



Executive

Date: Wednesday, 28 July 2021

Time: 2.00 pm

Venue: Council Chamber, Level 2, Town Hall Extension

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

Access to the Public Gallery

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Membership of the Executive

Councillors

Leese (Chair), Akbar, Bridges, Craig, Midgley, Rahman, Rawlins and White

Membership of the Consultative Panel

Councillors

Butt, Karney, M Sharif Mahamed, Ilyas and Taylor

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

Supplementary Agenda

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|----|--|-----------------------------|
| 5. | Our Manchester - Progress Update
Report of the Chief Executive attached | All Wards
3 - 10 |
| 9. | National Cycling Centre
Report of the Strategic Director - Neighbourhoods attached | All Wards
11 - 24 |

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 Thursday 22 July 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 Information**

Report to: Executive – 28 July 2021

Subject: Our Manchester Progress Update

Report of: The Chief Executive

Summary

The report provides an update on key areas of progress against the Our Manchester Strategy – Forward to 2025 which resets Manchester’s priorities for the next five years to ensure we can still achieve the city’s ambition set out in the Our Manchester Strategy 2016 – 2025

Recommendations

The Executive is requested to note the update provided in the report.

Wards Affected - All

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

Our Manchester Strategy outcomes	Contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The work to reset the Our Manchester Strategy considered all five of the Strategy’s existing themes to ensure the city achieves its aims. The themes are retained within the final reset Strategy, Forward to 2025.
A highly skilled city: world class and home grown talent sustaining the city’s economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	

A connected city: world class infrastructure and connectivity to drive growth	
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Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None

Financial Consequences – Capital

None

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Background documents (available for public inspection):

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

Executive Report – 17th February 2021 - Our Manchester Strategy – Forward to 2025

1.0 Introduction

- 1.1 This is the second in an ongoing series of reports highlighting examples of areas where strong progress is being made against key strategic themes identified in the Our Manchester Strategy.

2.0 Deansgate consultation

- 2.1 A consultation has just concluded into the proposed next stage of changes to Deansgate.
- 2.2 There has been evidence of strong public support since the popular street was temporarily closed and the Council wants to ensure that the scheme – which would help reduce the amount of traffic in the city centre and support active travel and public transport in line with the City Centre Transport Strategy, promote clean air and make Deansgate a pleasant place to spend time – still has widespread backing.
- 2.3 Deansgate is currently closed to general traffic but remains open one way to buses and taxis. The proposed next phase will be based on the principles of the current restrictions, continuing to allow some access to bus transport and taxis.
- 2.4 The findings of the consultation will be announced in due course. Consultations are also underway on proposed improvements to the Fallowfield Loop and Yellow Brick Road routes. For more information visit www.manchester.gov.uk/consultations

Related Our Manchester themes:

- *Liveable and Zero Carbon City.*
- *Connected City.*

3.0 Social Value

- 3.1 Updates received by the Resources and Governance Scrutiny Committee this month have highlighted the strong progress being made by the Our Town Hall and The Factory projects in generating social value. Both projects are creating jobs, apprenticeships and other opportunities for Manchester people and businesses.
- 3.2 Up to the end of June 2021, more than half of the spending on the Our Town Hall project (58%) was with Manchester businesses and more than a third of the workforce (34%) are Manchester residents.
- 3.3 Some 115 jobs have been created across the project teams, with more than 50% of them going to Manchester residents. In addition 38 new apprenticeships have been created with 32 of them going to people who live in Manchester.

