



Economy Scrutiny Committee

Date: Thursday, 14 January 2021

Time: 10.00 am

Venue: Virtual meeting - Webcast at - <https://vimeo.com/event/570227>

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

Advice to the Public

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

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Membership of the Economy Scrutiny Committee

Councillors - H Priest (Chair), Green, Hacking, Johns, Noor, Raikes, Shilton Godwin, K Simcock and Stanton

Supplementary Agenda

6. **ALMO - outcome of the offer to tenant's consultation** 3 - 24
Report of the Chief Executive attached

This report provides the Committee with the conclusion of the test of opinion of tenants and leaseholders. The report details a summary of the opinions indicated and recommends that the decision to insource the housing management and maintenance function is now confirmed. The report also includes a summary of key actions and milestones, risks and process to develop post-transfer governance arrangements.

7. **Affordable housing delivery update** 25 - 38
Report of the Strategic Director (Growth and Development) attached

This report provides an update on how the Council and its partners will deliver a minimum of 6,400 affordable homes from April 2015 to March 2025.

9. **Economy COVID19 Sit Rep Report** 39 - 68
Report of the Strategic Director (Growth and Development) attached

This report provides Committee Members with a further update summary of the current situation in the city in relation to COVID-19 and an update on the work progressing in Manchester in relation to areas within the remit of this Committee.

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on **Friday, 8 January 2021** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

**Manchester City Council
Report for Decision**

Report to: Economy Scrutiny- 14 January 2021
Executive – 20 January 2021

Subject: Housing Revenue Account Delivery model- Northwards ALMO
Review

Report of: The Chief Executive

Summary

This report provides Executive with the conclusion of the test of opinion of tenants and leaseholders. The report provides a summary of the opinions indicated and recommends that the decision to insource the housing management and maintenance function is now confirmed.

The report includes a summary of key actions and milestones, risks and process to develop post-transfer governance arrangements.

Recommendations

Economy Scrutiny Committee is invited to comment on the report and endorse the recommendations to the Executive.

Executive is asked to:

1. Note the outcome of the "test of opinion" consultation and the support for the council's proposals.
 2. Note the proposals contained within the report about how the new council-controlled service governance is being developed and how tenants will be involved and empowered in the decision making about services to homes and communities.
 3. Note the appointment of a project lead, and the indicative project stages and timetable for the delivery of the insourcing project.
 4. Members confirm support for the retention of "Northwards" as a brand identity for the council housing service.
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Wards Affected:

Higher Blackley, Charlestown, Crumpsall, Harpurhey, Moston, Cheetham, Miles Platting and Newton Heath

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

The retrofitting of existing homes managed by Northwards is a key aspect of this proposal. The HRA cannot currently support the level of investment required to achieve a level of retrofit to meet Zero Carbon. Measures need to be taken to manage the projected deficit in the HRA in order to meet Zero carbon and other policy aspirations.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	As the largest single landlord in the City the Housing service is a major source of contracts and supplies that ideally are sourced locally
A highly skilled city: world class and home-grown talent sustaining the city's economic success	A major employer the Housing services for the council stock currently employs c350 people and supports apprenticeships and wider skills development.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The housing service is the largest single community influencer in North Manchester alongside the City Council.
A liveable and low carbon city: a destination of choice to live, visit, work	Central to this report is the investment needed to retrofit existing homes in order to achieve a Zero carbon housing stock.
A connected city: world class infrastructure and connectivity to drive growth	The housing service is a major contributor to the North Manchester infrastructure.

Financial Consequences

The “due diligence” exercise provided robust and externally validated financial analysis of the available options. Indications of the revised HRA budget position has been previously reported.

The budget to conclude the prices and transfer the service into the Council is £1.4m. This can be funded using HRA reserves.

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Background documents (available for public inspection):

- Housing Revenue Account 2016/17 to 2018/19, Executive, 17th February 2016.
- Housing Revenue Account 2016/17 to 2018/19, Finance Scrutiny, 25th February 2016.
- Housing Revenue Account and the Council's Housing Management Contracts, Executive, 11th January 2017
- Housing Revenue Account Delivery model- Northwards ALMO Review, Executive 3 June 2020
- Housing Revenue Account Delivery Model-Northwards ALMO review, Executive 9 September.

1.0 Introduction

1.1 Manchester City Council owns nearly 15,500 council homes. These are managed on behalf of the council by a mix of delivery methods:

- The majority of the homes (12,700) are managed by Northwards Housing Limited (NHL);
- 527 homes in Ardwick are managed by Grove Village Limited;
- 1,469 homes in Miles Platting and Newton Heath are managed by Renaissance Miles Platting Ltd;
- 741 homes in Brunswick are managed by Solutions for Brunswick (S4B); and
- Guinness Partnership - manage 171 Council properties in West Gorton
- Peaks and Plains Housing Association - manage 11 bungalows in Alderley Edge
- Avro Hollows Tenant Management Organisation (TMO) - manage 312 properties in Newton Heath
- Shout Tenant Management Organisation - manage 94 properties in Harpurhey

1.2 The Council established Northwards Housing Limited (NHL) in 2005 with the primary objective of securing government funding to deliver the Decent Homes standard. Although the decent homes funding has now ceased, the Council has retained NHL and has continued to commission housing and additional services including the City-wide allocations scheme, Manchester Move and the delivery of the capital investment programme for Council housing.

1.3 On 3 June 2020 Executive considered the position of the delivery of the Housing service in the context of the Housing Revenue account (HRA). The current HRA 30-year business plan shows that reserves fall below the c£60m level required to avoid having to pay increased interest charges on debt in 2027/28, and the reserves are forecast to be exhausted by the end of the 30-year business plan leaving a deficit. The investments provision in the current business plan is primarily aimed at maintaining decent homes.

1.4 The June report reflected that there is additional pressure and demands on the HRA including enhanced fire safety works, new build schemes and retrofitting to achieve full Zero carbon of existing homes by 2038. Combined, these areas lead to a projected deficit in excess of £400m by the end of the 30-year business plan.

1.5 Following consideration of the issues and options in reports in June and September Executive agreed to:

- approve consultation on the preferred option (insourcing) identified as part of the HRA review to bring the ALMO back in-house;
- noted the outcomes from the due-diligence exercise of the Northwards ALMO, which had included consultation with staff, unions, tenants and local stakeholders.

- 1.6 The “due diligence” review was undertaken by Campbell Tickell and the conclusions and findings were reported in September. The significant elements of the report were;
- 1.7 Campbell Tickell concluded with some key points about the issues facing all Housing services and in regard to Northwards and North Manchester specifically.
- In common with every other local authority and social housing landlord, MCC has experienced a significantly tougher regulatory and operating environment over recent years, driven by the four-year -1% rent reduction which has reduced expected levels of income, and the ongoing response to the Grenfell tragedy with significant investment being made in life-saving fire-safety improvements. However, complex these challenges may be, the impact of the Covid-19 pandemic is system threatening, and has forced a full reset of operating environment priorities and working models for everyone delivering public services, currently operating in little more than safe mode.
 - Covid-19 has created a new operating reality for public services and its impact on people’s lives, and the increased demand that this will place on housing services will be experienced for many years to come. Against this backdrop, Manchester must examine its own operating model to ensure it is optimally configured to deliver a sustainable level of service, whilst targeting resources in the most cost efficient, productive and needs focused manner possible.
 - Whilst Northwards has demonstrably achieved what the council has expected of it over time, faced with an unforeseen and stark operating reality, it is opportune moment to ask what whether an ALMO represents the best vehicle to deliver the housing service for both the Council on behalf of its tenants.
 - Not unsurprisingly, at fifteen years old, the rolled over Management Agreement is in need of review as in many respects it does not meet the needs of either party in optimising efficiency, making the best use of resources or in raising the quality of services
 - In summary the evaluation of Northwards itself is that it has regard to efficiency, and that annual operating surpluses have been made year-on-year prior to 2019-20. Northwards benchmarks comparatively strongly with other Manchester providers in respect of overall costs per unit, and income collection. However, overhead costs are high compared with other providers.
- 1.8 Campbell Tickell also concluded that staying as we are currently operating is not an option and that the ALMO has too many weaknesses in terms of Governance, performance, structure and delivery that need to be addressed. Whatever option is chosen will have to be in the context of a significant service delivery improvement programme.
- 1.9 The decisions from the September Executive were:-

1. To note the review had concluded that doing nothing was not an option and that there was an opportunity to achieve savings of at least £77m over the 30-year business plan by ending the current arrangements under which the Council's housing stock is managed by Northwards Housing Limited (NHL).
2. To agree that for the service to remain outsourced there would need to be demonstrable benefits for tenants. To confirm that insourcing the service remains the preferred option and the intention to take over direct management of the Housing Service into the Council from 5 July 2021 subject to a "test of opinion" involving all tenants and leaseholders.
3. To note the proposals contained within the report about how the new council-controlled service offer would be developed and how, in future, tenants were to be involved and empowered in the decision making about services to homes and communities.

1.10 Government issued guidance in 2011 to Local Authorities considering the future of their ALMO housing management services. Councils are advised to undertake a cost-benefit and risk analysis exercise before reaching a final decision. These exercises have been completed and the results previously reported.

2.0 Test of Opinion

- 2.1 Tenants and leaseholders have been consulted on the proposal to take direct control of the management of the housing service from 5 July 2021. This was conducted by virtue of an information document and series of questions which tenants and leaseholders could vote on either on the document or online. The independent agency that ran the test of opinion UK Engage Ltd, used a barcoding system to ensure security and to avoid duplicated or multiple voting from one tenancy. A copy of the documentation that was issued is at Appendix 1.
- 2.2 An independent tenants advisory service was employed and supplied by Campbell Tickell. The role was to support tenant and leaseholders engage in the process, respond to any issues or concerns about the process and act as an honest broker independent of both Northwards and the Council.
- 2.3 The test of opinion commenced on 3 December 2020 and concluded on 4 January 2021. As well as the direct mailing of the documentation, publicity was issued on both Northwards and the Council websites and via social media.
- 2.4 Tenants and leaseholders were invited to attend one of four on-line briefings led by the Director of Housing and Residential Growth. These sessions allowed tenants and leaseholders to question the council directly on the rationale for the proposal and the implications for services.
- 2.5 The test of opinion closed at 5.00pm on Monday 4 January 2021. A total of 1633 people voted (1572* tenants and 54 leaseholders). This is 12.52% of those able to participate (12.57% tenants 11.87% leaseholders). (*two papers were spoilt)

- 2.6 In response to the question “Do you support the proposal to bring the management of your council home into direct management by the council?” 1524 voted in support. 1474 tenants voted yes, 89 voted no and 9 did not vote. 50 leaseholders voted yes, 4 voted no. This constitutes 93% of the votes cast, an overwhelming majority. The certified results are at Appendix 2.
- 2.7 It should be noted that this process was a “test of opinion” and not a ballot. The result is not binding but is one of the factors that are to be considered in making the decision about the future management of the service. However, the scale of the majority supporting the proposal creates a compelling argument.
- 2.8 The turnout fulfils the research and statistical tolerances that the council employs when conducting community consultations. This is predicated on the three elements:
- i. The **population** i.e. the total number of tenants and leaseholders able to vote. The population for this exercise is **12981**
 - ii. The **confidence interval** (also called margin of error) is the plus-or-minus figure usually reported in newspaper or television opinion poll results. For example, if you use a confidence interval of 4 and 47% percent of your sample picks an answer you can be "sure" that if you had asked the question of the entire relevant population between 43% (47-4) and 51% (47+4) would have picked that answer. The council use a confidence interval of **3**
 - iii. The **confidence level** tells you how sure you can be. It is expressed as a percentage and represents how often the true percentage of the population who would pick an answer lies within the confidence interval. The 95% confidence level means you can be 95% certain; the 99% confidence level means you can be 99% certain. Most researchers use the 95% confidence level. The council use **95%**

By putting these three indicators (above in bold) into an online calculator it provides the number required to have confidence in the result. In this case confidence can be gained from any vote above 986 people.

