



Executive

Date: Wednesday, 15 December 2021
Time: 2.00 pm
Venue: Council Chamber, Level 2, Town Hall Extension

Everyone is welcome to attend this Executive meeting.

Access to the Public Gallery

Access to the Public Gallery is on Level 3 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. **There is no public access from any other entrance.**

Filming and broadcast of the meeting

Meetings of the Executive are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Membership of the Executive

Councillors

Craig (Chair), Bridges, 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.

Agenda

- 1. Appeals**
To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.
- 2. Interests**
To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.
- 3. Minutes**
To approve as a correct record the minutes of the meeting held on 17 November 2021. 5 - 20
- 4. Appointment of Executive Members and their Portfolios** **All Wards**
Report of the Executive Leader attached 21 - 26
- 5. Allocation of responsibilities for the discharge of executive functions** **All Wards**
Report of the City Solicitor attached 27 - 32
- 6. COVID19 updates - Population Health and Economic Recovery**
Report to follow
- 7. Our Manchester progress update report**
Report to follow
- 8. This City: Manchester's Housing Delivery Vehicle Business Case (Part A)** **All Wards**
Report of the Deputy Chief Executive and City Treasurer attached 33 - 42
- 9. Exclusion of the Public**
The officers consider that the following item or items contains exempt information as provided for in the Local Government Access to Information Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The Executive is recommended to agree the necessary resolutions excluding the public from the meeting during consideration of these items. At the time this agenda is published no representations have been made that this part of the meeting should be open to the public.

10. **This City: Manchester's Housing Delivery Vehicle Business Case (Part B)** **All Wards**
Report to follow

Information about the Executive

The Executive is made up of 8 Councillors: the Leader and two Deputy Leaders of the Council and 5 Executive Members with responsibility for: Children's Services; Health and Care; Environment; Housing and Employment; and Neighbourhoods. The Leader of the Council chairs the meetings of the Executive

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

It is the Council's policy to consult people as fully as possible before making decisions that affect them. Members of the public do not have a right to speak at meetings but may do so if invited by the Chair.

The Council is concerned to ensure that its meetings are as open as possible and confidential business is kept to a strict minimum. When confidential items are involved these are considered at the end of the meeting at which point members of the public and the press are asked to leave.

Joanne Roney OBE
Chief Executive
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Further Information

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

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This agenda was issued on **Tuesday, 7 December 2021** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

Executive

Minutes of the meeting held on Wednesday, 17 November 2021

Present: Councillor Leese (Chair)

Councillors: Akbar, Bridges, Craig, Midgley, Rahman, Rawlins, White

Also present as Members of the Standing Consultative Panel:

Councillors: Butt, Karney, M Sharif Mahamed, Ilyas and Taylor

Exe/21/102 Minutes

The Executive approved as a correct record the minutes of the meeting on 20 October 2021.

Exe/21/103 COVID19 updates - Population Health and Economic Recovery

The Executive considered a report of the Director of Public Health and the Director of City Centre Growth and Infrastructure, which provided an update on the COVID-19 situation within the city and the progress that was being made with the city's economic recovery.

The Executive Member for Health and Care advised that infection rates within the city were now 290 per 100,000 of the population and Manchester was currently 9th amongst Greater Manchester's Local Authorities in terms of infection rates, with rates gradually increasing but remaining below the national average and the infection rate amongst the over 60's was 148 per 100,000 which had significantly decreased over the past few weeks and put Manchester 10th across Greater Manchester.

Rates amongst school children remained higher than other groups and as such the in school and out of school offer of vaccinations to 12 to 15 year olds would continue and all schools would be visited by the 1 December 2021. The booster programme was well underway and people could now book their booster vaccination 5 months after their second vaccination dose. 65% of the city's residents aged 70 or older had had their booster. The vaccination team was working on plans to deliver the offer of second vaccinations to those aged 16-17 and for those aged 40-49 who were now eligible for a booster vaccination.

The Executive Member for Health and Care advised that events would be held to recognise those who had volunteered to help deliver the city's vaccination programme.

Councillor Karney sought clarity on the level of unvaccinated people admitted to Manchester and Greater Manchester hospitals with COVID related illnesses. The Director of Public Health stated that a few months ago the majority of people being admitted were unvaccinated but over the last few months people had been admitted who had had both vaccinations, particular amongst the city's older cohort, which was why the booster programme was important. The Leader noted the unprecedented

pressure the whole care system was under at this time of year, with current hospital occupancy levels being at 93%.

