives of the Manchester Residential Growth Strategy and meet the growing demand for high quality new housing in the city.
A liveable and low carbon city: a destination of choice to live, visit, work	The Northern Gateway development opportunities will support the delivery of new residential developments using state of the art technologies and low carbon construction methods.

A connected city: world class infrastructure and connectivity to drive growth	The master-planning of new neighbourhoods within the Northern Gateway will include traffic and transport planning, ensuring that various modes of transport (car, bus, rail, Metrolink, cycle, and walk) are provided for.
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Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

There are no immediate revenue consequences associated with the approval of the Strategic Business Plan or the development of the initial Development Area Business Plan.

Financial Consequences – Capital

The entering into the Grant Determination Agreement with Homes England will secure £51.60m of additional capital grant funding and approval is sought to increase the the capital budget by this amount, over the next 4 years (2020/21 £3.48m, 2021/22 £20.39m, 2022/23 £19.46, 2023/24 £8.27m). The City Council will be able to claim grant monies monthly in arrears, subject to the successful achievement of scheduled performance milestones.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Northern Gateway Strategic Business Plan and First Phase Development Area, Executive 12 February 2020
- Delivering Manchester's Affordable Homes to 2025, Executive, 11 September 2019
- Strategic Acquisitions in the Northern Gateway, Executive, 26 June 2019
- Northern Gateway: Implementation and Delivery, Executive, 13 February 2019
- Northern Gateway Strategic Regeneration Framework, Executive, 13 February 2019
- Residential Growth Strategy: Action Plan Update, Economy Scrutiny Committee, 9 January 2019
- Manchester's Affordable Housing Strategy - Proposed New Affordable Housing Policies for The Council, Executive, 12 December 2018
- Northern Gateway Draft Strategic Regeneration Framework Update, Executive, 25 July 2018
- The Northern Gateway - Progress Update, Executive, 7 March 2018
- The Northern Gateway – Driving Forward Residential Growth, Executive, 8 March 2017
- Northern Gateway – Driving Forward Residential Growth on the Northern Edge of the City Centre, Executive, 9 September 2015

1.0 Introduction

- 1.1 In April 2017 the City Council entered into a Joint Venture Partnership (JV) with Far East Consortium International Limited (FEC) to deliver the residential led redevelopment of the adjacent neighbourhoods of Lower Irk Valley, New Cross and Collyhurst, on the north eastern edge of the City Centre, which have the capacity to provide circa 15,000 new homes over the next 20 years.
- 1.2 Following an extensive public consultation exercise that was undertaken during the autumn of 2018, the Executive meeting of February 2019 approved the Northern Gateway Strategic Regeneration Framework (SRF) as a means of guiding and coordinating development activity undertaken by the JV partnership and other third party agencies within the area.
- 1.3 The February 2020 meeting of Executive approved a Strategic Business Plan for the JV that set out details of how delivery would be brought forward, which also included details of the bid for an allocation of Housing Infrastructure Fund that had been submitted to Government and the anticipated Initial Development Area Business Plan that would include proposals for c1,000 new homes.

2.0 Unlocking the Opportunity – Housing Infrastructure Fund

- 2.1 As stated above, the Northern Gateway has the potential to deliver circa 15,000 new homes over the next 20 years: this equates to 28% of the entire City of Manchester target as set by the draft Greater Manchester Spatial Framework (GMSF), within an expanse of 155 hectares of brownfield land that is situated no further than 1.5 miles from the city centre at its northern most point.
- 2.2 This is predicated, however, on the ability of the JV partnership to address and overcome a series of significant challenges in the transformation of a long forgotten part of the city in the Lower Irk Valley. This is an area characterised by:
 - fragmented land ownership;
 - historic railway structures and the legacy of former industrial land uses;
 - barriers to development presented by gaps in the provision of key physical infrastructure such as power and other utilities;
 - areas prone to flood risk;
 - a varied and challenging topography with limited/no highway access and permeability issues; and
 - disconnected and insular sites caused by historic uses and a lack of development in the intervening decades.
- 2.3 In 2017 the UK Government announced the creation of the Housing Infrastructure Fund (HIF), with a total national funding pot of £5.5 billion split between the Marginal Viability Fund and Forward Fund - the latter being targeted at large-scale growth opportunities and the need for up-front investment in infrastructure.