- 2.8 The response rate of 12.54% is consistent with other Local Authorities who are proposing to or have recently taken their ALMO services in-house. Kirklees concluded their consultation in September 2020 and had an 11% response rate; Gateshead council concluded their consultation in October 2020 with a 12% response rate; The four Local Authorities who made up East Kent ALMO concluded their consultation in December 2019 and had a 15% response rate although voting was made available to wider community and voluntary groups.
- 2.9 Those that have responded have supported the proposals. It should be noted that residents who attended the briefing sessions and contacted the tenant’s advisor were supportive of the proposal and were mostly raising serious concerns about the quality of the repairs service.

- 2.10 As the final stage of the consideration the “test of opinion” consolidates previous considerations reported in June and September and therefore seeks Executive ratification to bring the management of the housing management services, currently provided by Northwards Housing Limited, under the direct management of the council with effect 5 July 2021.
- 2.11 One of the questions in the test of opinion was “Are you interested in taking a more active role in the management of housing services?”. 532 people have indicated that they would be willing to be actively involved and have provided their contact information. In total 963 participants indicated a willingness to be involved but not all provided their contact details. We have all respondents addresses so will follow up on all expressions of interest.

3.0 Returning the service to the council project plan

- 3.1 The proposal that is being recommended and was put to tenants is known as a “lift and shift”. This means that the operational functions will continue and so, initially, the tenants and leaseholders will have continuity of service. It allows the council to take the service into direct supervision whilst minimising the initial impacts and risks on service and tenants’ experience.
- 3.2 The practical steps of delivery of the transition are:
- 3.2.1 The council are appointing a dedicated project lead who will work across the council and Northwards to manage all of the critical stages of the transition of services. The Northwards Chief Executive retired on 31 December 2020 and Northwards have appointed an Interim Director of Transition to lead the service transition from Northwards perspective.
- 3.2.2 Following the Executive decision, the council, in partnership with the Northwards Board and management, will be able to engage in direct communication with staff at Northwards and with tenants and leaseholders. The interaction with Northwards staff will include conducting an “Our Manchester” Listening in Action exercise to establish areas of concern and attention. This exercise will contribute to retaining key personnel through this transition. There will be a regular dialogue with staff, tenants and unions throughout the transfer programme.
- 3.2.3 Formal due diligence will commence that address issues such as contract transference, TUPE, Insurances, premises and any assets and liabilities. As of 20 January, Northwards will be required to consult the council before entering into any new or extended contracts, making any job offers or any other activities that may impact the due diligence exercise.
- 3.2.4 The TUPE due diligence work will be a significant workstream involving over 350 Northwards officers and requiring extensive and continuous consultation. This will be challenging, commencing within the current national lockdown. Working closely with Northwards management team and the Unions we will ensure that a comprehensive process is supported.

- 3.2.5 As outlined in Section 4 it is intended that a shadow board will work with the Northwards Board to have oversight of the transition project.
- 3.3 Manchester Move. Northwards manage Manchester Move on behalf of the City Council and the 15 registered providers who are members of the scheme. The Council pays additional fees to reflect that most members are agreeing to allocate using Council Allocation policy. Manchester Move is overseen by a Housing Access Board which is made up of the members of the scheme. There will need to be a dialogue with the members about the future management of Manchester Move. This will be progressed as a specific and separate workstream.
- 3.4 YES. YES is a wholly owned subsidiary of NHL. Once NHL ceases to trade as a legal entity YES could, by default, transfer to the council. There is a stated commitment to retaining and developing YES. There will be a specific workstream that will manage this process to create the long-term framing of YES. It is likely that we will find a new way of YES being governed which will allow it to retain a level of independence. By being part of the council some of its grant funding and fund raising would be compromised.
- 3.5 Corporate support functions. Support or “back office” functions will be assimilated with council functions at or before 5 July 2021. Whilst they will continue to support the housing service provision, there is no necessity for them to be a separate and dedicated entity. Some retention related to concluding the finances and fiduciary responsibilities of Northwards Housing Limited as a legal entity will be required until the company is closed.
- 3.6 The cost of returning the ALMO to the council is estimated by Campbell Tickell as £1,482,000. This included the legal costs of closing the ALMO, administering TUPE and pension arrangements, and management of change costs, which would be chargeable to the HRA, with retained surpluses used to meet these costs.
- 3.7 Improvement programme. Priority will be given to intervention in, and improvement of, priority service areas identified by tenants and leaseholders through the Campbell Tickell review and the “test of opinion” exercise. These include improved repairs service; improved investment programme delivery; community safety and dealing with anti-social behaviour. The areas were summarised in the offer document (Appendix 1). The programme will also consider any differences in approach and culture between the two organisations to ensure that at the point of transfer there is a consistent and shared approach, following “Our Manchester” principles.
- 3.8 The Council’s HR Department as the importing agency, will undertake a full due diligence of the TUPE issues. It should also be recognised that Northwards’ own retention case, made as part of the Campbell Tickell review, recognised that some service areas were over-sized. They had recommended a downsizing of a number of areas with a reduction in posts. This case will be considered in transition.

- 3.9 It is noted that there are areas in which Northwards have made a significant and positive impact on tenant and neighbourhood services. As we develop the service within the council we will seek to identify and maximise the areas of 'best' practice linking ALMO and council capacity to harness community capacity; projects like Everyone In, addressing domestic abuse; Supporting the health and social care system, Debt Management and Advice and Communications. This would be built upon during the transition year while services sat alongside each other as one organisation. Bringing together the best practices and harnessing the strengths of both organisations is a powerful opportunity to deliver even more for the benefit of tenants and neighbourhoods.
- 3.10 It is proposed to retain the branding Northwards to identify the council housing service. There is a practical benefit in not having to change the livery and stationary initially. However, the wider benefit is that it is a service recognised by tenants so the housing service will continue to be identifiable and distinctive whilst still part of the council.
- 3.11 Throughout this process there will be full engagement with the trade unions and will work closely on the messages being delivered to staff. To date the Council have not had direct dialogue with Northwards staff on these issues as there are still some stages to be concluded before final decisions are taken and the formal processes can commence. The interaction, delivered closely with Northwards Board and management team, with Northwards staff will include conducting an "Our Manchester" Listening in Action exercise to establish areas of concern and attention. This exercise will contribute to retaining key personnel through this transition.
- 3.12 We will ensure any staff who may be potentially adversely affected by these proposals are supported and all avenues are explored to mitigate impacts.

4.0 Governance and accountability

- 4.1 Once transferred the housing management and maintenance service would be governed by elected members and tenants. There is an ongoing consideration of precisely where and how this will align to council management and the committee system. Legal and Democratic services are considering the optimum way that there can be alignment to the decision-making structure of the council. This will be place-based reflecting that the tenancies in question are exclusively in North Manchester. It is intended that this forum will be created as a shadow board of tenants and members so that it can oversee the transition process. There will be close working with Northwards Board and Northwards members and tenants will be consulted and included in the development of this governance framework.
- 4.2 Governance will seek to build on existing tenant engagement processes and to meet the requirements outlined in the recent Government White Paper "The Charter for Social Housing Residents". Northwards have an existing engagement framework. This includes:

- Tenants and Residents Groups. There are 9 active groups meeting a required constitution, and 11 “contact” groups.
 - Residents’ network. 114 active tenants on the data base
 - Events-43 community events held in 2019.
 - Networking
 - Urban Crew. A joint initiative with Manchester communications academy working with 140 primary schools.
 - Eric Hobin sponsorship fund. Community grant opportunity with awards of up to £500 for community activity.
 - Youth engagement.
 - Retirement Housing.
 - High Rise Forum.
 - Tenants View- Overarching representative group.
- 4.3 It is recognised that there is a limited connection between the council and its tenants. There has been a reliance upon Northwards delivering this function. In order to create a better Council; tenant relationship we would build upon Northwards existing network and expand access to the various groups. Shelter, the Housing Charity, have agreed to work with us to create genuine neighbourhood-based forums and particularly to increase direct involvement from under-represented groups.
- 4.4 We would ensure that tenants are able, on an annual basis, to hold a scrutiny review of the whole service and report to elected members so that the service has proper oversight and accountability.
- 4.5 The format of future governance should align with the emerging requirements of the White Paper and the Charter for Social Housing tenants. This will include oversight of performance against the Social Housing Regulator’s Regulatory Standards. This will particularly relate to the Tenant Involvement and Empowerment standard and the Consumer standard. Agenda areas of any post-transfer governance could include:
- commentary on the formulation of the landlord’s housing related policies and strategic priorities.
 - views expressed ahead of the making of decisions about how housing related services are delivered, including the setting of service standards.
 - the scrutiny of the landlord’s performance and the making of recommendations to their landlord about how performance might be improved.
 - issues related to the management of their homes, where applicable.
 - the management of repair and maintenance services, such as commissioning and undertaking a range of repair tasks, as agreed with landlords, and the sharing in savings made.
 - agreeing local offers for service delivery.
- 4.6 The fact that over 900 tenants and leaseholders have expressed an interest in playing a role in the future management of the housing service is a significant bonus of the process. Of these 532 have provided contact details in order for

this interest to be followed up. This number is significantly higher than the number Northwards have currently on their retained active tenants schedule and will allow a wider range of views and perspectives to be expressed. This is a positive development and will allow us to significantly refresh the number and range of active tenants in future governance and consultation arrangements.

5.0 Timescales

- 5.1 The intended date of the service commencing from Council delivery would be 5 July 2021. A summary of the critical actions and milestones is at Table 1.

Table 1 Task and target dates.

Task	Target date
NHL Interim Director of Transition starts	4 January 2021
Economy scrutiny committee	14 January 2021
MCC Project manager appointed	w/c 25 January 2021
Executive Decision	20 January 2021
Mail out to all tenants and leaseholders	January 2021
Formal notification to all Northwards staff and relevant MCC staff	January 2021
“Our Manchester” Active listening events (Virtual)	February 2021
Commence TUPE due diligence	February 2021
IT systems integration analysis	February-June 2021
MCC Corporate services assimilation plans	March 2021
Executive to receive new organisation structure proposals	March 2021
Executive to receive new Governance proposals	June 2021
Mailing to all tenants and leaseholders to confirm new service arrangements	June 2021
Self-assessment against Regulatory code	May 2021
NHL Board make decision to dissolve	May 2021
Staff TUPE across	5 July 2021
New service launched	5 July 2021
NHL ceases to trade as a separate entity	5 July 2021

Approve NHL final accounts and audit	September 2021
NHL apply to closedown company registration	6-12 months
Development of new 5-year housing strategy	Jan-September 2021.

6.0 Contributing to a Zero-Carbon City

- 6.1 The retrofitting of existing homes to meet zero carbon objectives is at the heart of the revision of the HRA. The investment calculations by Savills are based on a programme of decarbonising the fabric of the homes assuming no carbon neutral energy network source.

7.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

- 7.1 As the largest landlord in the City it is critical that the Council's own tenants get as good as, if not better, service and investment, as any other social housing tenant.