In relation to the city's economic recovery, the Director of City Centre Growth and Infrastructure advised that office take up remained positive, with a number of SME's taking up of larger office space. Larger corporate businesses remained slow to return but this was attributed to the decision to return being taken at national or headquarter level. Recruitment challenges remained across all employment sectors of the city although the labour market was holding up at present. There was concern around the increase in inflation and the rising cost of living and the impact of this on residents. In relation to various sectors, Manchester Airport had reported that they were at 55% of pre-pandemic levels. In terms of levelling up, the Council had been successful with its Culture in the City bid, with an award of £19.8m which would support around 4000 jobs over a 15 year period. The Council had also secured 90% of the City Regen Sustainable Transport Settlement, which was just over £1billion which would support continued active travel plans. The decision around the Integrated Rail Plan was expected to be announced within the next 24 hours, which would set the context for taking forward wider transport plans around rail.

Councillor Karney commented on the surge of people returning to the city centre and district centres, noting that Mancunians were wanting to come together, especially at this time of year. He also commented on reports that staff in local cafes and bars had been subjected to aggressive and over assertive behaviour from customers and urged all visitors to the city to treat staff within these types of businesses with respect.

Decision

The Executive note the report.

Exe/21/104 Our Manchester progress update report

The Executive considered a report of the Chief Executive which provided an update on key areas of progress against the Our Manchester Strategy – Forward to 2025 which reset Manchester's priorities for the next five years to ensure the Council could still achieve the city's ambition set out in the Our Manchester Strategy 2016 – 2025.

The Deputy Leader (Finance) advised that work to transform Albert Square into a world class public space, increasing its size by around 20%, had got underway as part of the Our Town Hall project. The changes involved the closure of two sides of the square to traffic with the former road space incorporated as part of the pedestrianised public space. The first phase, focused on the area outside the existing square, had been brought forward and would now be completed next year, two years ahead of the original schedule, to minimise the impact on surrounding businesses and ensure they can benefit from its traffic-free environment more quickly, supporting their recovery from the impacts of the Covid-19 pandemic.

The Deputy Leader (Human Resources) advised that Manchester Art Gallery had reported that its visitor numbers were back up to pre-pandemic levels. Since re-opening in May this year, the gallery has welcomed almost 200,000 visitors despite

social distancing measures in place to limit the number of visitors in the building at any one time. Taking into account the galleries reduced opening hours, this figure was equivalent to visitor numbers at the gallery before the first Covid-19 lockdown was imposed in March 2020. In addition he advised that the Grayson's Art Club exhibition, curated by artist Grayson Perry, had spearheaded the re-opening and had been a major factor in attracting people back through the gallery's doors.

In relation to homelessness, the Deputy Leader (Human Resources) reported that the Council's extended accommodation offer would run throughout the winter months from early December to 31 March and would include space for 50 individuals with en-suite rooms in a former hotel outside the city centre. These bed spaces would be targeted at people who have been identified by partners and outreach teams as having high priority need, and who have been on the streets for a long time and meet the criteria as set by the Homelessness Partnership. In addition to this, there would be 50 bed spaces provided in a hotel close to the city centre. These bed spaces would only be activated during prolonged cold weather, when the temperature was forecasted to drop below zero, and would offer secure and Covid-safe spaces with support services in place to help people until they could move into more permanent accommodation. There would also be access to 186 -A Bed Every Night - spaces jointly funded by Manchester City Council and Greater Manchester Combined Authority, plus 30 additional spaces in a hotel in Fallowfield which was now an annual council scheme for people sleeping rough

The Deputy Leader (Human Resources) also commented on the recent allegations of racism in cricket by Azeem Rafiq and stated that there was no place for racism in any sport and as Manchester was the sports capital of England, the city should be proud of its diversity and stand in support of those subjected to racism.

The Executive Member for Health and Care reported on dedicated Covid advice helpline which had been launched in Manchester last month to help support the ongoing push for vaccinations. People were able to ring the number, for free, to speak with clinical professionals about the Covid-19 vaccine and any concerns they have, or simply to get advice on how to book an appointment. It was also reported that for people whose first language wasn't English, a translation service was available to ensure that no communities were left without advice.

The Leader reported that the Council had been successful in receiving a levelling up bid of £19.8m for the Culture In The City scheme, as part of the first round of awards made under the Government's Levelling Up Fund. The project was focused around two different locations in the city centre's creative district. It would see the Upper and Lower Campfield Market buildings, which were both listed but in need of renovation and refurbishment, brought back into life as an affordable tech hub with more than 1,000 workspaces. Culture In The City would also see investment in three railway arches on Whitworth Street which would be converted to create a creative talent development centre for arts venue HOME, providing affordable co-working areas, a free rehearsal space and creative skills training for young people.

The Leader commented that it was disappointing that the bid for Withington Town Centre had not been successful, however there was a strong community partnership and the Council would continue to work with this partnership to get improvements for

the town centre. He also commented that in the two years since Government had started making commitments around levelling up, it had been noted by Conservative MP's from the north that very little progress had been made for a genuine levelling up agenda.