- 2.4 In March 2019 the Executive delegated authority to the Deputy Chief Executive and City Treasurer and the Strategic Director of Growth and Development to finalise and submit an Application and detailed Business Case to Government seeking £51.6m of HIF funding for the Northern Gateway initiative to unlock circa 5,500 new homes within the Red Bank and New Town neighbourhoods of the Northern Gateway (Appendix 1).
- 2.5 The success of this funding bid was announced by Government as part of the March 2020 Budget. The HIF scheme will seek to address a series of up-front infrastructure requirements, including:
- The assembly of key land interests to facilitate access to the otherwise land-locked 10.2 hectare former Network Rail Carriage Sidings site at Red Bank;
 - Land remediation and earthworks to prepare sites for development;
 - New road access, footpaths and cycleways;
 - Investment in utility networks (most notably electricity but also potable water and investment in Sustainable Urban Drainage systems);
 - Works to address flood risk and reduce the extent of land classed as within Flood Zone 2); and,
 - A first phase of the green infrastructure (the creation of a City River Park that will link to existing green space at Angel Meadow, just outside the city centre and at Sandhills in Collyhurst).
- 2.6 Over the past few weeks officers have been engaged in discussions with Homes England to understand the terms and conditions through which the HIF funding will actually be made available to the City Council in advance of entering into a formal and legally binding Grant Determination Agreement (GDA) between the City Council and Homes England. A high level summary of key points to notes is set out below: -

Performance Milestones & Contractual Obligations

- 2.7 Homes England have confirmed that once the GDA has been entered into the City Council will be able to claim for expenditure defrayed monthly in arrears subject to the successful delivery of the scheme against pre-agreed performance milestones. These milestones will relate to the delivery of the infrastructure works themselves (such as achieving planning and any other necessary consents required for the works, starts on site for each of the key workstreams set out above and practical completion on a phased basis of the schedule of works set out in the Business Case and Delivery Plan updates provided by the City Council etc.) and the provision of information that establishes future delivery arrangements for homes that will be facilitated by the works undertaken. A detailed delivery programme and cash-flow has been drawn up to underpin the performance monitoring / grant claiming process.

Eligible Period for Expenditure

- 2.8 Despite considerable delays in the assessment and announcement of successful applications by Government caused by the General Election and other factors, the eligible period for project implementation and expenditure has a fixed deadline of 31 March 2024 and Homes England has confirmed that HM Treasury will not agree any extensions to this deadline. The City Council's original implementation programme was based upon a funding award being approved by September 2019 in line with guidance provided.
- 2.9 The delays encountered to date mean that the period in which works can be delivered will be much more compressed and as a result Officers are reviewing the scheduled programme of works to establish design, procurement and delivery arrangements that can achieve delivery of works and expenditure within the eligible period as well as establishing key risks and mitigation strategies.

Governance and Oversight

- 2.10 The compressed period for delivery, plus the ongoing impact of the COVID-19 pandemic on the construction and civil engineering sector, means that there will be a degree of risk associated with contracting the programme of works and there being a tail of activity and expenditure that will occur after 31 March 2024.
- 2.11 An internal Programme Board has been established to oversee the ongoing negotiations with Homes England made up of representatives from Housing and Residential Growth, Legal, Finance and Capital Programmes. Key risks and mitigating actions will be reported and where necessary escalated to the Capital Strategy Board to ensure that robust governance and oversight arrangements are in place for the HIF programme.