(b) A highly skilled city

- 8.2 As a major employer we can ensure that the housing management and maintenance service provides work and training opportunities to the Manchester community.

(c) A progressive and equitable city

- 8.3 The investment programme taking account of new and emerging programmes and projects.

(d) A liveable and low carbon city

- 8.4 The presumption of a largescale fabric-based retrofitting programme is featured in the revision of the 30-year business plan.

(e) A connected city

- 8.5 The housing service is a major contributor to the North Manchester infrastructure.

9.0 Key Policies and Considerations

(a) Equal Opportunities

- 9.1 None at this stage

(b) Risk Management

- 9.2 A detailed risk register will be undertaken jointly by the council's project lead and the Interim Director of Transition at Northwards. The immediate risks are detailed in Table 2.

Table 2. High level risks

Risk	Interim mitigation
Short term loss of Key Executive officers in the ALMO	Interim cover in place for CEO role and Director of Resources.
Short term loss of key personnel involved in asset management and repairs	Some interim posts covered.
Loss of focus on service and reduction in performance during transition	Monthly joint MCC/NHL project board meetings. Reports to Shadow Board and NHL Board.
Revised governance arrangements leading to less tenant and leaseholder involvement.	Joint Shadow Board and NHL Board development including tenants and leaseholder input.
Loss of service quality arising from reduced staff morale.	Implementation of an effective HR strategy to support staff, ensuring necessary training and development is in place. Implementation of an effective staff communication and engagement strategy
Loss of service quality arising from IT complications.	Early meeting with IT to identify issues and develop a project action plan
Cost of transition over-runs	Adequate budget provision and monitoring
Insufficient MCC staff capacity to support the transition project.	Potential use of HRA reserves to support other services to support the project
Changes in the extent of reintegration of services made after reorganisation has started.	Early decision making

(c) Legal Considerations

- 9.3 The HRA is a highly regulated entity, and Northwards Housing is a fully constituted legal entity, and consequently there are several considerations in completing this business appraisal.
- 9.4 The next break clause for the Management agreement is April 2023. The Board of Northwards would need to support the mutually agreed termination of the management agreement.

- 9.5 If the service transfers to direct provision staff in NHL will be affected by the Transfer of Undertakings (Protection of Employment) regulations 2006 ("TUPE")
- 9.6 If the service transfers and we process the closure of NHL then the Council, as the sole shareholder, will accept the transfer of all assets and liabilities. A robust due diligence exercise will be undertaken which will include the termination or novation of contracts for services or supplies.

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FAQs

Answers to questions you may have.

Why now?

Unless we make changes now, your Housing Revenue Account – which pays for Housing services and investments using the rents and service charges collected – will not cover the budget needed in future. It's an opportunity for a better service that can fund fire safety investments, lower carbon energy and ongoing home improvements. It will save you money in your energy bills and save management costs, long term, to keep up future investment.

What could change?

We wouldn't change the way tenants get their housing service or change your rights as a tenant, or how rents are worked out. But we'd stop Northwards being a separate organisation with its own board, executive directors and arrangements, and make it part of the Council, which already owns the homes as landlord.

Management of your home would go back to the Council, using existing staff. We would improve the service, asking your views on how, and we'd involve you more in how services are managed.

Will savings really come back to tenants?

Yes. Funding is 'ringfenced' by law and can only be used for housing-related activity for tenants' benefit.

Do joint tenants get a vote each?

No. It's one vote for each tenancy agreement.

Will leaseholders get a vote?

Yes. They are users of the service.

How would we get the Council-run service?

We will review the way in which you contact us to see whether you would get a better service if there was one contact centre for all of your Council enquiries.

Will the offices at Dam Head, Cheetham and Monsall still be open?

Yes, we want to use them for even wider community benefit. We'd consult you on any changes.

Will the same contractor do our repairs?

We're going through the tendering process of deciding who should do repairs in future, so it could be a new contractor. The way you order and progress repairs won't change although we will improve the issues you have told us that you are concerned about.

How will this affect the service I get?

Things won't change day-to-day – it will be the same staff you deal with now, but they'll work for the Council instead of Northwards. In time we'll improve service and join up more with other Council services. We'll consult residents closely.

Will this affect any work due on my home?

No. Planned work would go ahead. We'd keep homes at a decent standard and could invest more – for example offering new bathrooms and kitchens.

Will we see fewer staff?

We anticipate more staff working in communities aligning with Council colleagues. You'll still have housing staff on hand to deliver services.

How do I contact the Independent Tenant Advisor?

If you want to speak to someone who is independent of the Council and Northwards Housing please contact Paul Bragman.

Paul can be contacted on **0208 442 2379** – If he's not available you can leave a voice message and he will get back to you as soon as possible, or you can email paul.bragman@campbelltickell.co.uk



Background

Have your say on the future of your housing services.

As part of the Council's look at changing how our council housing can be run in future, we're sending you some background information about:

- Why we set Northwards up and what it's achieved
- How we're proposing to change things, and why
- Answers to questions you may have
- How to let us know what you think.

Our proposal is to make Northwards part of the Council, instead of a separate, 'arms-length' organisation (ALMO).

Your day-to-day services would still be delivered by the same staff – you'd contact them in the same way. But Northwards would be managed and governed within the Council, not separately as now.

We'd also have an improvement plan that you, the tenants, would set and monitor, for better landlord and neighbourhood services.

Please read this background information and let us know what you think. We'll use your views to help shape your future housing service.

Why we set Northwards up

In 2000 the Government introduced a requirement that all social housing should meet 'decent' standards by 2010. To get the funding needed, we created – with residents' support – an Arm's Length Management Organisation (ALMO) to improve and run north Manchester's council homes.

Northwards' achievements

Over 15 years Northwards has unlocked substantial Government funding to bring 97.6% of our homes up to 'decent homes' standard, with:

- ✓ 11,442 new kitchens.
- ✓ 2,655 new bathrooms – adapted for those with mobility problems where needed.

- ✓ 11,640 homes have new double-glazing.
- ✓ Insulation for 2,503 homes, plus cavity wall or loft or floor insulation where needed.
- ✓ 4,967 new roofs and 304 roof improvements.
- ✓ 2,240 full rewires and others upgraded.
- ✓ 10,937 new boilers.
- ✓ 153 air-source, and heat-source pump heating systems have been fitted.
- ✓ 2,330 solar panel systems at 15 high rise blocks, 3 maisonettes and 3 sheltered blocks.
- ✓ 8 communal solar thermal installations at sheltered blocks.

We only got this money from Government by creating the ALMO. Now the ongoing investment has to be funded by the Council from your rents. Despite the good work that they have done keeping the ALMO no longer gets us any external funding.

Tenant involvement

We want tenants to shape and influence services more – it's a main part of our proposal. Bringing management of homes into the Council means you'll engage directly with the landlord – the Council, not just the managing agency as now. We would support and strengthen tenant groups and create a representative group to deal directly with local councillors about the service and their priorities.

What you've said

Every two years Northwards surveys tenants to test satisfaction. From 2012 to 2018 results showed overall satisfaction with services, repairs, and rent.

This summer over 3,000 residents filled in our survey. Up to 40% responding had some dissatisfaction with services. This is not what we would want to see, and improvements must be made.

Why change?

We want to be able to provide great services and put more into making communities stronger, better places to live. We also want to continue building new homes to meet the city's needs.

Northwards Housing has done some great work over the years. But the ALMO no longer brings in extra money for improvements. Keeping it running takes resources away from front-line services.

Without changes, the funding which pays for Northwards' services and investment – our Housing Revenue Account – will not cover the budget needed in future.

That's why we propose that the housing service provided by Northwards is transferred back to the Council, including the management and governance of your home.

The key benefits are:

- Joined-up services with a range of local agencies.
- Stronger tenant voice.
- Investment in homes and communities, continued upgrades to kitchens and bathrooms.
- Better services – more joined-up for the most vulnerable, keeping people living at home longer, avoiding hospital. We'll spend savings on priorities like fire safety and energy efficiency, helping to meet our carbon-neutral target.

What's on offer?

Here's how your new service would look if managed by the Council – based, in part, on what you told us you want in the recent independent survey.

Getting in touch

Tenants were generally positive about getting through to the service and getting through to the right person. 69.5% rated this 'good' or 'very good.' But 30.4% said 'poor' or 'very poor'.

We'll create a one-stop service for all your housing, Council, and other related services.

We'll keep staff and offices that serve you now but join-up with other Council services.

We'll put more services online for those who choose them.

You'll see better customer service with:

- Better trained staff
- Listening services responding quicker, age-friendly, and tailored to needs such as disability and language
- Updated, improved systems including complaints handling.

Repairs

40.4% found the repairs service 'very poor' or 'poor' – the lowest-rated part of the service. Some had no problems, but many saw poor and unfinished work, slow response times and multiple visits.

We're arranging for a new repairs contractor to provide:

- Better quality repairs and materials
- Work to agreed deadlines with appointments kept
- Explanations for any multiple visits
- Kitchen and bathroom improvements
- Sorting out serious disrepair
- Improved pest control.

Communal areas

Tenants have a mixed reaction to how communal areas are maintained. 42.1% say 'poor' or 'very poor'. 57.9% say 'good' or 'very good'. They praise hard working staff such as caretakers for their great ability to deliver services. Negative comments focused on garden maintenance – infrequent grass cutting – general lack of up-keep, poor quality cleaning and rubbish collection.

We want to join up services to improve these and other standards that make us proud of our neighbourhoods as safe, attractive places by:

- Caring for communal areas
- Better maintenance
- More grass-cutting
- Making paths and pavements safer
- Keeping up gardening services.

Antisocial behaviour (ASB)

57% were satisfied with the response to ASB reported. 43% were not. Many have never had to report an issue, some had severe problems.

We will bring local services together to be much better at tackling antisocial behaviour and improving safety and security, doing more about tenants suffering theft, vandalism, noise, drug-related problems and unfriendly neighbours. Our priorities include:

- Protecting residents and catching culprits with CCTV and alarm systems
- Sensitive support for the victims of ASB
- Tackling drug dealers and gangs
- Supporting young people
- Working closely with the Police.

Listening to you

Only 58% of residents were positive about how Northwards listens to their views.

We'll form a direct link between our tenants and the Council as landlord – the owners of Manchester's council homes. Northwards, who just manage our homes, can't offer this. We will work with and strengthen tenant groups. The housing organisation

Shelter will also work with us on widening representation, especially for under-represented residents.

Value for money

64% of tenants say the service is good or very good value for the rent they pay. But 36% are not satisfied.

We will work on tenants' priorities to meet future housing needs, making homes more accessible, affordable and suitable for local needs. We'll continue offering value for money and will:

- Improve the standard of homes
- Build new and affordable homes
- Improved disabled access
- Develop eco-housing and energy efficiency
- Tackle serious overcrowding and downsizing
- Keep rents and charges fair.

Priorities

The survey asked tenants for their priorities for the housing service.

We'll make your priorities, expressed in the survey, into our priorities for the future, including:

- Repairs
- Antisocial behaviour
- Improving neighbourhoods
- 'Decent' standards of home improvement
- Service delivery.

Overall service Standards

63.3% in the survey said the housing services overall is 'good' or 'very good'. 37.7% said 'poor' or 'very poor'. Even those saying 'good' or 'very good' saw room for improvement and inconsistencies in the service. Most negative comments were about the quality of repairs and materials, slow and unfinished work, and slow responses to repair needs.

We'll make sure your housing service is the highest standard, tested against similar landlords to bring you top performance from staff that residents have told us do a great job.