Decision

The Executive note the report.

Exe/21/105 Revenue Budget Monitoring report - P6

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which outlined the projected outturn position for 2021/22, based on expenditure and income activity as at the end of September 2021 and future projections.

The Deputy Leader (Finance) advised that the current budget monitoring forecast was estimating an underspend of £1.161m for the year. The impact of COVID 19 was still being felt and there were significant uncertainties and risks to the position as COVID 19 restrictions ease, with significant potential risks around services to Adults, Children's and Homelessness of increasing demand leading to additional costs.

In relation to the delivery of the £40.717m of savings identified as part of the budget process the majority are on track for delivery. However, £1.841m (4.5%) of these were considered high risk and a further £4.365m (10.7%) were medium risk, in terms of the likelihood of delivery. Officers were working to address the risk to ensure all savings are achieved or mitigated

It was reported that there remained a significant budget shortfall to 2025/26 alongside uncertainty about the future funding settlement an a report would be brought back to the Executive to consider the longer-term position and proposed mitigations as part of the budget process.

Decision

The Executive:-

- (1) Note the forecast outturn position which is showing a £1.161m underspend.
- (2) Approve the proposed revenue budget virements.
- (3) Approve additional COVID 19 grants to be reflected in the budget
- (4) Approve the use of other unbudgeted external grant funding (non COVID 19)

Exe/21/106 Spending Review and budget update

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which provided an update on the main announcements from the Spending Review on 27 October 2021 with a focus on the implications for local government funding and what this meant for the Council's budget position and the proposed budget process.

The Deputy Leader (Finance) commented that following the Spending Review announcements and other updates, the Council was forecasting an estimated

shortfall of £4m in 2022/23, £64m in 2023/24 and £85m by 2024/25. The position would be clearer in December when the Local Government Finance Settlement was received although that was unlikely to provide detailed funding allocations for after 2022/23.

A longer-term strategy to close the budget gap was being prepared with an estimated requirement to find budget cuts and savings in the region of £40m per annum for 2023/24 and 2024/25. In addition, £50.6m of risk-based reserves had been identified as available to manage risk and timing differences.

The Deputy Chief Executive and City Treasurer commented that whilst the Spending Review announcement was better than expected, it still did not address long term pressures around demand, inflation and a suitable funding solution for Adult Social Care. There was concern in relation to the longer term position and the funding shortfall beyond the next financial year.

A further report would be presented to the Executive following the receipt of the Local Government Finance Settlement.

Decision

The Executive notes the Spending Review announcements and the forecast medium term revenue budget position

Exe/21/107 Capital Programme Monitoring 2021/22

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which provided an update on the progress of the global capital programme in the three months to the end of September 2021, including activity, benefits realised, financial implications and risk. It also provided a more detailed update on the major projects within the programme and confirmed that there were adequate levels of resources available to finance the capital programme.

The Deputy Leader (Finance) commented that the revised capital budget sat at £493.7m, with a further £601.5m budgeted to be spent across 2022-2025, taking total Council led capital investment in the city to £1.095.2m.

To reflect the climate change emergency that the Council had declared, every capital expenditure business cases now included carbon reduction measures for both during the project progression stage and the ongoing lifecycle post completion. The intention being that the carbon footprint of a scheme was considered as part of the decision-making process. In addition, every capital project was required to consider the social value which could be realised, either through procurement or other routes, through the creation of the asset. This was one of the key requirements of any capital business case brought forward.

The Deputy Leader (Finance) also stated that the capital programme was varied, and included significant spend across the city, not just within the city centre and highlighted a number of schemes as detailed in the report.

Decision

The Executive note the report and the change to the applicable mortgage rate as detailed at paragraph 11.2 of the report

Exe/21/108 Delivery of the Household Support Fund

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which set out the Council's approach to delivering the Household Support Fund. The aim of the fund was to support households in the city during the winter period with household and other essential expenses.

The Deputy Leader (Finance) commented that the Council would receive £6.453m from the Household Support Fund for a six-month period from October 2021 to end of March 2022. This budget was a fraction of the estimated £30 million that had been removed from UC claimants as a result of the withdrawal of the £20 UC uplift. The removal of the uplift affected an estimated 59,000 residents of the 78,000 residents/households in receipt of UC in the city, many of whom had household costs to manage.

It was reported that at least 50% of the total funding would be spent on families with children. In terms of type of support, the expectation was that the Household Support Fund should primarily be used to support households in the most need with food, energy and water bills. It could also be used to support households with essential costs related to those items and with wider essential costs. In exceptional cases of genuine emergency, it could additionally be used to support housing costs where existing housing support schemes did not meet this need.

In addition to this, if the Council wished to support ongoing free school meal provision during the school holidays that were within this six-month scheme period, then this would require circa £1.7m from the £6.453m allocation before any wider awards or consideration.