Entering into the GDA and Release of Budget

- 2.12 It is currently envisaged that the City Council will be in a position to enter into the GDA within the next few weeks. In order to ensure delivery of infrastructure works within the eligible expenditure period, and to provide a much needed stimulus to the civil engineering and construction sectors in the current economic situation, the intention is to commence the procurement processes for project / contract delivery and design oversight as soon as possible, so that progress is maintained in advance of the GDA being finalised. The investment business case will be completed once the review of the delivery programme and procurement arrangements as set out above have been finalised in the coming weeks. The business case will be used to satisfy the internal approval processes, and these will be sought in a manner that will facilitate the earliest possible start of the HIF programme in order to mitigate risk.

3.0 Progress with the Initial Development Area Business Plan

- 3.1 The report to the Executive meeting of 12 February 2020 that sought approval for the Joint Venture's Strategic Business Plan also set out details of the

development schemes that will make up the Initial Development Area Business Plan; namely:

- Addington Street in New Cross (now renamed New Cross Central), where a planning consent for the delivery of 81 apartments and town houses has been obtained, including a Section 106 contribution towards off-site affordable housing.
 - The former Angelgate site in New Town (now renamed Victoria Riverside) where a planning application for 634 apartments and town houses has been submitted and is pending determination;
 - Collyhurst Phase 1 (Collyhurst Village and Collyhurst South), where it is proposed that approximately 300 new homes will be delivered;
- 3.2 The total number of homes to be delivered within the Initial Development Area is anticipated to be approximately 1,000, with the intention being that 20% will be affordable. The homes will be a mixture of type and tenure, with the majority of homes being provided as open market for sale. The Development Area will provide a mix of one, two, three and four bed properties in the form of apartments, maisonettes and houses including townhouses.
- 3.3 The Joint Venture is also seeking to deliver significant public realm and open space improvements within these proposals together with the best possible low / zero carbon credentials from an in-use perspective, all of which impact on the individual scheme and overall Development Area viability. At present, the costs of construction are also seeing significant increases as a result of the Covid-19 pandemic, so the Development Area Business Plan remains to be finally fixed and the overall level of affordable housing that will be delivered is still subject to confirmation and will be reported to a future meeting of the Executive.

Progress Update relating to Collyhurst Phase 1

- 3.4 The Executive has previously agreed that the regeneration of Collyhurst would be progressed through an initial phase of development of approximately 300 homes, comprising a mix of houses and mid-rise apartments and including up to 130 new social rent homes.
- 3.5 The intention is that a mix of Council and open market sale homes will be brought forward on previously cleared sites in Collyhurst Village (Harpurhey ward), together with a smaller, purely social rent development of approximately 30 homes on cleared sites in South Collyhurst (Miles Platting and Newton Heath ward). The development of social housing will also provide an opportunity to remodel part of Collyhurst Village and deliver the first phase of the New Collyhurst Village Park, a significant and important step in delivery of the Northern Gateway SRF. This will involve the demolition and re-provision of 29 existing homes and 1 commercial unit.
- 3.6 Council officers, working closely with FEC colleagues and the appointed architects (Buttress) are taking forward the design process for these development proposals, and local resident consultation is underway, with an

ambition to submit a planning application for the development in late summer 2020. The resident consultation commenced in February 2020, with the intention of holding further face to face workshops and events over subsequent months. However, the onset of Covid-19 has required a different approach to consultation in order to maintain progress, and ensure that the Council is in a position to maximise opportunities to secure available government funding and contribute to the much needed economic stimulus for the City.