UK Engage
Image House
10 Acorn Business Park
Heaton Lane
Stockport
SK4 1AS

Tel: 0345 209 3770
Email: mcc-chm@uk-engage.org

3 December 2020

Have your say. Proposal to change how Northwards homes are run in future.

The Council is looking at changing how its council housing – currently managed by Northwards – can be run in future.

Without changes, we cannot meet the cost of running the service from your Housing Revenue Account – where rents and service charges go to pay for services and investments.

Independent review

This summer we organised an independent review of Northwards Housing based around two options:

1. Keeping the existing way of running things – Northwards, a separate 'arms-length' company (ALMO);
or
2. Making the management of Northwards homes part of the Council, instead of a separate arms-length company.

Reviewing both options, we've considered:

- Which gives better service and performance and more tenant involvement.
- Efficiency: the best services and housing with value for money – which option gets the best return for your rent.
- Linking long-term plans: making sure tenants benefit from council-wide priorities like managing neighbourhoods well.

Review findings

The review found benefits to both options but said managing homes as a Council service saves money that can be put back into services and home improvements and gives residents the best links to neighbourhood services.

Next steps

We want you to tell us what you think of our proposal before we make a final decision. We'll include all views in a final report to the Council who will consider them before deciding.

The Council sees this as a great opportunity to improve how homes are managed and improve the service, joining up with other local services, cutting duplication, and improving efficiency.

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Test of opinion

We've sent you some background information on why the ALMO was set up, what it's achieved and the housing challenges we now face.

I hope you'll have your say in this 'test of opinion' – details of how are overleaf and in the leaflet enclosed, or you can do it online at <http://ballot.ukevote.uk/mcc-chm>

The test of opinion is being run by an independent body, called UK Engage, not by the Council or Northwards. You'll get your voting form and pre-paid return envelope from them. No Council or Northwards staff will play any role in this process. There will be one vote for each tenancy.

We have employed Campbell Tickell to act as an independent tenant advisor. They will be on hand to support tenants and leaseholders, providing independent information and advice on the implications of these proposals and to answer any questions.

Suzanne Richards

Councillor Suzanne Richards

Executive member for Housing and Regeneration

TEST OF OPINION

You can have your say online or by post

ONLINE

To vote via the internet visit the voting website:

<http://ballot.ukevote.uk/mcc-chm>

and follow the instructions from there.

You will be asked to enter your unique voting code, which is:

Make sure you vote by 5pm on
MONDAY, 4 JANUARY 2021.



BY POST

Tear off the ballot paper opposite and follow the instructions on how to complete the form.

Put your completed paper **ONLY** into the white pre-paid return envelope and seal it.

Make sure you post it so it arrives by 5pm on **MONDAY, 4 JANUARY 2021.**



TEST OF OPINION

Have your say

Thank you for taking the time to be part of this test of opinion. How to give us your views:

Test of opinion events

The Council will host a series of online briefing and Question and Answer sessions. Dates and times are listed below. To register for one of the sessions please contact: housing.central.admin@manchester.gov.uk

- 1pm Monday, 7th December 2020
- 4pm Monday 14th, December 2020
- 5pm Wednesday, 9th December 2020

Test of opinion questions

Please mark your answer to each question below with a cross 'X'

- | | |
|--|---|
| <p>Q1 Is the information we have provided useful?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> | <p>Q5 Do you understand that the change does not affect your tenancy, rent or conditions?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> |
| <p>Q2 Was the information easy to read and understand?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> | <p>Q6 Do you support the proposal to bring the management of your council home into direct management by the council?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> |
| <p>Q3 Have you received enough information about the proposal?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> | <p>Q7 Are you interested in taking a more active role in the management of housing services?</p> <p>Yes <input type="checkbox"/></p> <p>Send me more information about ways to get involved <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> |
| <p>Q4 Do you understand how the proposal would save money to support the Housing Revenue Account?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> | |

NAME:

ADDRESS:

When you have made your choices fold this ballot paper & put it in the white pre-paid envelope provided.

It must arrive by 5pm on
MONDAY, 4 JANUARY 2021.

Elaine Griffiths
 Project Manager
 Housing and Residential Growth
 Growth and Development Directorate
 Manchester City Council
 8th Floor, Town Hall Extension
 Albert Square, Manchester
 M60 2LA



5 January 2021

Dear Elaine

Test of opinion poll

As Independent Scrutineer of the Test of opinion poll for Manchester City Council for which voting closed at 5pm on Monday, 4 January 2021, I give notice that the result is as follows:

Leaseholders

Test of opinion questions	Yes	No	Not Answered
Q1 Is the information we have provided useful?	49	5	0
Q2 Was the information easy to read and understand?	53	1	0
Q3 Have you received enough information about the proposal?	44	10	0
Q4 Do you understand how the proposal would save money to support the Housing Revenue Account?	47	7	0
Q5 Do you understand that the change does not affect your tenancy, rent or conditions?	53	1	0
Q6 Do you support the proposal to bring the management of your council home into direct management by the council?	50	4	0
Q7 Are you interested in taking a more active role in the management of housing services?	32	22	0

Electorate	455
Turnout	11.87%
Total number of papers received	54
Number of rejected papers	0
Number of valid papers	54

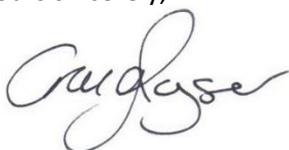
Tenants

Test of opinion questions	Yes	No	Not Answered
Q1 Is the information we have provided useful?	1,512	60	0
Q2 Was the information easy to read and understand?	1,511	59	2
Q3 Have you received enough information about the proposal?	1,365	202	5
Q4 Do you understand how the proposal would save money to support the Housing Revenue Account?	1,347	217	8
Q5 Do you understand that the change does not affect your tenancy, rent or conditions?	1,515	57	0
Q6 Do you support the proposal to bring the management of your council home into direct management by the council?	1,474	89	9
Q7 Are you interested in taking a more active role in the management of housing services?	931	617	24

Electorate	12,526
Turnout	12.57%
Total number of papers received	1,574
Number of rejected papers	2
Number of valid papers	1,572

Also attached are the contact details of the Leaseholders and Tenants that have requested more information about ways to get involved in response to Q7 of the poll.

Yours sincerely,



Craig Poyser
Independent Scrutineer

Manchester City Council Report for Information

Report to: Economy Scrutiny Committee – 14 January 2021
Executive – 20 January 2021

Subject: Affordable Housing Delivery Update

Report of: Strategic Director - Growth and Development

Summary

This report provides an update on how the Council and its partners will deliver a minimum of 6,400 affordable homes from April 2015 to March 2025.

Recommendations

The Economy Scrutiny Committee is invited to comment on the report.

The Executive is recommended to note the progress made towards the affordable housing delivery target.

Wards Affected: All

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

The Council is working with each of its housing management contractors to identify what work is required to ensure that the homes meet the city's zero-carbon target by 2038. Initial estimates are that works will cost around £400m to fulfil this ambition.

Our Manchester Strategy	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	This refreshed approach to affordability will ensure Manchester has the right mix of housing that is affordable across a range of tenure and income levels to support a functioning Manchester and sub-regional economy.
A highly skilled city: world class and homegrown talent sustaining the city's economic success	The new and existing homes will be well connected to employment opportunities and schools
A progressive and equitable city: making a positive	Nobody should be held back in their ambition, simply because of their housing tenure. Social housing is the

contribution by unlocking the potential of our communities	housing of choice for many and we will ensure it is well maintained and well managed
A liveable and low carbon city: a destination of choice to live, visit, work	The right mix of quality energy efficient housing is needed to support growth and ensure that our growing population can live and work in the city and enjoy a good quality of life. Project 500 will deliver development of scale to support low carbon initiatives and solutions that may not be available through piecemeal development.
A connected city: world class infrastructure and connectivity to drive growth	This approach recognises the importance of a balanced housing offer plays within a well-connected city and the neighbourhoods within it. It seeks to create neighbourhoods where residents will choose to live and their housing needs and aspirations are met.

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 direct revenue consequences arising from this report, but as and when any new schemes are brought forward the detailed revenue consequences will need to be considered to ensure that the scheme is affordable and that the implications on the Housing Revenue Account and General Fund are considered as part of the decision-making process.

Financial Consequences – Capital

The current approved Housing Revenue Account budget does already allow for the costs and implications of the following new build programmes:-

- Silk Street, Newton Heath
- Collyhurst Phase One
- Brunswick Extra Care

Any additional capital proposals affecting either the General Fund or the Housing Revenue Account capital programme over and above the existing approved budget will need to be considered on a case-by-case basis as part of the business case process for any new schemes.

The majority of development is on brownfield, second/third generation development land and consequently investment may be required to remediate sites. Primarily this is to be sourced through external funding from Homes England or Registered Provider partners.

Contact Officers:

Name: Louise Wyman
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Name: Carol Culley
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Name: Fiona Ledden
Position: City Solicitor
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E-mail: fiona.ledden@manchester.gov.uk

Name: Kevin Lowry
Position: Director of Housing and Residential Growth
Telephone: 0161 234 4811
E-mail: kevin.lowry@manchester.gov.uk

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 this 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 officers above.

- Core Strategy, Executive, 27th June 2012
- Draft Residential Growth Strategy, Executive, 4th November 2015
- Housing Affordability in Manchester, Executive, 1st June 2016
- Housing Affordability in Manchester, Executive, 14th December 2016
- Housing Affordability Plan, Executive, 18th October 2017
- Housing Affordability Plan New Products, Executive, 7th March 2018
- Executive Member priorities, Executive, 30th May 2018
- Delivering Manchester's Affordable Housing Strategy - Proposed new affordable housing policies for the Council, Executive, 12th December 2018
- Delivering Manchester's Affordable Homes, Executive, 5th September 2019

1.0 Introduction

1.1 This report provides an update on the delivery of new affordable housing across the city including progress towards the Residential Growth Strategy target and the programme of work currently underway to help increase the quantum of delivery over the next 5 years.

2.0 The Residential Growth and the Affordable Housing Context

The Manchester Economic Context

2.1 Manchester is entering the second phase of its post-industrial economic restructuring with growth expanding beyond the City Centre and the emergence of a new and diversified employment market in several important sectors across the City. There is currently c.390,000 jobs in Manchester, forecast to grow by c.63,000 by 2038, mainly in financial & professional services (20,000 new jobs) and the health sector (11,300 new jobs). As the employment market widens and deepens, the confidence for business and others to invest in the city has continued to increase. The City Centre office market, in particular, has benefitted from an additional c.435,000m² of new Grade A space over the last two years (Deloitte Crane Survey) and a further c.460,000m² is under construction or planned. Despite the coronavirus pandemic the economic future for the city is extremely positive.

Job Growth creating Housing Demand

2.2 The growing economy and increasingly diverse opportunities for employment are attracting significant numbers of people who want to live in Manchester. According to the last Census (2011), Manchester was the fastest growing City and the third fastest growing Local Authority area between 2001 and 2011. The latest forecasts suggest that the population of Manchester will exceed c.650,000 by 2026 with over 100,000 of those living in the city centre - by far the fastest rate of growth of any part of Greater Manchester.

2.3 In addition to the growth of young graduates now being attracted to live in Manchester the increase in the city's population is also being driven by significant numbers of international migrants - attracted by proximity to jobs and established language, nationality and faith networks - which have acted to create exceptionally high demand for new homes in the core of the conurbation and surrounding neighbourhoods. In the past some reception neighbourhoods have had a high turnover of residents but trends now suggest that families are beginning to stay and lay down roots. Over the last decade new reception areas for international migrants have become established in north and east Manchester.