Councillor Karney lambasted the current government for its failure to recognise the damage that the last ten years of austerity had had on residents living in Manchester and the miniscule amount of funding now being offered was an insult against the decision by government to remove the UC uplift and the ramifications that this had on Manchester residents.

Decisions

The Executive:-

- (1) Agree the government funding for the Household Support Fund of £6.453m is mainly used for direct awards to support residents during the winter months. Although the Council will quantify the admin costs, it will not deduct all of these from the grant award.
- (2) Agree that the Council administers the Household Support Fund scheme in four key parts to support Manchester residents, this includes the provision of:-

- (i) Support to families to provide free school meals during the holidays, including free school meals for the remainder of the school holidays in this financial year, equating to £15 per pupil per week with money distributed to households on a pupil basis via schools.
 - (ii) A universal offer to recipients of Council Tax Support and other key groups that includes a payment to all households in the city in receipt of CTS, other key groups, including care leavers responsible for the Council Tax bill in their property and residents who are exempt from council tax due to being severely mentally impaired, equating to a one-off cash grant of £100 to households with dependent children and £70 to households without children.
 - (iii) A discretionary Household Support scheme using £300k of the grant funding for Households with responsibility for household bills and who are in receipt of means tested benefits. This could include those that may not have qualified or be in receipt of Council Tax Support, residents living in shared or other accommodation where they do not have a liability for Council Tax but have responsibility for household bills.
 - (iv) Third sector support offer, with the Council setting aside a further £300k to work with advice agencies and the third sector in the city. This will include further work with the Manchester Food partnership. This element of the scheme will be developed under delegation in the weeks ahead and will include liaison with key partners.
- (3) Note that the final published version of the government guidance to local authorities has not been received and on this basis, agree that continuing development and delivery of the scheme is delegated to the Deputy Chief Executive and City Treasurer in conjunction with the Deputy Leader. This will include the budget management as well as scheme eligibility and delivery.
- (4) Note that if significant changes to the scheme are required, it will be brought back to the meeting of Executive in December 2021.
- (5) Places its thanks on record for the work undertaken by the Director of Customer Services and Transactions and her team in developing the proposals with technical proficiency and speed as well as care and compassion.

Exe/21/109 Better Care Fund Section 75 2021/22

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which set out the proposed Section 75 (S75) between Manchester CCG and Manchester City Council on the Better Care Fund and the Improved Better Care Fund (BCF).

The Executive Member for Health and Care advised that on 1 April 2021, new arrangements came into place between the Council and Manchester Foundation Trust (MFT) to 'supercharge' Manchester's Local Care Organisation. This included

the creation of a new Section 75 (S75) between the Council and MFT which included Adult Social Care services, which previously made part of the S75 between Manchester Clinical Commissioning Group (MCCG) and the Council. Consequently, as a result of these changes, the MCCG / Council S75 needed to be amended to reflect the new arrangements. Consequently, as a result of these changes, the MCCG/Council S75 needed to be amended to reflect the new arrangements.

Following discussions between MCCG and the Councils' finance and governance teams, it was agreed that the approach would be to revert back to as close as possible to the pre 2017 S75 arrangements on the BCF. The updated S75 had been presented to and endorsed by, MHCC Executive and Finance Committee on 21 October 2021 and the CCG's Governing Body on the 27 October 2021

Decisions

The Executive:-

- (1) Approve the proposed S75 on the Better Care Fund and the Improved Better Care Fund set out in Appendix One.
- (2) Agree that delegated authority be given to the Deputy Chief Executive and City Treasurer and City Solicitor, in consultation with Executive Member with responsibility for Health and Care, for any minor finalisation amendments to be made to the document.

Exe/21/110 Adoption Counts - Regional Adoption Agency

The Executive considered a report of the Strategic Director Children and Education Services, which sought approval to formally and permanently transfer staff from Manchester into Stockport Council (host organisation) under TUPE regulations.

The Executive Member for Children's Services advised that in 2017, the Council's Senior Management Team and Executive supported a proposal from the Strategic Director of Children's Services for Manchester's adoption service to merge with four other local authorities (Stockport, Trafford, Salford, and Cheshire East) and two voluntary adoption agencies (Adoption Matters and Caritas) to form a Regional Adoption Agency which was known as 'Adoption Counts'. Stockport were nominated as the host organisation for the Regional Adoption Agency, and it was agreed in 2017 to temporarily second adoption staff from Manchester, Trafford, Salford and Cheshire East into Stockport whilst the RAA was established and developed.

The proposal to formally transfer the staff into the host organisation was expected to further improve management support and oversight, organisational performance, organisational identity and relationships as all the staff working in the RAA would become part of a single organisation and no longer have to experience a set of temporary organisational arrangements.