- 3.4 The Factory's construction has seen 28 construction-related apprenticeships created so far for Manchester and Greater Manchester residents with 25 more projected. 15 new jobs have been created – with nine of them going to Manchester residents and the other six to people living in Greater Manchester.
- 3.5 Around 200 hours of employability support has been provided, with homeless people among those benefitting.
- 3.6 Some 84% of the project spending so far has been within Greater Manchester.
- 3.7 In addition both projects have provided work placements for Manchester people and school sessions to inspire careers in the construction industry and support STEM subjects.
- 3.8 Contractors have volunteered more than 1,000 hours to support Manchester charities and community projects

Related Our Manchester themes:

- *Progressive and Equitable City.*
- *Highly Skilled City.*
- *Thriving and Sustainable City.*

4.0 Affordable homes

- 4.1 New figures have provided further evidence that Manchester is rising to the challenge of delivering affordable homes.
- 4.2 The number of affordable homes either completed or now in the pipeline means that 7,500 new affordable homes are expected to have been created between 2015 and 2025 – exceeding the target of 6,400 new affordable homes which the city had set itself.
- 4.3 Nearly 4,000 of these homes, including 1,081 social rented homes, are in North and East Manchester, making use of previously under-utilised brownfield sites.
- 4.4 The area-by-area breakdown of affordable homes either completed or in the current pipeline is:
- East Manchester: 2,666 (586 social rented homes)
 - North Manchester: 1,237 (495 social rented homes)
 - Wythenshawe: 914 (79 social rented homes)
 - Central Manchester: 713 (324 social rented homes)
 - South Manchester: 648 (209 social rented homes)
 - City Centre: 316 (18 social rented homes)

Related Our Manchester themes:

- *Progressive and Equitable City.*

5.0 Decarbonisation Schemes

- 5.1 Work on a £19.67m scheme to decarbonize heat and improve efficiency in key council buildings is due to get underway next month.
- 5.2 The improvements to high profile facilities including Manchester Aquatics Centre, the National Cycling Centre and Wythenshawe Forum will together save more than 2,100 tonnes of CO2 a year once complete and contribute to the Council's Climate Change Action Plan 2020-2025.
- 5.3 Other buildings which will benefit are Arcadia Leisure Centre, East Manchester Leisure Centre, Hough End Leisure Centre, Moss Side Leisure Centre, North City Leisure Centre, the Sharp Project, Space Studios and Zion Arts Centre.
- 5.4 Some 75% of the Council's annual direct carbon emissions are through its operational buildings. These works, which are due to be completed by the end of March 2022, will add to the work already undertaken on other buildings through the Council's Estates Carbon Reduction Programme.
- 5.5 They involve moving away from gas heating through the use of ground source and air source heat pumps, with additional solar panels on a number of the buildings as well to improve energy efficiency.
- 5.6 The works are being delivered using funding secured by the Council through the Government's Public Sector Decarbonisation Scheme.

Related Our Manchester themes:

- *Liveable and Zero Carbon City*

6.0 Loads To Do

- 6.1 A bumper programme of summer holiday activities for children and young people, which recognises the disruption they have experienced during the pandemic, has been launched by the council and its partners.
- 6.2 Under the banner Loads To Do, it offers a wide range of options – many free of charge – at venues across the city including parks, galleries, libraries, leisure centres and cultural venues with an emphasis on fun.
- 6.3 From sports camps to interactive exhibitions, family events to outdoor adventure, arts and crafts to youth clubs and debating groups there is something to suit all ages, abilities and tastes.

6.4 The summer-long programme also includes some targeted sessions aimed at groups of young people who might need additional support. It ties in with the Year of the Child approach detailed in this report to Executive on 30 June 2021.

6.5 For further information visit www.loadstodo.co.uk

Related Our Manchester themes:

- *Progressive and Equitable City*

7.0 Manchester International Festival

7.1 Almost three million people were able to experience Manchester International Festival 2021 either in person or online as it made a remarkable return from 1-18 July despite the challenges of Covid-19. A record number of events were held outdoors to support a safe and enjoyable event.

7.2 Some 58% of MIF events were free and 20% of tickets for paid for events were given away free to local community groups to help promote access the arts.

7.3 More than 1,000 people attended Arcadia, the first ever event at the site of The Factory.

7.4 Around 1,500 people of all ages participated in the Festival, from contributing their life stories to a book of love letters to taking part in discussions, having portraits taken and – in the case of 120 people – participating in the Sea Change performance on Deansgate. More than 100 Manchester and Greater Manchester artists performed in Festival Square. In addition, there were around 450 volunteers.