2.4 Forecasts suggest that by 2025, almost half (49%) of the people employed in Manchester will be educated to degree level or above. This trend has developed as a result of improved educational outcomes in Manchester schools over the last decade and also in parallel with high levels of net migration into the city which, when combined

with record rates of graduate retention, along with an accessible housing market, has acted to fuel a level of population growth unprecedented in the city since the Industrial Revolution.

3.0 Residential Growth Strategy & Affordable Homes Target

3.1 As part of the Residential Growth Strategy, the city is committed to delivering a minimum of 6,400 new affordable homes between April 2015 and March 2025. Over the first 5 years of the strategy period, a total of 1,519 new affordable homes have been delivered – representing c.25% of the 6,400 by 2025 minimum target.

Progress so far this year (2020-21)

3.2 Between April-November 2020 a total of 216 new affordable homes were completed and a further 223 are expected to complete by the end of March 2021. Of these c.440 homes – there are 162 shared ownership homes, 140 homes for social rent, 94 for affordable rent and 43 rent to buy homes. Covered in more detail towards the end of this paper, notable schemes include the former Stagecoach Bus Depot (72 extra care social rented & 30 shared ownership), the former MEA School Fields (80 shared ownership & 38 rent to buy / discounted market rent) and Brunswick PFI (60 social rent).

3.3 The full list of schemes completing or expected to complete this financial year is included in Appendix 1. In addition, there are over 680 new affordable homes currently under construction – including several large-scale developments which have started on site this year:

- One Manchester has started on site at the Grey Mare Lane Estate (Blackrock Street & Windemere Close). The redevelopment is set to deliver c.290 new homes (incl. 124 of re-provision) and the retrofit of 169 homes
- One Manchester has also started work at Gorton Lane. Once complete, the scheme will deliver 115 new homes (102 for rent to buy & 13 for shared ownership)

3.4 Alongside this, planning permission has been granted for 14 schemes delivering over 640 affordable homes in 2020 – the largest of which is Your Housing Group's development at the former Edge Lane Business Centre delivering 72 homes for shared ownership and a further 72 at affordable rent. Appendix 2 sets out the current estimates of affordable delivery to 2025 including the number of homes to be delivered across each affordable tenure.

4.0 Increasing the Future Supply of Affordable Housing

4.1 Looking forward, the majority of new homes have been and are expected to be delivered through Homes England's Affordable Home Programme (AHP). Officers are currently working with Registered Provider partners to develop bids for the latest round

of AHP investment, which is likely to include shared ownership, social rent, affordable rent, specialist, and supported housing.

Project 500

4.2 The Council is working with 8 Registered Housing Providers to deliver nearly 400 low carbon, affordable new homes on 39 small sites (under 25 homes), over 2 phases across the next 5 five years, with a third phase to follow which will deliver over 200 new homes.

The sites have been allocated to the participating RPs and the phases are as follows:

- Phase 1 – 11 sites; approx. 112 homes (sites already underway or that appear may be suitable for fast tracking)
- Phase 2 – 28 sites; approx. 284 homes (sites will form part of the Continuous Market Engagement with Homes England under their Affordable Homes funding programme 2021 – 2026)
- Phase 3 – 27 sites; approx. 229 homes (sites with potential complications – further Due Diligence required)

Local members have been updated with the outline proposals for sites in their wards. The Council has provided redline maps and title information to the RPs to assist them in preparing the initial capacity studies for Phases 1 and 2. A series of workshops have been held with the RPs and colleagues in Planning, Neighbourhoods and Highways to comment on the initial proposals before they are progressed for internal approval.

In tandem with this the RPs are in the process of jointly commissioning topographical surveys to gather spatial information relating to the site (ground modelling and visualisations) and complete a feasibility exercise; and both legal teams are negotiating the Heads of Terms to standardise the lease disposal arrangements and a Memorandum of Understanding.

This City

4.3 Work continues to develop the detail of the delivery of the first phase of housing development through the This City - the Housing Delivery Vehicle (HDV). There has been a period of intensive work with consultants, who were commissioned to support the financial modelling workstream of this project. This work has identified a range of challenges to the financial viability of some aspects of the delivery proposition.

Following further work to explore a range of scenarios, including bringing fewer sites forward, variants in accessible and market tenures and levels of sustainability costs, work is now focusing on bringing forward the two city centre sites.

The rationale for this is that these two sites can deliver the highest numbers within the original parameters of the HDV, with no grant funding being required to bring forward these two schemes. This would mean that the delivery of these developments would be fully funded through PWLB via a simple company structure which would have the flexibility to be adapted in the future for different funding or delivery opportunities.

In order to get some traction and progress the schemes as quickly as possible, the following actions are moving forward:

Site 1

- Discussions are taking place to finalise the scope of works to support with the design process.
- We have clearly indicated that the focus is to accelerate this work and progress the scheme to the planning committee.
- Weekly meetings have been established to discuss programme of delivery in the area to ensure there is synergy on this and actions are being progressed in line with current timelines. This group includes Planning, Development, Highways, Neighbourhoods and Housing along with the developer.
- Work is to commence on a lettings strategy for the scheme, to ensure a consistency of approach.
- A briefing meeting is to be scheduled with Ward Members in early January to outline to proposal in more detail.

Site 2

Work is underway to commission a design team to progress the options and opportunities.

Housing, Capital Programmes, City Centre Regeneration and Planning are working collaboratively to ensure that a team with the right skills and expertise, especially in heritage design, are brought together as soon as possible to start to progress indicative scheme proposals.

Alongside this Site Investigations are also to be commissioned.

- Capital Programmes and Procurement are supporting the This City Project Team to put the appointments in place. It has been made clear that any parties appointed will need to have contracts that are structured in a way that they can be novated to the HDV, once established, and that they have the appropriate warranties to facilitate this.
- An indicative timeline is to be developed to outline key milestones for progression of the scheme.

- A briefing meeting is to be scheduled with Ward Members in early January to outline to proposal in more detail Other
- The first phase financial modelling commission has concluded. A draft final report is in the process of being reviewed and the financial model is to be handed over in its entirety shortly. This will allow further modelling to be done by the Council, and for stress-testing to take place.
- Consultants will undertake their second part of the tax commission financial modelling as soon as the model is handed over to the Council.

Work has commenced on the development of the HDV Business Case for the first two sites, as well as outlining potential approaches for future developments. Consultants will act in capacity of critical friend on the business plan and share any insights from their review of Croydon's Brick by Brick through their assessment of the This City Business Case.

It has been previously acknowledged that the delivery of phase 1 schemes is bespoke and that moving forward, the Council is unlikely to be investing the same level of financial support for future development phases. This means that it is more than likely to be some form of JV arrangement in future. This will be outlined in further detail in the future phases section of the Business Case.

Work is to commence on review of the further potential sites identified for the HDV to look at delivery opportunities and routes, given that it will be variation of approaches deployed moving forward.

Northern Gateway

4.4 The City Council's joint venture with Far East Consortium (FEC) is set to deliver c.15,000 new homes over the next 20 years across the Northern Gateway – c.20% of which are set to be affordable. This equates to 28% of the entire City of Manchester target as set by the draft Greater Manchester Spatial Framework (GMSF) – all within an area no more than 1.5 miles from the city centre. As announced in the March 2020 Budget, the scheme will benefit from the successful £51.6m Housing Infrastructure Fund (HIF) bid, which will help unlock key opportunities within the Red Bank and New Town neighbourhoods. Plans are also now progressing for some of the affordable housing components of the scheme including:

- The first phase of development in the Collyhurst Village neighbourhood which will deliver 130 social rented homes - part of the city's Brownfield Land fund bid
- Victoria Riverside – A large scale multi-tenure apartment scheme in New Town which is set to deliver over 600 apartments including 32 available for shared ownership

Miles Platting & Newton Heath

4.5 In the region of 3,000 new homes around a third of which (c.1,000 homes) will be affordable are planned in Miles Platting & Newton Heath over the next ten years. In addition to the large-scale delivery associated with the ongoing PFI (c.700 new homes in the period 2015-25 including c.180 currently under construction or with planning permission), a series of major developments (the largest of which were included in MCC's recent Brownfield Land Fund Bid) are planned:

- The development of the former Manox Dye Works will deliver 410 new homes of which 114 will be affordable (a mix of Shared Ownership, Affordable Rent & Rent to Buy managed by One Manchester). As well as the full-scale remediation of a highly contaminated site, the proposed development is zero carbon and was granted planning permission subject to a £300k s.106 for the re-provision of green space.
- Looking further ahead Your Housing Group is working up plans to build 1,100 homes including c.550 affordable at the former Jackson's Brickworks site in Newton Heath. The proposal at the 47-acre site just east of Ten Acres Lane includes a secondary school and community sports facilities. The developer is currently seeking public feedback on its early-stage proposals. A further consultation will be undertaken with more detailed design of the redevelopment proposals in early spring 2021.
- The redevelopment of Newton Heath District Centre with over 300 new affordable homes (including a minimum of 200 homes available for social rent) across 4 sites delivered by a combination of the City Council, One Manchester and Guinness NC. The Silk Street development (69 homes) within the District Centre forms part of the city's Brownfield Land Fund bid.

Due to the amount of development proposed for this ward a master-planning project has been set up, initially with officers from Neighbourhoods and Strategic Housing along with local members.

Moss Side & Hulme

4.6 Working with Neighbourhoods teams, the City Council is undertaking a programme of work looking at the area around Moss Side and Hulme from a community perspective. A number of possible sites are under consideration for residential development including The Reno Site (Barnhill Street) which has the potential to deliver up to 200 new homes (including some larger family housing) as part of a multi-tenure scheme which recognises the heritage and community value of the site.

Extra Care

4.7 In addition to increasing the numbers of general needs homes in the pipeline, there are a number of projects delivering new Extra Care housing across Manchester

including c.170 units that have recently completed or are set to complete over the next few months:

- Part of Mosscares St Vincent's redevelopment of the Former Stagecoach Bus Depot on Princess Road, the 72 extra care homes available for social rent at Elmswood Park completed in September 2020 with only 10 apartments left to fill
- Allocations are underway for 60 Extra Care homes at the Brunswick PFI which is now set for completion in January 2021 and includes a part re-provision of Elizabeth Yarwood Court – a nearby sheltered scheme due for demolition
- Despite delays linked to the contractor going into administration and the onset of the Covid-19 pandemic, the Oaklands specialist dementia (36 apartments) scheme in Fallowfield is set for completion in April 2021. Despite this increase in provision and a further 160 homes set to complete in 2021-22 at Dahlia House and Gorton Mill House, the evidence suggests the city remains undersupplied. Opportunities including the residential element of the North Manchester General Hospital regeneration, the LGBT affirmative scheme at Russell Road and the identification of other potential sites including Millwright Street are key to addressing this need and meeting demand from a growing older population across the city.

5.0 Conclusion

5.1 Increasing the delivery of housing – and affordable housing in particular – will be a key part of city's recovery following the Covid-19 pandemic. The demand for housing from the most vulnerable in the city has not diminished following the crisis and if anything, the requirements of residents most in need has become even more acute with the numbers of people on the Housing Waiting List and in temporary accommodation continuing to grow. In response, MCC is looking to significantly upscale the delivery of new affordable homes and to this end, the existing delivery platforms we have established with RPs – including use of our land assets – and working in conjunction with Homes England investment programmes remains key. Added to this, the Housing Delivery Vehicle will soon begin to deliver new affordable homes, bolstering the pipeline and helping the city meet and exceed the 6,400-minimum target by 2025.