It was noted that the report had been considered by the Children and Young people's Scrutiny Committee who had supported the recommendations.

Decisions

The Executive:-

- (1) Agrees the adoption service for Manchester City Council is integrated into the Regional Adoption Agency 'Adoption Counts'.
- (2) Approves the transfer of the service and notes that staff who are assigned to the service will transfer to Stockport under TUPE regulations.

Exe/21/111 Grey Mare Lane Master Plan

The Executive considered a report of the Strategic Director (Growth and Development), which sought approval in-principle for land to be disposed of to One Manchester (OM) for development, subject to the achievement of agreed milestones, as part of the proposals for the transformation and regeneration of the Grey Mare Lane Estate in Beswick, East Manchester.

The Executive Member for Housing and Employment advised that the regeneration of Grey Mare Lane was being led and funded by OM with an overall investment to be an estimated value of £70m. The scheme involved the provision of 290 new affordable homes, which would include 124 for social rent. There would also be investment in community facilities and a community hub as well as public realm investment alongside the retrofitting of 150 existing homes to make them low carbon and reduce fuel bills.

The Strategic Director (Growth and Development) confirmed that the disposal of the Council's land interest would enable the comprehensive regeneration of the estate by enabling the delivery of additional housing to allow an element cross subsidy across the scheme, which will fund the public realm, street scape, a new community hub and the transformation of Grey mare lane into an attractive high street

Decisions

The Executive:-

- (1) Note the progress made to date by One Manchester in developing proposals for the regeneration of the Grey Mare Lane estate:
- (2) Endorse the Masterplan for the Grey Mare Lane Estate, which from this point forwards, will act as a point of co-ordination for future regeneration activity, including the submission by One Manchester of detailed planning applications on a phased basis.
- (3) Approve in-principle the disposal of land shown in Appendix 2 and as set out in the body of the report; the timing of such disposals being subject to the successful achievement of milestones including the receipt of relevant planning consents and the re-provision of a new Community Hub to replace the current Grange Centre.

- (4) Delegate authority to the Strategic Director Growth and Development and the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Housing and Economy and the Statutory Deputy Leader, to finalise the terms of specific land disposals as and when necessary, to facilitate the regeneration and housing outcomes as set out in the body of the report.
- (5) Authorise the City Solicitor to complete the legal documentation required to put these recommendations into effect

[Councillor Taylor declared a Disclosable Pecuniary Interest in this item due to her employment with One Manchester and left the meeting during consideration of the item].

Exe/21/112 Streets for All Strategy

The Executive considered a report of the Director of City Centre Growth and Infrastructure, which provided an overview of the Streets for All Strategy, which formed a sub strategy to the Greater Manchester Transport Strategy and would enable the Council to deliver its ambitions for walking, cycling and bus in a holistic way. The approach set out in Streets for All would also support the Council's pathway to net zero transport, which was vital to the Government's 'Decarbonising Transport' plan, alongside the Council's local plans to reduce carbon and improve air quality.

The Executive Member for Environment advised that the Streets for All Strategy was well-aligned with national policy documents, including 'Gear Change: A bold vision for Cycling and Walking' (2020) in which Government outlined its ambition to create better streets for people walking and cycling, and 'Bus Back Better: A National Bus Strategy for England' (2021) in which Government asked all Local Transport Authorities to 'commit to significant improvements in traffic management, including bus priority measures and active travel measures. It was a new approach to everything people did on streets in Greater Manchester and it supported the Council's place-based agenda as well as aimed to achieve the ambition for more travel by walking, cycling and public transport, which would help us to tackle our most pressing economic, environmental, quality of life and innovation challenges.

Central to the strategy was reducing the distances people needed to travel to reach everyday destinations such as work, healthcare, education, green spaces, and leisure facilities. Shorter distances meant more trips that could easily be walked or cycled, and new developments could be designed to be easy and safe to access on foot, by cycle and using public transport. The 15 minute neighbourhood concept, whereby in urban areas residents could meet most of their needs within a short walk, cycle, or public transport journey, was an example of this.

The Executive Member for Environment highlighted measures that the Council was already taking in applying a Streets for All approach as it planned for and delivered key sustainable transport infrastructure projects across Manchester.

Decision

The Executive endorse the approach and the principles that will underpin the Streets for All Strategy.

Exe/21/113 Withington Baths Financial Support

The Executive considered a report of the Strategic Director (Neighbourhoods), which provided details of a proposed £1 million loan by Manchester City Council to Love Withington Baths Charitable Trust which would enable essential repairs to the facility that provides valuable swimming, leisure and well-being activities in south Manchester.