8.0 Contributing to a Zero-Carbon City

8.1 Achieving Manchester's zero carbon target has been reflected throughout the work on the Our Manchester Strategy reset, with sustainability being a key horizontal theme throughout. Forward to 2025 restates Manchester's commitment to achieving our zero-carbon ambition by 2038 at the latest.

9.0 Contributing to the Our Manchester Strategy

9.1 The re-set of the Our Manchester Strategy will ensure that the city achieves its vision. The five themes have been retained in the reset Strategy, with the new priorities streamlined under the themes.

10.0 Key Policies and Considerations

10.1 There are no particular equal opportunities issues, risk management issues, or legal issues that arise from the recommendations in this report.

11.0 Recommendations

11.1 The Executive is requested to note the update provided in the report.

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**Manchester City Council
Report for Resolution**

Report to: Executive – 28 July 2021

Subject: National Cycling Centre - Capital Update Report

Report of: Strategic Director - Neighbourhoods

Summary

The National Cycling Centre (NCC) in East Manchester is an internationally recognised cycling facility, having supported the delivery of the 2002 Manchester Commonwealth Games it has helped put Manchester on the international sports map for the last two decades for both major events and the success of British Cycling. It is the most accessible Velodrome in the world with a variety of community programmes and innovative youth programmes. This is a unique venue where elite sports people rub shoulders with the local community on a regular basis.

The NCC was extended in 2010 to incorporate the UK's first dedicated indoor BMX centre and improved office space for British Cycling (BC), café, shop and public realm, however, the Velodrome element of the facility is now 28 years old and as such, a stock condition survey has confirmed that this part of the NCC requires significant investment due to items being life expired. Investment is necessary in order to reduce the carbon footprint of the venue, sustain the existing service offer, as well as keep pace with more modern facilities located in London and Glasgow. Progressing this scheme will ensure that residents continue to benefit from the facility for the next 25 years and that Manchester remains the home of British Cycling, in turn supporting BC to fulfil their objectives for the development of cycling in Manchester and across the UK.

Recommendations

The Executive is recommended:

1. To consider and note the options presented in the report and approve proceeding with the full refurbishment of the NCC at a cost of £26.178m.
2. To recommend that the Council approve the establishment of a capital budget for the refurbishment of the NCC of £22.456m, funded from £20,566m borrowing and £1.890m on a spend to save basis funded by joint funds held by Manchester City Council and Sport England.
3. To recommend that the Council approve a virement from the Public Sector Decarbonisation Scheme budget of £2.145m
4. To approve the use of joint funds held by Manchester City Council and Sport England to fund £2.112m of revenue costs expected to be incurred as a result of the project.

5. To approve a capital budget of £0.900m, funded from Capital Fund, for the capital works required to progress the project until October. If the project did not progress, these would be abortive works and would need to be charged to revenue.

Wards Affected: All Wards

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

The environmental impact of this project has been a key consideration for the refurbishment. Following investment into sustainable infrastructure, forecasts highlight that the project will generate over 200,000 kg/co2 reduction of carbon emissions in the first 5 years. These measures will enable the Council to set the building on a clear path to decarbonisation and will contribute to the Carbon Reduction target by at least 13% year on year, and the overarching ambition to be zero carbon by 2038.

Our Manchester Strategy outcomes	Contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Sport and Leisure is a key economic driver within the city not only as an employer, but also in attracting inward investment to underpin a wide range of key sectors in the city
A highly skilled city: world class and home grown talent sustaining the city's economic success	The NCC provides significant opportunities for training, development, apprenticeship programmes and volunteering. This contributes meaningfully to employment within the Manchester economy.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The NCC provides significant opportunities for all communities within the city to engage actively and energetically.
A liveable and low carbon city: a destination of choice to live, visit, work	The refurbishment is seeking to make a strong commitment to environmental sustainability through investment to modernise the asset and implement carbon reductions measures
A connected city: world class infrastructure and connectivity to drive growth	The refurbishment seeks to deliver an improved high-quality asset that will continue to support our growth ambitions over the next 25 years.