6.0 Key Polices and Considerations

(a) Equal opportunities

6.1 This approach to affordability will enable the provision of a diverse range of housing to meet the needs of the growing and changing population. Local communities will be engaged through appropriate consultation, giving all stakeholders opportunities to engage in the development of Manchester's policy.

(b) Risk Management

6.2 Assessment, mitigation and management of risk will be overseen through the city council's governance arrangements associated with residential growth

(c) Legal Considerations

6.3 The legal team will continue to support the teams to ensure any arrangements are suitably documented and comply with any and all relevant legislation and applicable procedures to facilitate the delivery of the objectives and recommendations as set out in the body of this report.

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Appendix 1 - Affordable Pipeline 2020-21

Affordable Completions - 2020-21

Site	Ward	Registered Provider	Status	Product				Total
				Social Rent	Affordable Rent	Shared Ownership	Other*	
MEA School Fields	Woodhouse Park	WCHG	Under Construction			80	38	118
Former Stagecoach Bus Depot	Whalley Range	Mosscares St Vincents	Complete	72		30		102
Brunswick PFI	Ardwick	S4B	Under Construction	60				60
Dermot Murphy Close	Old Moat	Southway	Complete		33	21		54
Monsall Road / Emmett Street	Harpurhey	Adactus	Complete		18			18
Woodhouse Lane	Sharston	WCHG	Complete		18			18
Amberley Drive	Baguley	Your Housing Group	Under Construction			16		16
69 Palatine Road	Didsbury West	DePaul Housing	Under Construction		11			11
Dalbeattie Street	Harpurhey	Mosscares St Vincents	Complete		10			10
Broadoak Road	Sharston	WCHG	Under Construction	7				7
Atlas Place (Chapel St / Elbow St)	Levenshulme	One Manchester	Under Construction			3	3	6
West Gorton Masterplan	Ardwick	Haylo Housing	Complete			5		5
Carruthers Street / Piercy Street	Ancoats & Beswick	Great Places	Complete			4		4
Howgill Street / Arbroath Street	Clayton & Openshaw	Mosscares St Vincents	Under Construction			2	2	4
Western Street	Gorton & Abbey Hey	One Manchester	Complete		2			2
Burford Road	Whalley Range	One Manchester	Complete		1			1
15 Constable Street	Gorton & Abbey Hey	One Manchester	Complete		1			1
Chigwell Close	Northenden	WCHG	Complete	1				1
Shillingford Road	Gorton & Abbey Hey	One Manchester	Under Construction			1		1
				140	94	162	43	439

* Includes all Rent to Buy / Discounted Market Rent schemes

Appendix 2 - Affordable Pipeline Summary (2015-2025)

	Social Rent	Affordable Rent	Shared Ownership	Other*	Total
- Affordable Completions - 2015-16	34	87	34	0	155
- Affordable Completions - 2016-17	14	156	84	0	254
- Affordable Completions - 2017-18	20	180	97	0	297
- Affordable Completions - 2018-19	56	136	141	5	338
- Affordable Completions - 2019-20	27	88	131	191	437
- Affordable Completions - Apr-Nov 2020-21	73	83	60	0	216
Total Completions - 2015-16 - Nov 2020-21	224	730	547	196	1,697
- Under Construction - Expected Completion Dec-Mar 2020-21	67	11	102	43	223
- Under Construction - Expected Completion 2021-22	263	58	56	0	377
- Under Construction - Expected Completion 2022-23	17	48	60	142	267
Total Under Construction - Dec 2020-21 - 2022-23	347	117	218	185	867
Total Registered Provider Pipeline - 2020-21 - 2024-25**	869	853	605	69	2,396
Remaining Pipeline***	528	1,111	1,162	0	2,801
Total	1,968	2,811	2,532	450	7,761

* Includes all Rent to Buy & Discounted Market Rent schemes

** Includes all schemes where a planning application has been submitted / a site has been identified

*** Includes all Local Development Vehicle sites

**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 14 January 2021

Subject: Update on COVID-19 Activity

Report of: Strategic Director (Growth and Development)

Summary

This report provides Committee Members with a further update summary of the current situation in the city in relation to COVID-19 and an update on the work progressing in Manchester in relation to areas within the remit of this Committee. Further detail on specific issues will be available as required.

Recommendations

The Committee is requested to note the update.

Wards Affected: All

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

Manchester Strategy Outcomes	Summary of how this report aligns to the OMS
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	

Contact Officers:**Name:** Pat Bartoli**Position:** Director of City Centre Growth and Infrastructure**Telephone:** 0161 234 3329**Email:** p.bartoli@manchester.gov.uk**Name:** Angela Harrington**Position:** Director of Inclusive Economy**Telephone:** 0161 234 3171**Email:** a.harrington@manchester.gov.uk**Background documents (available for public inspection):**

None

Economic Recovery Workstream- Sitrep Summary

Economic Recovery Workstream- Sitrep Summary

As at 07/01/21 For Economic Scrutiny on 14/01/21 Updated fortnightly. Latest updates shown in yellow.

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
General Overview	<p>New national lockdown announced 04/01/21</p> <p>£4.6 bn new lockdown grants announced- 05/01/21</p> <ul style="list-style-type: none"> • Chancellor announces one-off top up grants for retail, hospitality and leisure businesses worth up to £9,000 per property to help businesses through to the Spring • £594 million discretionary fund also made available to support other impacted businesses • comes in addition to £1.1 billion further discretionary grant funding for Local Authorities, Local Restriction Support Grants worth up to £3,000 a month and extension of furlough scheme (gov.uk) <p>Concerns raised by various groups (CBI, BCC, Federation of Small Businesses) that additional support could be too late and new comprehensive response required. Particular concerns raised by BCC that</p>	<p>Powering Recovery: Manchester’s Recovery and Investment Plan’ launched in Nov. Four investment priorities around: innovation; city centre and urban realm; residential retrofit programme; and North Manchester regeneration. Seeking govt funding for over 50 projects of £798.8 m. The plan can be accessed here.</p> <ul style="list-style-type: none"> • Spending Review Follow up: Work being undertaken jointly by City Centre Growth & Infrastructure and City Policy to gather intelligence and “map” potential sources of investment from the Spending Review to the projects within the Recovery & Investment Plan. This can inform the lobbying work with Government Departments. For the majority of funds announced, details are not yet available. The 3 immediate/known opportunities are: <ul style="list-style-type: none"> ➤ Brownfield Land Fund (see Development section below) ➤ Transforming Cities Fund (launched 2017) for shovel ready transport schemes - to be followed by 5 year funding settlements for local transport in 8 city regions (including GM) from 2022/23,

this top up grant will not help smaller businesses with cashflow problems.

UK economic outlook- GDP was expected to grow by 5.5% (Office for Budget Responsibility forecasts in Nov). Economy not expected to return to its pre-pandemic peak until late 2022. Growth in 2021 could be lower than Nov projections.

Resolution Foundation now expects GDP could be as much as 6% smaller by Easter than forecast, cutting the 2021 growth rate to 4.3%.

Brexit- disruption is still expected as companies adapt to new EU arrangements. The OBR estimates a long-term loss of output of about 4% compared with remaining in the EU.

Unemployment- OBR estimates unemployment will peak at 7.5% in middle of 2021 once furlough closes at end April.

House prices- expected to fall sharply this year driven by rising unemployment and end of stamp duty holiday. Resolution Foundation/The Guardian 01/01/

with a further £50m revenue funding for CA's to prepare for the settlements.

- 2nd round of the Green Recovery Fund expected to be launched early this year.
- **United City** business-led campaign launched 22/11 and supported by MCC.
- **Business Sounding Board** and **Real Estate subgroup** continue to meet regularly to share intel across sectors and to help support MCC lobbying.
- Weekly MCC **newsletter** issued to over 9,000 businesses with updates.

FT survey of economists 03/01

Economists expect the UK recovery in 2021 to be slower than in peer countries, because of a lower starting point, a larger services sector, low business investment and the impact of Brexit. A survey of nearly 100 economists showed that most of them expect the size of the economy **not to return to pre-pandemic levels until the third quarter of 2022**, despite the expectation of a strong consumer-led rebound from the rollout of the coronavirus vaccine. Increased unemployment, bankruptcies and the impact of Brexit are expected to limit the pace of the recovery. Many economists say the government should not raise taxes at least until the economy has fully recovered, and others note that, given low interest rates, the pressure to reduce the burden of public debt is low.

Footfall trends- City Centre
(Springboard/Cityco 06/01/21)

Week – Sun 27th Dec to Sat 2nd Jan		
	Year %	Week %
Total	-55%	-30%
St Ann's Sq	-61%	-32%

Exchange Sq	-51%	-34%
King Street	-59%	-27%
Market Street	-54%	-26%
New Cathedral St	-50%	-34%

November footfall v last year down 82%
(UK down 70%).

Manchester wide figures (excluding city centre)-

Week 53/ week commencing 28/12- 03/01

-12.5% week on week (UK -35.5%)

Footfall for the year to date is 23.9% down on the previous year.

District Centres Week on Week/ Year on Year

Cheetham Hill -24.2% -27.9%

Chorlton -12.9% -41.3%

Fallowfield 21.7% -47.6%

Gorton -9.5% -30.8%

Harphurhey -20.8% -21.2%

Levenshulme -6.7% -38.0%

Northenden -12.0% -43.2%

Rusholme -7% -44.0%

Victoria Avenue -16.2% -27.0%

Culture

Cultural organisations had been planning for some level of post-Christmas restrictions. Whilst they remain ready to reopen in a Covid-secure way at the earliest opportunity, much of the planning for programmes and activities has been carried out with digital/online options in mind and the organisations will therefore adapt as they need to. E.g. The Halle and Camerata are continuing to make recordings for broadcast (e.g.: BBC Radio 3's Manchester Week 16-22 Jan. - Ten live and pre-recorded performances -

<https://www.bbc.com/mediacentre/2020/bbc-radio-3->

Withington 10.7% -38.6%

Culture

Impact of Tier 4/National Lockdown: All cultural venues have now been closed since 5 November and activity is very restricted – with only rehearsal and filming (for broadcast) permitted. It is unlikely organisations will be able to reopen much before April.

Cultural Freelancers - impact of the pandemic on those more vulnerable in the supply chain includes artists and cultural producers

[manchester-week](#). The continued furlough scheme will assist with running costs.

Manchester Art Gallery Shop opened in the two weeks prior to Christmas. It received 224 visitors in the week beginning 7 December and 266 visitors in the week beginning 14 December.

GM Artists Hub (GMAH)- designed by a range of cultural orgs in GM (to provide support for independent artists & to inform future dev of artist development programmes. Offer includes 1-2-1 sessions, Group advisory sessions, hardship bursary and grant support for 8 x early careers artists. Currently running a call for 3 x £5,000 commissions for new work - EOI deadline 10/1. Activities since April include - 559 individual artists and creative freelancers benefitted from support, 51 applications for the hardship fund and 10 awards of £500 each. Plans for continued GMAH initiative into 2021.

Culture Recovery Fund 2 – Subject to any changes as a result of the national lockdown, the criteria allows for previous and new applicants. There is a reduced minimum amount (£25k from £50k) - which may enable additional and smaller companies to apply - and an upper limit of £3million (across all programme rounds). Requests can be for no more than 25% of annual turnover. The Culture Team is disseminating

Culture Recovery Fund - CRF 2

announced by DCMS on 11/12 allocation of the remainder of the £1.57 billion funding (comprising Arts Council England - £250m; Historic England and the National Lottery Heritage Fund - £36m; BFI - £14 million). In addition, Arts Council England has received £100 million in the form of repayable finance.