The Executive Member for Neighbourhoods explained that the facility had been operated on a full repair and maintenance lease and in addition to annual maintenance work, refurbishment of both studios, redeveloped upstairs unused area into workspace and refurbished sauna had all been financed from Love Withington Baths own profits, crowdfunding and a loan for the workspace. The structural fabric of the 110-year-old building was now in need of considerable repair, in particular the roof of the building, but also some repairs to the external elevations and to the building's structural elements, including a significant amount of reinforced concrete around the pool and replacement of the boiler.

In 2019 the Baths were successful in securing Heritage Lottery funding for £900,000. An additional £230,000 from the Baths' own reserves was intended to cover all the anticipated £1.1million project costs. A robust and transparent tendering process undertaken by the Baths had returned tendered costs considerably higher than anticipated. Three prices were submitted to the Baths, with the preferred tender coming in at around £2.1 million reflecting the rapid increase in construction costs. Consequently, there was a significant gap in funding of around £1 million. Some value engineering work had taken place along with prioritisation of works, to reduce the overall cost. However, the ability to achieve cost reductions or reduce the scope of the works was limited to ensure the long term condition of the building and to ensure that the works were in keeping with the architectural quality of the building required by the National Heritage Lottery Fund. As a result of the financial shortfall and the risk factors associated with not proceeding with the works, Love Withington Baths Charitable Trust had approached the Council for financial assistance.

If agreed, the loan to Love Withington Baths Charitable Trust would be repayable over a long payment period of a maximum of 25 years, based on the expected life of the works

Decisions

The Executive:-

- (1) Note the background and rationale for the provision of this loan.
- (2) Recommend to Council a capital budget increase of £1 million for the purpose of a loan from Manchester City Council to Love Withington Baths Charitable Trust, to be over a repayment period of a maximum of 25 years, and to be funded from borrowing.

- (3) Delegate authority to the Deputy Chief Executive and City Treasurer, and City Solicitor, in consultation with the Deputy Leader (Statutory). to agree and finalise the terms of the loan.
- (4) Delegate authority to the City Solicitor to enter into all contractual and ancillary arrangements to give effect to the recommendations set out in this report

Exe/21/114 Refresh of the Greater Manchester VCSE Accords

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which provided an overview of key activities in Manchester to support the Voluntary, Community and Social Enterprise (VCSE) sector.

The Greater Manchester Combined Authority (GMCA) had requested all 10 GM local authority areas to approve and endorse the GM VCSE Accord, with the GMCA having already approved it.

The Leader advised that the GM Accord represented a continuation of the approach currently adopted in Manchester, and would help to strengthen commitments across GM to build a stronger and more resilient VCSE sector that could best supported and delivered for Manchester residents.

Decision

The Executive approve the new GM VCSE Accord and confirm its endorsement on behalf of Manchester

Exe/21/115 Manchester International Festival Evaluation

The Executive considered a report of the Strategic Director (Neighbourhoods), which provided an overview of the outcomes of the 2021 Manchester International Festival (MIF21). The report summarised the performance against the agreed objectives and details the impact of the festival, based on the results of the independent evaluation and demonstrated how the festival delivered an inspiring programme which enabled Manchester residents and wider audiences to return to the city to enjoy arts and culture, despite the challenges and uncertainty of COVID-19.

The Deputy Leader (Human Resources) commented that despite the challenges and uncertainty of Covid, MIF21 inspired residents of Manchester and beyond to return to the city and enjoy a programme of art, dance, theatre and music, delivered through an immersive series of events that utilised outside spaces like never before.

John McGrath, Artistic Director & Chief Executive MIF reported that MIF developed a range of scenarios for the various potential levels of restriction that might be in place. He paid tribute to the MIF team as at any one time, MIF was running five or more differing scenarios for the festival, and for each project within it, ranging from full lockdown to 'business as usual', and with several versions of a socially-distant or blended festival also in play. He commented that the festival could not have happened without the extraordinary relationship that cultural sector and MIF had with the Council.

Despite the impact of Covid on the media landscape, MIF21 generated strong press coverage across print, online and broadcast media including news announcements, previews of MIF shows, and features, interviews and reviews.

It was also reported that MIF21 was the last Manchester International Festival to take place before the opening of the city's new flagship cultural venue The Factory. As such it provided a citywide and international platform to build profile, raise awareness and introduce elements of The Factory brand to audiences, partners, press and stakeholders locally, nationally and internationally

Randel Bryan, Executive Director MIF, advised the Executive that whilst MIF21 was a socially distanced festival due to Covid, a large number of free and online events made it possible to reach a record number of audiences locally, nationally and internationally and as a result the 2021 festival reached 2,662,244 people (compared with 302,161 in 2019) – 1,462,244 in person and 1,200,000 online. He added that whilst the effects of Covid had meant that the economic impact of the 2021 Festival was lower than previous years, the total economic impact of MIF21 estimated to be £19.5million. The festival also played an important role in terms of employment. 69 staff now worked for the festival all year round and a further 83 were contracted by the festival for a minimum of three weeks during the festival period as well as an additional 62 office-based freelancers. In addition, to deliver the festival, MIF contracted a further 680 people who worked as performers, stage managers, front of house staff or technicians on MIF commissions.