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

- Equal Opportunities Policy
- Risk Management

- Legal Considerations

Financial Consequences – Revenue

The revenue implications during the construction phase are estimated at £2.112m, due to loss of income and the need to rent alternative accommodation. It is proposed that this is funded from joint funds held by Manchester City Council and Sport England.

Financial Consequences – Capital

The total capital cost of the scheme is estimated at £26.178m. A capital budget of £22.456m is required, as £1.577m is already approved in the Asset Management Programme to reach the end of the RIBA Stage 4 design. It is proposed that the budget will be funded £20.566m from borrowing and £1.890m funded from borrowing on a spend to save basis, funded from joint funds held by Manchester City Council and Sport England. It is estimated that, based on current interest rates, the borrowing (excluding that to be charged to joint funding held by Manchester City Council and Sport England) will create an estimated annual cost of c. £1.23m in interest and minimum revenue provision. This will be funded from the existing capital financing budget.

The remaining £2.145m will be funded from the existing Public Sector Decarbonisation Scheme budget.

The timetable for progressing the scheme means that works are required to start before the next Council meeting, with an estimated capital cost of £0.9m. It is proposed that these are progressed, funded from Capital Fund, acknowledging that if the scheme did not progress for any reason they would be classed as abortive costs and would need to be charged to revenue. If Council approval is received, these works would form part of the scheme and be funded from borrowing.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and

have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Capital Strategy and Budget 2018/19 to 2023/24, Executive – 13 February 2019 and Council – 8 March 2019

1.0 Introduction

- 1.1 This report sets out proposals to refurbish the National Cycling Centre (NCC) to ensure that it remains fit for purpose and to secure Manchester's future as the home of British Cycling for the next 25 years.
- 1.2 Following several discussions at Scrutiny and Executive about the scheme over the last 4 years and the review of the capital programme in 2020, it was agreed that the Council would continue to proceed with funding and developing a refurbishment scheme for the NCC to RIBA stage 4. This was to ensure the Council had a better understanding of the scope of any scheme and greater cost certainty before making a decision to proceed and allocating a budget to this. This report highlights the benefits of continuing to invest in cycling, the need to allocate capital funding to secure those benefits and the programme associated with delivering the works.

2.0 Background

- 2.1 The Velodrome element of the NCC was funded by central government and built in 1993. The venue is a world-renowned cycling centre and has helped put Manchester on the international sports map for the last two decades for both major events and the success of BC. The NCC houses the most accessible velodrome in the world with a variety of community programmes and innovative youth programmes. This is a unique venue where elite sports people rub shoulders with the local community on a regular basis. The venue was extended in 2010 to incorporate the UK's first dedicated indoor BMX centre and improved office space for British Cycling (BC), café, shop and public realm, which opened the site more effectively to residents in Clayton, Beswick and the surrounding communities.
- 2.2 The venue is of strategic importance for the development of cycling in the city and is considered one of the most important legacy outcomes of the Olympic Games bids in the 1990's and the Commonwealth Games in 2002. Manchester has seen a significant growth in participation of the sport over the last 20 years, with 19.6% of Manchester population, (84,700 residents) participating in cycling regularly.
- 2.3 The National Cycling Centre is home to BC, which has led to a long-term partnership and investment strategy with the Council and destination for the National BMX Centre and wider investment into Clayton Vale Mountain Bike Trail. This relationship has enabled the development of recreational provision at Platt Fields Park and improvements of cycling routes across the city and connectivity to Etihad Campus. More recently the partnership has led to investment in Wythenshawe Park and there is a pipeline of opportunities being explored currently for improved cycling activity across Manchester.
- 2.4 The NCC hosts an annual and bi-annual programme of local, regional, national and international events, providing inspiration to Manchester residents and young people. These events include:

- World Masters Track Cycling Championships
 - National Track Cycling Championships
 - National BMX Series
 - UCI Track Cycling World Cup
 - UCI BMX Supercross World Cup
 - Manchester Schools Track Championships
- 2.5 The NCC contributes to the well-being agenda at all levels from beginners to elite athletes with a wide-ranging programme of activity for all ages, including 6 hours per week for targeted groups. The programmes engage 33,135 users per annum, addressing inactivity of underrepresented groups. The activities are affordable for local users via the Manchester Active membership scheme and contribute to sport development objectives. The NCC's combined sporting activities engaged 107,058 users and 33,170 event participant users per annum prior to the pandemic. These users were from all wards across Manchester.
- 2.6 The centre of the Velodrome track houses two large sports courts, which are used for netball, basketball, badminton and futsal. North West England Netball head offices are based in the NCC, which has enabled a joint investment strategy for the city to increase netball participation. The centre hosts back to netball sessions and one of the largest simply netball leagues in Greater Manchester, with 3 divisions operating weekly to support all levels of participation.
- 2.7 The centre is home to Manchester Futsal Club, who host training and competition programmes from the site. Manchester Futsal Club lead the growth and development of futsal within Manchester and currently operate an adult and youth team. The club is at the forefront of futsal development in England and compete in the FA National Super League, the highest level of club futsal in the UK.
- 2.8 Manchester Indoor Leisure Strategy and associated sports hall assessment highlights limited access to sports halls in the city at peak times. The projected population growth in the city will place further pressure on existing centres and is likely to result in some unmet demand, therefore the NCC plays an important role in meeting this demand.
- 2.9 The NCC delivers hundreds of volunteer opportunities annually which in turn provides routes through to employment via a programme of regional and international events. It is also BC's headquarters (200+ FTE's) and hosts an operational team of 50 FTE's employed by GLL (the Council's appointed Leisure Operator).
- 2.10 The venue has an annual turnover of circa £2m where the existing partners contribute significantly to establishing a sustainable business model, which is zero cost to the Council's mainstream revenue budget. Nearly half of the funding that underpins the business plan is derived from the partnership with BC, who utilise the venue on a day-to-day basis. This is unique to Manchester and ensures that this venue is one of very few velodromes globally that can

maintain low prices for residents without the need for a public subsidy, therefore the partnership is extremely beneficial and needs to be maintained.

3.0 Refurbishment Requirements

- 3.1 As outlined in section 2, the Velodrome element of the NCC was built in 1993 and at the time, the Government and the English Sports Council made a commitment to capital and revenue finance the facility. As part of the arrangement, the Council made a commitment to provide the land for the facility and to the lifecycle replacement costs associated with the venue. To date, the Council has fulfilled its obligations, however this will need to continue in order to maintain the successful partnership with BC, UK Sport and Sport England.
- 3.2 The NCC was prioritised for a Stock Condition Survey as it was recognised that many elements of the building were approaching 'end of life'. The Stock Condition Survey (received circa 2016) confirmed that the building required significant investment due to items being life expired. In order to sustain the existing service offer and avoid building failure, the Council has been advised that the identified works need to be addressed. A proposal was put forward for investment in the NCC in 2016/17, however, this was placed on hold whilst officers explored opportunities linked to England hosting the 2022 Commonwealth Games.
- 3.3 There is a division of responsibilities agreed within the leisure contract for Repairs and Maintenance (R&M) of the NCC between the Council and GLL, where GLL are responsible for the day-to-day R&M and the Council is responsible for end-of-life replacement, or repairs to the structure and fabric of the building. There are three primary reasons for the need to replace items:
- Life expired plant (over 28 years old);
 - volume of use; and,
 - environmental conditions causing corrosion.

It should be noted that there is no evidence that items have become life expired as a result of poor maintenance by the existing operator, previous operators or the Council.