- 3.7 The necessity for social distancing has meant that face to face workshops with those residents that volunteered through the initial stages of the consultation have been replaced with briefing packs and an opportunity for telephone discussion in order to ascertain views on initial layout proposals. It is intended that as the designs are further developed, wider community consultation will be continued with a focus on web based engagement supported by postal and telephone based exchange of information. Engagement with the existing Collyhurst community is hugely important and as the infection control measures associated with Covid-19 change, the consultation methodology is being kept under review and the approach agreed with the Executive Member for Housing and Regeneration in consultation with Local Members.
- 3.8 As stated above the development of social housing will provide an opportunity to remodel part of Collyhurst Village. It is proposed that a proportion of the new homes will be used to relocate the residents and a business from 29 existing homes and one commercial premise.
- 3.9 As part of the resident consultation process, contact has been made with residents and the business owner affected by the proposal. Generally, the proposal was positively received, on the basis that residents will be able to move into the new homes, and provided with the appropriate discretionary home loss and disturbance compensation. A Housing Needs Assessment for the Council tenants has also been undertaken by Northwards Housing and the outcome will be factored into the design process to ensure that suitable properties are available, in terms of size and type.
- 3.10 As set out in the February 2020 Executive report, the new homes in South Collyhurst will be prioritised for residents displaced by previous demolition activity who wish to return to the area. The additional remaining dwellings in both Collyhurst Village and South Collyhurst will need to be the subject of a specific Lettings Policy, to be reported to a future meeting of the Executive. There may be an opportunity to explore the possibility of making the additional new homes available to existing Collyhurst residents who wish to downsize in order to make more efficient use of stock.
- 3.11 Situated within the 29 residential properties are 6 former Council homes purchased through Right to Buy and one privately owned flat above the privately owned shop. It is intended that owner-occupiers will be provided an opportunity to purchase one of the new open market sale properties from FEC. In order to assist eligible owner-occupiers, financial assistance will be made available through the Councils Relocation Assistance Policy. Where affected

properties are currently occupied by private tenants, an opportunity will be provided to relocate into a new Council home within the development.

- 3.12 Furthermore, the development in Collyhurst Village will be designed to include a commercial premises located on the ground floor of a Council apartment block. This will provide an opportunity for the existing business owner to relocate within the development subject to the agreement of appropriate commercial terms.
- 3.13 The acquisition of these properties and relocation of the residents is an essential component in the delivery of the scheme. As such, although every effort will be made to support occupants and owners in order to reach agreement, it may be necessary for the Council to consider the use of compulsory purchase powers to facilitate completion of the scheme. Officers will consider the case for a Compulsory Purchase Order (CPO) and if necessary and considered in the public interest will bring a report to a future meeting of the Executive, once a planning approval is in place for the development.
- 3.14 A further report will be brought to Executive setting out the final detail of the Phase 1 proposal once the design and resident consultation process has concluded and scheme costs are firmed up. The delivery of new homes for social rent in Collyhurst remains a priority objective within the Housing Revenue Account (HRA) investment programme (Revenue Contribution to Capital Outlay or RCCO). In order to maximise the benefit of this available HRA investment, it will be necessary to supplement the budget with Shared Ownership and Affordable Housing Programme (SOAHP) funding which is controlled by Homes England.
- 3.15 Homes England are aware of the Council's intention to make a bid for SOAHP funding to assist with scheme costs, and this will be submitted once scheme costs are confirmed and a timetable for the planning application for the scheme is fixed.

FEC Seeking to Appoint a Registered Provider Partner

- 3.16 It should be noted that FEC intends to appoint a Registered Provider (RP) to deliver affordable housing as part of schemes on land that it owns within the Red Bank and New Town neighbourhoods. FEC have therefore appointed Avison Young to act as agent on their behalf to run an independent process to identify an RP with strong management credentials, significant investment capacity and a robust approach to leveraging grant funding to assist with project viability. A process of national, market engagement will commence in August for a circa 8-week period to understand market appetite and identify potential suitable partners. This will be followed by a more detailed disposal and procurement process. The process will be flexible in order to allow for one single entity or a consortium of providers if it can be demonstrated that this is in the projects' best interests and its clear how they would work together on lettings, housing management and local community/stakeholder management. As part of this procurement process, FEC will identify an RP to deliver the

shared ownership homes proposed at the Victoria Riverside site. The outcome of this process will be reported to a future meeting of the Executive.