Decisions

The Executive:-

- (1) Note the substantial achievements of the 2021 Festival in achieving its objectives and in supporting the economic and cultural recovery of the city following the COVID-19 pandemic.
- (2) Recognise and support the importance of maintaining public sector funding commitments in order to attract significant match funding from other public and private sector partners

Exe/21/116 Update on the CCTV Code of Good Practice

The Executive considered a report of the Strategic Director (Neighbourhoods), which advised of changes required to the Council's CCTV Code of Practice (COP) since it was last updated in 2019.

The Executive member for Neighbourhoods reported that the only significant change to the COP is the insertion of paragraph 5.4.3.4 relating to the operation of the CCTV system by the Greater Manchester Police ('GMP'). This meant that a number of designated GMP officers in the Silver Command Control room, the City Centre policing team and associated radio operators would also be able to view all CCTV cameras in the City Centre independently of a Council CCTV operator.

In addition to being able to view a camera those GMP officers would also have the ability to use the pan, tilt, and zoom features of all cameras they had access to. All

such viewing and also use of the features of the CCTV cameras would be controlled through a single generic user account and GMP would be required to keep records to show which individual officers were using the CCTV cameras at any time. Representatives of the Council, and other Greater Manchester partners such as the Greater Manchester Fire and Rescue Service and the North West Ambulance Service would also had access to view the CCTV feedback when working in the Silver Command Control room

Decision

The Executive approve the updated Manchester City Council CCTV Code of Practice.

Exe/21/117 HS2 Tramway Consent (Part A)

The Executive considered a report of the Director of City Centre Growth and Infrastructure, which provided an overview of the consent requested by HS2 Limited under Standing Order 25 for the inclusion, in the High Speed Rail (Crewe to Manchester) hybrid Bill, of works associated with the construction of a tramway on the public highway in the Piccadilly ward of Manchester.

The Assistant Executive Member for Transport advised that the Council, alongside its Greater Manchester partners, continued to support the development and delivery of High Speed Two (HS2) and Northern Powerhouse Rail (NPR) at a local, regional and national level. The Council remained committed to working collaboratively with HS2 Limited and Government to ensure that both rail schemes fully aligned with the economic growth context for the city, as well as adjacent and linked regeneration initiatives and other transport infrastructure schemes, to ensure that the optimum solution was delivered in Manchester, which maximised a once in a lifetime opportunity.

Following representations from the Council and TfGM, HS2 Limited had agreed to include a relocated and enhanced Metrolink stop as part of the HS2 station at Manchester Piccadilly. Benefits of the new Metrolink stop at Piccadilly included a significantly improved passenger experience, enhanced capacity to accommodate future growth (in both passengers and services) and enabled improved integration with the existing railway station and the anticipated HS2 station.

The consent under Standing Order 25 would not directly grant HS2 Limited the powers to construct the tramway works in the Piccadilly ward. The consent under Standing Order 25 was merely to allow deposit of a hybrid Bill containing the proposed powers to construct a tramway within the City of Manchester.

There would be further opportunities for the Council to make representations on the content of the hybrid Bill itself. The granting of Standing Order 25 consent would not prejudice the ability to petition against the hybrid Bill, or specific parts of the hybrid Bill.

It was explained that the substantive decision making for the Executive was contained within the Part B report and as such, the Executive was asked to note this Part A report.

The Leader commented that if government was serious about levelling up, then it needed to keep its promises, especially in relation to delivering an Integrated Rail Plan and the delivery of an underground HS2 rail station integrated with a Northern Power House rail services station providing through services from Liverpool through to Leeds via Bradford. He added that without the level of investment requested, levelling up would not be possible.

Decision

The Executive note the report

Exe/21/118 Exclusion of the Public

Decision

The Executive agrees to exclude the public during consideration of the following item which involved consideration of exempt information relating to the financial or business affairs of particular persons and public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Exe/21/119 HS2 Tramway Consent (Part B)

The Executive considered a report of the Director of City Centre Growth and Infrastructure, which provided an overview of the consent requested by HS2 Limited under Standing Order 25 for the inclusion, in the High Speed Rail (Crewe to Manchester) hybrid Bill, of works associated with the construction of a tramway on the public highway in the Piccadilly ward of Manchester.