- 3.4 Following a budget approval by the Executive in March 2019, £1.577m was released from the AMP budget to progress works to RIBA Stage 4. In October 2019 ISG Construction were appointed initially to develop and progress the scheme up to RIBA stage 2 and subsequently to take the scheme to RIBA stage 4 and pending approval, on to construction. In defining the project requirements (referencing the 2016 building condition survey), the project team have undertaken extensive surveys and inspections and updated the scope given the current conditions, limitations and operational requirements and critically the use of the building by BC and the Great Britain Cycling Team (GBCT) who are responsible for the high performance athletes within BC. As a result, the estimated project costs have a good level of cost certainty, which informs the budget requirement set out later in the report.

- 3.5 The ISG team are currently finalising the RIBA Stage 4 report, which reflects the recommendations from the RIBA Stage 2 report and responds to the outcomes of extensive meetings / workshops with MCC, the client team, operators and the key stakeholders (BC and GBCT).
- 3.6 As the scope of works has been firmed up, it has become apparent from engagement with the key stakeholders that now would be the most appropriate time to bring forward enhancement proposals for the centre to be funded from other sources of funding. This will save on both capital costs in the long term and ongoing impacts from closures to the facility. This in turn has resulted in other elements being included and therefore the scope and programme is now more expansive than originally proposed. Engagement with GBCT has been impacted by the delay to the Tokyo Olympics, resulting in impacts on agreeing the design solutions as well as the construction programme.
- 3.7 The following works need to be progressed to fulfil the Council's maintenance obligations and to ensure the building is fit for purpose:
- Full replacement of all building mechanical, electrical and plumbing services (inc. lighting & ventilation).
 - Inclusion of Air Source Heat Pumps to decarbonise the facility.
 - Refurbishment of changing rooms and WCs, including addition of a Changing Places facility.
 - Re-roofing of single ply roof areas.
 - Replacement of curtain walling and entrance doors.
 - Construction of new external plantroom.
 - Replacement of track barrier. New design aligns with UCI standards.
 - Replace spectator seating throughout the Velodrome.
- 3.8 Given the age of the facility, the items identified in 3.7 need to be addressed as an urgent priority. This is necessary to sustain the existing service offer, failure to do so will result in:
- some services being withdrawn;
 - Manchester not being able to host national and international events and programmes, which would relocate elsewhere in the UK;
 - revenue implications; and;
 - reputational damage.
- 3.9 Over and above the scope of works for the refurbishment and as set out in section 3.6, the client team has explored the potential to enhance the venue to either support improved community use, improved GBCT performance objectives and an improved operating business plan. It is proposed that these enhancements would be funded subject to viability from alternative funding sources, rather than the Council's mainstream budget. This has resulted in the following additional elements:
- Carbon reduction measures - Replacing the facility's ageing plant with new green technology designed to reduce carbon emissions will see

the removal of gas as an energy source and lead to lower operating costs in the future.

- Increasing seating capacity for spectators - Increasing the number of spectator seats in the Velodrome arena, thereby bringing it into closer contention with other velodromes as a commercially attractive venue for major track events with the potential for more revenue from gate admissions and secondary spend.
- GBCT Enhancements - these will fulfil GBCT's ambitions to improve the athlete's training environment and promote greater efficiencies on the part of its support staff. These enhancements will involve the creation of a more centralised base for GBCT and will overcome the problems experienced over the years of a disjointed and fragmented services such as medical and strength and conditioning, which is spread across the building. The enhancements are considered critical to retain their competitive advantage over other nations. The new facilities will see the vacant Evans shop becoming the new medical centre for athletes and the existing café converted into a new strength and conditioning room. The café will be remodelled using the space currently occupied by GBCT's Medical Centre.

4.0 Options Considered

4.1 Three options were considered during 2018 and 2019 and these were presented to the Council's Estate Board. These discussions have informed the recommendation set out in the report. A summary and overview of the options is set out below:

- Option 1 - Proceed with the full refurbishment scheme (including funded enhancements).
- Option 2 - Undertake essential work and delay the scheme.
- Option 3 - Do nothing and continue to operate with no capital investment.