On 18/12 Arts Council England announced that applications for its grants would open from 6 January - 26 January 2021 to support cultural organisations as they transition back to a viable and sustainable operating model during April-June 2021

Extension of Film and TV Production Restart

Scheme – Government announced on 20/12 that the scheme which guarantees support to film & TV productions if they incur losses due to delays caused by Covid-19, would be extended to include cast and crew over the age of 70. In addition, the deadline for productions to register for the scheme has been extended

information to cultural organisations and is planning a webinar.

until April 2021, giving more film and high-end TV projects the security to start shooting in the spring.

Aviation

Brexit- teething problems reported with some flyers being refused access to Spain for not having the right documentation. As with Covid situation, there is the risk that UK travelers are locked out from the EU for pandemic reasons now as a third country. 05/01/21

Key issues: faster testing, travel corridors, greater transparency.

New testing facility at Man Airport went live on 3/12. Full range of tests will be available to all passengers in a new, purpose-built facility just outside of the main terminal building. First to give passengers the chance to book discounted pre-flight testing appointments on the high street at selected Boots UK stores.

'Test to Release' scheme launched 15/12. People arriving into the UK can halve their quarantine time in receipt of a negative test result.

	<p>Higher Education Institutions</p> <p>Only students undertaking training and study for limited courses should return to face to face learning ie medicine, education, social work. Others to remain where they are and start new term online until at least mid-Feb. 1/1/21</p> <p>City centre office market- Positive reaction to vaccine news. Second lockdown has helped occupiers with the view that the office is essential for many reasons. Rents are holding up and are robust. Not as much downsizing as expected. Some signs of larger businesses moving forward with relocations next year. (Sounding Board/OBI 09/12)</p>	
<p>Development</p>	<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 consultation underway on the building of public service infrastructure and the extension of permitted development rights - 10/12. To run in parallel to the recent White Paper on planning reforms- focussed on shorter term aspirations. The proposals would allow a greater number of use classes to be converted into residential, such as restaurants and indoor sports centres without planning permission. The Government aims to streamline the planning process for schools, hospitals and other infrastructure but creating a 10 week deadline

- 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.

for a decision and allowing buildings to be extended further without the need for permission.

- Construction at **Mayfield** has started. Publicity on the start of works on Mayfield Park being planned for December/January.
- MCC has now entered into contract with Homes England for £51.6m Housing Infrastructure Fund (Forward Fund) grant award for Northern Gateway and procurement processes are commencing to deliver civil engineering / core infrastructure works that will unlock development plots for c5,500 new homes in the Redbank neighbourhood. Infrastructure works must be delivered by March 2024 and housing delivery will commence from that point onwards.
- Closing date for 2nd round of Brownfield Fund on 8/12. 11 Manchester schemes were submitted, including Collyhurst Village, 3 Eastern Gateway schemes, Silk Street, former Manox site and Jackson's Brickworks. Decisions expected March 21, following appraisal by GMCA and presentation to Directors of Place, Chief Executives and Leaders.
- Community consultation on the first phase of the delivery of Collyhurst has been concluded in advance of planning applications for the delivery of approximately 270 homes (including up to 130 new Council properties) in Collyhurst Village and Collyhurst South and the first phase of a new park. Planning applications are anticipated in early 2021. The scheme could commence in Spring 2021 subject to the outcome of the Brownfield Land Fund

		<p>application referenced in the bullet point above which is for enabling works.</p> <ul style="list-style-type: none"> • Three new leases have been confirmed for City Tower, including Oodle Car Finance, Coalfire (a cyber risk management advisory firm), and Amey who will be relocating within the building. • Capital & Centric have launched a consultation (23/12) on a scheme for c.120 homes on Swan Square, as part of the New Cross Regeneration initiative. The scheme also proposes a shared and private roof terraces for residents, as well as ground floor workspaces. • A revised planning application has been made for the ground floor and basement units at the Hanover building at NOMA, to reflect a change in the retail market from traditional retail store to more experience-led offers (23/12).
<p>Affordable Housing</p>	<ul style="list-style-type: none"> • Risk to developer and investor confidence. • 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. • Developing guidance/share good practice for safe operation of sites • Expediting design & planning phases of projects. 	<ul style="list-style-type: none"> • Extra Care facilities in development: 4 schemes under construction 257 apartments 3 RP schemes 1 MCC (PFI scheme) • Regulator for Social Housing (RSH) called for Registered Providers (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.

- 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.
- 398 homes under construction and anticipated in the 2020/21 year. Re-mobilization of sites now underway.
 - 252 homes currently in the programme for 2021/22.
 - New projects emerging.
 - The scheme with Clarion has been finalised to deliver shared ownership homes for the full development
- Silk Street
 - Silk Street funding has been approved through the Capital Strategy Board. Contracts are being finalised with Rowlinson Construction before moving into the detailed design stage in January, and Homes England Affordable Housing Programme (AHP) grant application.
 - Progressing the establishment of a Local delivery vehicle. Looking to start on site with key projects and novate across.
 - Site assessments have now been completed by CBRE and this work is now with PwC who are producing a financial model to ensure project viability.
 - The financial modelling will influence the final legal structure to be used and how future phases are going to be delivered.
 - Project 500 progressing. Will deliver 500-600 homes.

The sites have been broken down into 3 phases and the RP's are in the process of attending workshops with MCC to discuss the plans before submitting bids to Homes England AHP. All members have been

contacted to outline development plans in their wards and follow up meetings are being planned where necessary.

- The GMCA proposed partnership has been delayed so this will have a knock-on effect to the Manchester Collaboration.

Once the GMCA approach is signed off the Manchester collaboration will be agreed and a series of outputs and outcomes will be set out in a shared vision

- Ongoing intelligence gathering with developers to understand status of projects and support needed.
 - MHPP Growth workstream capturing current position and plans.
- Prioritisation of land assembly and due diligence to allow acceleration of build programme.
- Working with Your Housing Group to bring forward a 200+ new build scheme in East Manchester with 60% planned for affordable housing
- Working with One Manchester to deliver the regeneration of the Grey Mare Lane Estate, which will lead to the reprovion of 124 existing homes, the retrofit of 169 homes and the delivery of 166 new homes. Masterplanning / community consultation currently underway and a masterplan will be taken to MCC Executive for endorsement in early 2021 in advance of the scheme commencing.
- Work progressing on a mixed tenure scheme on the former Manox site in East Manchester. This

		<p>will provide over 400 new homes on a very complex site, proposed delivery of a net zero carbon scheme with just under 30% of affordable housing.</p> <ul style="list-style-type: none"> Homes England recently announced a new Affordable Homes Programme Fund for 2021-2026. Officers are working with partners to maximise the funding for a Manchester Affordable Housing Programme that will include a substantial amount of specialist and supported housing. AHP submission is still proposed for December.
<p>Transport and Infrastructure</p>	<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>	<p>Travel demand continues to be low, with 1/3 fewer journeys than to be expected at this time of year taking place across GM. Highest impact is on rail and Metrolink travel.</p> <p>Bus reform consultation closes on 29/21</p> <p>Manchester (LA) Transport Usage Data (for w/e 3/1)</p> <p>Bus Patronage, decreased by 22.2% on the previous week and was -75% on pre Covid levels.</p> <p>Metrolink Network patronage, decreased by 22.9% on the previous week and was -84.3% on pre Covid levels.</p> <p>Highway - Private vehicle trips, were -21.9% on the previous week and -46.4% on pre Covid levels.</p>

Rail - Passenger numbers, increased by 7.9% on the previous week and were -78.6% on the same period last year.

Cycling - Cycle volumes, (265,747), decreased by 25% on the previous week and were -69% on the same period last year.

GM Wide Data

○ Metrolink 9/3/20	122,613
14/7/20	37,834
18/09/20	57,144
11/10/20	27,197
13/11/20	33,714
17/11/20	33,622
11/12/20	37,653
30/12/20	31,800

○ Bus 9/3/20	515,309
14/7/20	192,181
18/09/20	333,220
11/10/20	119,760
10/11/20	

274,267

		17/11/20	
273,394			
		11/12/20	
315,223			
		30/12/20	
177,038			
	Rail 9/3/20		104,795
	14/7/20		28,257
	18/09/20		
47,871			
	11/10/20		34,910
	13/11/20		28,381
	20/11/20	28,729	
	11/12/20		32,122
	30/12/20		31,533
	GM Highway 9/3/20		
5,082,000			
	14/7/20		
4,221,209			
	18/09/20		
4,838,128			
	11/10/20		
3,378,133			
	13/11/20		
4,230,726			

		<p>20/11/20</p> <p>4,255,985</p> <p>11/12/20</p> <p>4,630,511</p> <p>30/12/20</p> <p>3,599,744</p> <p>Face Coverings- Face covering compliance is around 90% on buses, 83% on Metrolink and 80% on trains. (as at 3/1)</p> <p>City Centre Transport Strategy closed on 4/11/20. Analysis indicates overwhelming support for the proposals within the draft strategy. Report expected to be presented to Executive in February or March.</p> <p>Active Travel Fund (ATF)GM awarded £15.9m. Work underway to develop city centre 'triangle' and Wythenshawe schemes for pedestrian and cycling routes.</p> <p>Network Rail - Rail enhancements budget has been cut by £1bn – down nearly 10% from the £10.4bn previously calculated by the Office of Rail and Road (ORR). 16/12/20</p>
	Analysis of businesses' plans for reopening, working with TfGM, CA, Chamber, Growth Company	TfGM linked into Day Time Economy recovery group work
	Identify and implement interventions that support social distancing and support	Re-purposing of city centre streets and open spaces. Initial ideas are now being developed further in

	business reopening and procure necessary equipment to facilitate this.	consultation with members. The proposals seek to draw on best practice from other cities in the UK and abroad.
	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.</p> <ul style="list-style-type: none"> • 151% rise in claimant count in Manchester during from April to September – 73,709 claimants in September • affects every LSOA in the City & all age ranges. The area with the highest number of claimants is Harpurhey with 3714. • The city centre (Piccadilly & Deansgate) has seen an increase of 480% - 230 claimants in April;1334 claimants in September. 	

- Particular impact on young people which has seen an increase of 136% - 12,261 claimants in September. Highest levels are in Moss Side with 639 claimants.

Furlough and newly unemployed

- The official unemployment rate (in the three months up to October) rose nationally and in the North West of England (to 4.9% and 4.7% respectively). In Manchester the rate of unemployment has remained at 6.1% however this data only covers the period up to June (data up to September released on the 26th January)

. - Claimant unemployment (unemployed people who claim benefits) also edged up. In November 2020 there were 34,790 claimants in Manchester – up from 33,915 in October.

- Older people are accounting for more claims. Since the autumn increasing numbers of claims from people in their 50s and 60s have become apparent while there has been some decline in the numbers of younger people (under 25s) receiving unemployment support.

- Claims for Universal Credit (UC) have continued to increase. In November 2020

Furlough and newly unemployed

Newly Unemployed Support Take up on the www.manchester.gov.uk/Help to get work scheme has been low with 65 residents requested support since offer went live. Anecdotally there is a sense that some residents are self-serving and using other offers of support/ agencies. There is a sense from DWP partners that those who have been made redundant were taking time out - becoming “economically inactive” in the run up to Christmas.