4.0 Economic and Social Benefits Strategy

- 4.1 As highlighted in this, and in previous reports to Executive, the residential-led Northern Gateway development and renewal programme presents a major opportunity to deliver a holistic place-based programme of inclusive growth. In addition to the Northern Gateway, there are plans for significant Government investment into the North Manchester General Hospital site in Crumpsall.
- 4.2 Taken together, with the right governance and strategic links to Central Government and its key bodies, these major North Manchester health and residential growth initiatives have the potential to deliver social, economic and health benefits to the residents of North Manchester, and the wider city region, reversing the current scenario of high levels of deprivation, high dependency on public services and poor health outcomes where these wards rank amongst the worst in the country in terms of mortality rates. By considering these sites within the broader context of North Manchester, they can be connected to the surrounding neighbourhoods, supporting a thriving community as part of an inclusive economy whilst also addressing the city's zero carbon 2038 target.
- 4.3 Chaired by the Council's Director of Inclusive Economy, officers from the City Council and partners leading on the North Manchester General Hospital proposition are working collaboratively to agree the strategic priorities, based on the evidence available and in accord with the strategic objectives of the city, that will form the basis of a North Manchester Inclusive Growth Strategy which wraps around both of these major physical regeneration initiatives.
- 4.4 For Northern Gateway specifically, officers are working closely with FEC to establish a framework through which the Northern Gateway can deliver social benefits aligned to this wider North Manchester strategy. Opportunities are currently being explored along the key themes of: education, employment and skills; health and well-being; and community resilience, with zero carbon being a cross-cutting theme underpinning all activity.

5.0 Contributing to a Zero-Carbon City

- 5.1 The Joint Venture's Strategic Business Plan, and subsequent Development Area Business Plan, will build on the low-carbon principles of the Northern Gateway SRF which recognises that future development within the area will need to respond to the zero-carbon target and will be expected to move towards this aspiration through the active utilisation and deployment of leading building technologies.
- 5.2 The planning of the Northern Gateway has been actively developed to facilitate the radical change in the current patterns of energy generation, distribution and use.

6.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

- 6.1 The Northern Gateway will expand the City Centre in a northern direction establishing sustainable mixed-use neighbourhoods including new jobs and employment opportunities.

(b) A highly skilled city

- 6.2 The Northern Gateway will provide direct employment opportunities and also meet the demand for housing from residents who wish to live close to the skilled employment opportunities located in and around the Regional Centre.

(c) A progressive and equitable city

- 6.3 Development of the Northern Gateway offers the potential to deliver on the objectives of the Manchester Residential Growth Strategy and meet the growing demand for high quality new housing in the city.

(d) A liveable and low carbon city

- 6.4 The Northern Gateway development opportunities will support the delivery of new residential developments using state of the art technologies and low carbon construction methods.

(e) A connected city

- 6.5 The master-planning of new neighbourhoods within the Northern Gateway will include traffic and transport planning ensuring that various modes of transport (car, bus, rail, Metrolink, cycle, and walk) are provided for.

7.0 Key Policies and Considerations

(a) Equal Opportunities

- 7.1 A key aim of the Northern Gateway is to deliver residential led development providing a significant number of high quality homes and alongside commercial development. This will both meet increasing levels of demand for housing within the regional hub and create new City Centre employment opportunities.

(b) Risk Management

- 7.2 The Northern Gateway programme will continue to be progressed in accordance with existing internal governance arrangements and within the legal framework of the Northern Gateway Joint Venture. If successful in securing the Housing Infrastructure Fund funding the Council's existing Capital Approval process will be followed in full with any additional governance and

accountability structures developed in accordance with the Council's risk management framework.

(c) Legal Considerations

- 7.3 Legal Services is working closely with the project team to provide legal advice on all aspects of the Northern Gateway Project, including in respect of the terms of the Grant Determination Agreement and delivery of the Initial Development Area. Legal Services will continue to support and advise the team on all aspects of this project to facilitate delivery and ensure compliance with all relevant legislation, regulations and contractual terms.

Appendix 1: HIF Infrastructure Area (Redline boundary set within context of wider Northern Gateway area)