4.2 The full refurbishment of the NCC will seek to address all of the items identified in sections 3.7 and 3.9. The design for these works has been agreed with stakeholders to address the requirements of both the Council and partners. The current total estimated cost of the project, as assessed at the end of RIBA Stage 4 is: £26,178m (inc. approved funding for PCSA costs, from the Asset Management Programme of £1.577m for works up to end RIBA 4).

4.3 It is proposed that the capital costs for the project would be apportioned to the following funding streams.

Summary of Cap Ex Costs	PSDS Carbon Fund (£000)	Sport England and MCC Joint Funding (£000)	MCC Fund (£000)
Carbon Reduction measures	2,145		
GBCT Enhancement works		1,595	1,173
Additional spectator seating		295	
Core scope of works (see above)			20,970
Funding Totals	2,145	1,890	22,143
Total	£26,178m		

4.4 Cost Surety - Given that the scheme has been developed to the end of RIBA Stage 4, the cost surety is reasonably strong, albeit the implications from the Covid-19 Pandemic and Brexit are difficult to predict in the context of construction prices. Therefore, progressing with a scheme now is deemed to be more financially advantageous, given that there is a good level of cost certainty through the contract with ICG. There are some elements of the scheme in relation to the enhancements that are still working towards RIBA stage 4, however these elements are limited and relate to the proposed enhancements and deployment of joint funding with Sport England, so any cost changes on those elements would be considered through the relevant approval mechanism for this.

4.5 In addition to the above, there are revenue implications due to the impact of the construction works and the closure of the Velodrome, these are set out below:

Revenue Implications	Sum (£000)	Funding Source
Loss of operator (GLL) income during period of track closure	865*	Joint MCC/ SE Funding
Rental of alternative office space and strength and conditioning facilities in Manchester	74	Joint MCC/ SE Funding
GBCT Training relocation costs	1,173	Joint MCC/ SE Funding
Total	£2.112m	

(*) this figure may be mitigated in part by some limited expenditure savings. These are currently being appraised and will be finalised by early August.

4.6 The following project benefits will be realised from progressing Option 1.

- Financial - The completion of the project will protect existing revenue streams, generate some new income and consolidate the NCC's status as the home of cycling. The revenue streams that will be protected and retained as a result of the capital investment total £899k per annum. In

addition, £290k per annum of additional revenue will be generated from energy savings, increased rental income and spectator and secondary spend revenue.

- Carbon Savings - In refurbishing the NCC and replacing significant elements of the building environment and services installation with sustainable infrastructure will create a sustainable asset. Forecasts highlight that the proposed installation of sustainable infrastructure will generate over 200,000 kg/co2 reduction of carbon emissions in the first 5 years. These measures will enable the Council to set the building on a clear path to decarbonisation and will contribute to the Carbon Reduction target by at least 13% year on year, and the overarching ambition to be zero carbon by 2038.
- Service Delivery – The investment will protect services for over 100,000 users each year, enabling affordable access for Manchester residents, continuing to secure the benefits of major national and international events and programmes, which would otherwise relocate to other parts of the UK and enhancing Manchester’s enviable reputation as a global city of sport and the home of cycling.

4.7 As set out in section 4.1 officers have explored if the scheme could be delayed and seek to address issues as and when they fail or at a later date (Option 2). This was deemed unacceptable and was rejected by the Council’s Estates Board as there would be an immediate requirement to spend £10.935m to address high priority issues. Beyond this, additional works would need to be addressed as items fail on a piecemeal basis. This is likely to result in unplanned closures, restricted access to services and / or some services being withdrawn. This would put a significant strain on reactive maintenance provision via the AMP. This option would expose the Council to possible claims from the public and GBCT for reduced services or demands for service charge reductions to compensate for loss of access, as well as potential contractual claims from the facility operator. The impacts for GBCT could have a significant bearing on their future preparations for major games such as the Olympics and Paralympics, which would result in them having to consider their long-term options for meeting their performance objectives. Delaying the works for the refurbishment is anticipated to increase the capital costs. This has been estimated at c£72k per month, based on current BCIS indices for current contract construction value of c£15m.