Eventbrite link to MAES training has been added to an extra Bulletin, to encourage enrolment. In addition, the bulletin will include sector skills intelligence to provide information to residents on growth areas and skills required to access them.

Meetings with partnership leads (DWP, Growth Company, CAB) to discuss what information they hold on this cohort, what can they share so we can assess the level of demand from residents that is not being requested via the Helptogetwork page.

there were 76,852 people on UC in Manchester. This compares with 42,120 in March.

- Redundancies slowed in November 2020. Employers issued just over 1,400 notifications compared with 3,200 in October. In the last six months 24,140 people have been notified of redundancy in Greater Manchester (GM).

- Vacancies have fallen in recent weeks but were still running at about 3,000 a week in December which is not far off the levels recorded at the start of the year before the pandemic hit.

Offer for 16-19 year olds

A brief summary of the figures show that there has been a reduction in the level of unknown NEET young people compared to last month, decreasing from 1178 (9.9%) in October to 649 (5.5%) for November. Although this is higher than in November last year, it is a smaller difference of 0.8 pts. Last November was submitted at 545 (4.7%). However, as destinations continue to be confirmed this has caused an increase in NEET. This has risen from 375 (3.2%) in October to 434

Offer for 16-19 year olds

Comms campaign for young people and parents highlighting key messages in relation to opportunities and high-level guidance particularly to support transition from School into an EET destination.

(3.7%) and is also higher than last year by 0.4 ppts.

Compared to last year, the numbers of young people that have settled in further education and training destinations is very similar at 10,385 (87.7%) this November and 10,065 (87.6%) last November. However, employment has remained significantly lower at 357 (3.0%) compared to 508 (4.4%) last year. This suggests that the pandemic

has had a larger impact on employment rather than education, where there have been fewer job opportunities resulting in an increase of young people becoming NEET.

Overall, the combined NEET and Unknown figures are 1083 (9.2%) compared to 919 (8.0%) last year. Due to similar numbers settling in education and training, there is less of a difference in young people meeting the duty to participate this year (90.2%) compared to last year (90.9%)

Youth unemployment

Maximise the opportunities from and work with partners to roll out the Kickstart Scheme Impact of lockdown 3.0 on HE

Youth unemployment

Ongoing work with Gateway organisations and employers to create Kickstart opportunities for Manchester young people; DWP and key partners including Growth Company will establish the impact on Kickstart placements as a result of lockdown 3.0.

Skills and employment support for adults

MCC Skills referral support via telephone

- Referrals for skills support were very low over December – 12. Total of 511 residents supported with their digital skills since May 2020.

Device Scheme

- Total of 480 residents supported to access the internet through MCC Scheme o 400 devices donated o 80 Sims with Internet donated to people with own devices but no Wifi

Coordinating the wider Manchester offer of support through the Digital Inclusion Action Plan

- MHCC recruiting Digital Inclusion Officer using same role profile as MCC DIO's.

student retention will continue to be a key area for focus.

Skills and employment support for adults

Digital exclusion as a key factor impacting on resident's ability to access services and support became more apparent during COVID-19.

Impact of further national lockdown on post-16 and adult education and training with a particular impact on learners with low skillsets.

Mobilising skills priorities action through the Manchester Adult Education and Skills Plan.

- Embedding a digital offer for VCSE through the Covid Winter Fund being rolled out as of Jan 2021

- Process of the Work and Skills team contacting providers to identify how learning is being provided and vulnerable learners supported during the current lockdown is ongoing. Most are in a better place and better equipped to meet needs, learning from what has worked or not during previous lockdowns.

Adult Learning Providers – impact on further restrictions and lockdown

- Adult learning providers now having to deliver the majority of their offer online. Although lots of learners have already adjusted to this model of learning since the first lockdown – many have not and many are digitally excluded. Those with lowest skill & qualification levels & furthest from the labour market are least likely to engage /sustain learning. Children at home from school also impacts on adult learners

- MAES have invested in 500 Google Chromebooks and 100 dongles for a loan scheme. This has not met all the demand and out of a total of 90 new requests only 50 devices are currently available.

- The vast majority of the MAES offer is now being delivered online, with exception for young vulnerable residents with an Education, Health & Care Plan

Social value and local benefit

Social Value and Local Benefit

Ensure that MCC's approach to SV reflects current economic circumstances and Think recommendations. Coordinate employment and skills related social value "offers" from across MCC's largest suppliers and capital projects into a pipeline of opportunities that can be promoted to residents and employment/skills/training organisations.

Refresh SV policy to reflect Think recommendations and recovery plan - Draft agreed internally and awaiting sign off via scrutiny and Executive.

Refresh SV policy documentation - Documentation refresh in progress via Contract and Commissioning Leads Group

Refresh planning and local labour process and toolkit - Bulk of documentation complete and being rolled out with new planning applications. To revisit other large schemes and reconnect with main contractors/developers.

Develop pipeline of opportunities through large suppliers and capital projects where MCC is the client - Initial conversations have taken place with colleagues in Capital Programmes and Corporate Procurement. To assign resource to working through and collating offers.

Business support, sustainability and growth

Further work will be underway to establish the details of the new £4.6bn **National Lock down grant** and begin preparations to communicate this to businesses.

Business Grants

- LRSG Grants for businesses (open and closed) are continuing to be delivered.
- Council has allocated over £13.3m of support to 5,338 businesses through the LRSG and ARG (discretionary) schemes between 21 Dec to the 3 Jan: All LRSG Schemes Count Total: 5,154 Grant Total: £12,755,046

Business Support, Sustainability & Growth

- 'Additional Restrictions Grant' (ARG) is a discretionary grant that went live on 27.11.2020 and will close for applications on 19 January for businesses not eligible for LRSG or for those without a Ratable value in a shared space. To date (5/1) grants have been paid to 184 businesses (total of £549,901), with a further 72 payments planned for this week (total of £207,394.28).
- Letters are being sent to pubs to promote the additional £1,000 wet pub grant alongside calls made to many of the main breweries, as there were fewer applications than anticipated.
- Targeted comms will continue to take place using MCC key channels and key partners including – GM Chamber of Commerce, GC Growth Hub, FSB, Pro-Manchester, CityCo, local business networks to assist in getting key messages out.

Brexit- Now a deal is in place- Business Growth Hub and GM Chamber alongside Work and Skills Team will develop appropriate comms and support such as webinars for businesses. Will be somewhat challenging given the new lock down. Officers will update MCC's web pages with diverts/clicks through to Government and Business Growth Hub's pages.

Equalities/disadvantaged groups

Comms for newly unemployed reviewed to ensure inclusivity. Work club delivery monitored to provide insight on the characteristics of service users to make

	<p>Brexit Impacts.</p> <p>UK GDP is forecast to shrink further according to FT Survey of top economists suggesting - UK GDP would not regain its previous level until the second half of 2022, or later.</p> <p>- Suggesting political mismanagement of both the Covid-19 crisis and of Brexit had ensured the UK would underperform other richer countries</p> <p>Equalities/disadvantaged groups</p> <p>Ensure those most adversely affected and underrepresented are supported by activity included in workstreams. This would include Black, Asian and Minority Ethnic groups, young people, over 50's, homeless, veterans, survivors of DV&A, ESA claimants, and those experiencing family poverty.</p>	<p>sure all communities are being serviced. Digital support for over 50's being piloted in North Manchester.</p>
<p>Funding</p>	<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>1) Public Sector Decarbonisation Scheme (PSDS) - £22.9m bid submitted by MCC into a combined GM bid of £80m. MFT and RNCM have both joined the GM bid. To date, UofM and MMU have chosen not to bid.</p>

	<p>Team in City Policy developing a funding action plan based on C19 recovery and Corporate priorities</p> <p>Working with City Centre Growth to map funding opportunities through the 2020 Spending Review</p>	<p>Decisions from Salix on the bidding round expected week ending 15th January.</p> <p>2. GM bid to Environment Agency's £200m 'Coastal and Flood Resilience Innovation Funding' - there is £6m per applicant available to spend over 5 years. Must be led by a LA. Stockport are going to lead a GM bid, where MCC could get £1m with City of Trees to spend over 5 years on strategic tree planting for resilience. EOIs submitted by 15th Jan, led by colleagues in Highways.</p>
<p>Strategy & Economic Narrative Review</p>	<p>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>	<ul style="list-style-type: none"> • Draft Our Manchester Reset is being considered by all January Scrutiny Committees and will be introduced by the lead SMT officer with support from City Policy. The Strategy will then be redrafted ahead of February Executive & March Council. A formal launch event will also take place alongside publication of the final document and a short summary version aimed specifically at residents. • Powering Recovery: Manchester's Economic Recovery & Investment Plan launched and published- aligns to existing Our Manchester Industrial Strategy.
<p>External Influencing & Lobbying</p>	<p>The Government's economic response to C19 has been fast moving and feeding in Manchester's priorities has required a coordinated approach.</p>	<ul style="list-style-type: none"> • Letters from senior Council officers have now been sent to senior Civil Servants at No10, Treasury, BEIS, MHCLG, Cities & Local Growth Unit, DWP, DfE, DfT & Homes England. The letters summarise relevant elements of the ER and request a follow up meeting. An electronic copy of the Plan has also been shared.

		<ul style="list-style-type: none"> The work to map Spending Review announcements to the projects in the Economic Recovery & Investment Plan will help to inform the next stage of lobbying for Government investment.
<p>Economic Intelligence</p>	<ol style="list-style-type: none"> Need to engage with Manchester Businesses and key sectors to understand current status re Covid related impacts. Understanding of businesses in rented spaces and analysis to support the Business Rates Discretionary Grants. Need to understand the status of the development pipeline across the city. Need to update population modelling (MCCFM), reflecting both the impacts on and from the economy. Demand appraisal for residential lettings market in Manchester post pandemic. Provide economic intelligence to support the LDV 	<ol style="list-style-type: none"> On-going work for the Work & Skills Board to develop an integrated approach to economic monitoring. New quarterly sheet incorporates welfare and work & skills data to create a single, holistic product that responds to and better supports emerging priorities against the backdrop of Covid 19. Currently addressing key data gaps, working with colleagues at the Growth Company / GM Chamber of Commerce including jobs, inward investment, imports / exports and vacancies by sector. Supporting businesses to access all available grants at a national and local level - providing research and intelligence on businesses related to sector / size / rateable value / number of employees etc in order to better target grants / support SMT in their decision making around the delivery of grant schemes. Pipeline tracking - used to support Financial Resilience work including forecasting potential council tax & business rates revenues. <p><u>Expected completions:</u></p> <ul style="list-style-type: none"> Residential pipeline (2020/21): Over 3,500 new homes expected to be completed including c.440 affordable homes Commercial pipeline (2020/21): 63,700m2 office space, 12,900m2 retail, 27,900m2 industrial, 644 hotel beds, 140,000m2 other.

4. Latest output from MCCFM, W2020, was released w/c 14th Dec 2020 and is due to be discussed at SMT in Jan 2021. It attempts to model for some of the likely impact on growth due to both Brexit and Covid19. For 2020, a zero net migration assumption has been made because of travel restrictions so most growth is due to natural change (births and deaths) and any migration between July 2019 and February 2020. The estimated population for mid-2020 is 579,450.

5. Work on-hold due to analytical capacity issues, carried over into 2021 work programme.

6. Market appraisals (rents & sales values) for Phase 1 LDV sites shared with CBRE to inform rent settings and aid financial modelling work. Appraisal of demand and analysis of void rate shared with Project Board. Further work to understand future phasing of sites required.

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