4.8 Officers have explored whether it was possible to undertake no works (Option 3). This was deemed unacceptable and was rejected by the Council’s Estates Board as it is anticipated that significant elements of the plant would continue to fail, and it is likely that services will reduce significantly within the next 5-years. Without substantial investment to maintain and upgrade the building, the Council would face long-term financial and operational impact, such as:

- Potential temporary or permanent relocation of GBCT and BC Staff - resulting in a loss of BC/ GBCT and the associated revenue to underpin the business plan.
- Failing business plan – need for an annual subsidy to operate the building.

- Loss of services.
- Further impact on AMP programme to ensure that the facility is compliant with Health and Safety requirements.
- There would be a significant reputational risk and financial impact should the venue not be to a standard to host major national / international events.
- Increased cost within any future contract due to the inability to sustain services.
- Potential risk to relationship with sports bodies and potential to leverage resources to deliver the Manchester's Sport Strategy priorities.

5.0 Conclusions and Next Steps

- 5.1 The work undertaken to develop the NCC scheme to RIBA Stage 4 has not changed the recommendation that underpinned the Capital Strategy decision, which was agreed at Executive in March 2019. It is still the case that the full refurbishment of the NCC will offer the best long-term solution to protect this well used community facility and world-renowned medal factory. While options 2 and 3 would cost less in the short term, the long-term outlook is less favourable and risks the viability of the venue and the excellent partnerships that have been formed. In order to minimise disruption for existing users including the preparations of GBCT, it is recommended that the Council seeks to commit to full refurbishment and the programme set out below:

Item	Finish
Place early orders for materials	July 2021
Start on Site	20 Sep 2021
Track closure	29 Nov 2021
Track works complete	4 July 2022
Plant room complete	13 May 2022
GBCT early occupation of mechanics, stores and WCs	23 May 2022
GBCT relocated Medical Suite and Gym works complete	9 Nov 2022
Café works complete	17 June 2022
Works complete	17 Jan 2023

- 5.2 The timetable above highlights that capital expenditure beyond the existing AMP allocation is required to enable works to start in September and October, before the next Council meeting. These capital works are estimated at c. £0.900m, and it is therefore proposed that these are funded from Capital Fund to allow the works to progress and the timetable above to be met. If, for any reason, the scheme does not progress these would be abortive costs and would need to be met from revenue. If the scheme is approved by Council, the funding would be replaced by borrowing.
- 5.3 It is recognised that the NCC has played a leading role in the development of sport and leisure in Manchester over the last 28 years and has contributed to Manchester being established as a globally renowned city of sport. The NCC remains one of the most important cycling facilities in Europe, other newer velodrome facilities both in the UK and further afield have emerged in the intervening years. The new format for UCI track events will result in greater

competition from potential hosts in the future and the delivery of the project will send out a clear message that Manchester continues to be at the forefront of cycling development.

- 5.4 Investment in the NCC will align well with other major investments across the Etihad Campus, for example, the wind tunnel at the Manchester Institute of Health and Performance, and the Co-op Live Arena and it will strengthen existing partnerships and serve as a catalyst for other sporting organisations to migrate to the Etihad Campus, bringing further investment opportunities.

6.0 Recommendations

- 6.1 The recommendations are set out at the front of this report.

7.0 Key Policies and Considerations

(a) Equal Opportunities

- 7.1 An Equality Impact Assessment will be carried out in relation to the refurbishment programme. There are no adverse impacts anticipated for any protected characteristic group.

(b) Risk Management

- 7.2 A risk workshop for the project has been undertaken and a detailed risk log has been captured. The risk associated with this project will continue to be reviewed by the Project Board.

(c) Legal Considerations

- 7.3 These proposals will require consent from organisations such as Sport England and will have contractual implications with partners such as GLL and BC. A Memorandum of Understanding will be entered into with BC to retain their commitment to the venue. This will be underpinned by several other agreements in relation to rental of facilities, office lease and naming rights. Agreements will be sought with the various parties prior to any works being progressed.

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