Decisions

The Executive:-

- (1) Note and, for the purposes of Standing Order 25 (Consents in case of tramway bill) of both Houses of Parliament relating to Private Business, give formal consent to the inclusion in the High Speed Rail (Crewe-Manchester) hybrid Bill in the Session 2021-22 of the tramway works in the Piccadilly ward within the City of Manchester..
- (2) Authorise the City Solicitor to provide a Certificate of Consent under Standing Order 25 to HS2 Limited

Exe/21/120 This City - Funding for Phase 1 Development (Part B)

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which outlined a funding request for the delivery of the first scheme through the

Council's housing delivery vehicle, This City, at Rodney Street in the Ancoats and Beswick Ward, which would deliver 128 new homes.

Decisions

The Executive:-

- (1) Note the content of this report and the rationale for the timing of the financing request for the first scheme delivered via This City.
- (2) Recommend that the Council approve a capital budget increase of £33m funded by prudential borrowing.
- (3) Note that no funding will be spent or contracts entered into until the This City Business Case is approved by the Executive on 15 December 2021.

**Manchester City Council
Report for Information**

Report to: Executive – 15 December 2021

Subject: Appointment of Executive Members and their Portfolios

Report of: The Executive Leader

Summary

In accordance with Articles 7.4(a) and 7.5(a) of the Constitution, the appointment of the Deputy Leader and Executive Members takes effect on receipt of the Leader's written notice by both the person who the Leader is appointing as Deputy Leader and as Executive Member(s) and the Monitoring Officer.

The Monitoring Officer keeps a written record of the appointment of the Deputy Leader and Executive Member(s) and the Leader is required to report these appointments, including their portfolio, to Council and the Executive at the earliest opportunity.

Recommendations

The Executive is requested to note the appointment of the Deputy Leader(s) and Executive Member(s)

Wards Affected - All

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

Not directly applicable

Our Manchester Strategy outcomes	Contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Not directly applicable
A highly skilled city: world class and home grown talent sustaining the city's economic success	Not directly applicable
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Not directly applicable

A liveable and low carbon city: a destination of choice to live, visit, work	Not directly applicable
A connected city: world class infrastructure and connectivity to drive growth	Not directly applicable

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.

- “Notice of the membership of the Executive and portfolio Responsibilities” – record completed by the Leader following Article 7.5(a) review, dated 1 December 2021.
- Manchester City Council Constitution, as adopted by the Council on 3 February 2021 (and amended April 2021).

1. Introduction

- 1.1 The Executive Leader ("the Leader") and the Executive carry out all of the local authority's functions which are not the responsibility of any other part of the local authority, whether by law or under the Council's Constitution.
- 1.2 The Executive will consist of the Leader together with between two and nine councillors appointed to the Executive by the Leader (one of whom will be appointed by the Leader to act as Deputy Leader).
- 1.3 In addition to the Deputy Leader, the Leader will appoint between one and eight further Executive Members to hold such Portfolios as the Leader shall determine.

2. Background

- 2.1 In accordance with Article of the Constitution 7.4(c) when appointing a Deputy Leader, the Leader must give written notice of such appointment to both the person who he/she is appointing as Deputy Leader and the Monitoring Officer.
- 2.2 The appointment of the Deputy Leader will take effect on receipt of the Leader's written notice by both the person who the Leader is appointing as Deputy Leader and the Monitoring Officer.
- 2.3 When appointing an Executive Member(s), in accordance with Article of the Constitution 7.5(a), the Leader must give written notice of the appointment and of the Portfolio to both the person who he/she is appointing as an Executive Member and to the Monitoring Officer.
- 2.4 As above, the appointment of the Executive Member(s) will take effect on receipt of the Leader's written notice by both the person who the Leader is appointing as an Executive Member and the Monitoring Officer.
- 2.5 The Monitoring Officer is also required to keep a written record of both the appointment of the Deputy Leader and of an Executive Member(s).
- 2.6 In regard to both the appointment of a Deputy Leader and the appointment of an Executive Member(s), the Leader is required to report these appointments (including their Portfolio), to Council and the Executive at the earliest opportunity

3. Appointment of Executive Members and their Portfolios

- 3.1 The Leader has notified the Monitoring Officer and relevant Councillors of the following appointments and portfolios

Portfolio	Member	Leads on
Leader	Councillor Bev Craig	City Centre Communications Community Asset

		<p>Transfer Corporate Property Covid Recovery Devolution Economic Policy & Major Economic Development External Relationships Finance (Budget, Capital Programme, Revenues & Benefits) Legal (including Registrars & Coroner) Overall Policy Co- Ordination Procurement & Social Value Strategic Transport</p>
Deputy Leader (Statutory)	Councillor Luthfur Rahman	<p>Civic Culture & Events Equalities & Community Cohesion Future Shape Homelessness Human Resources & Organisational Development International Internal I.T. Our Manchester Performance Voluntary Sector</p>
Deputy Leader	Councillor Joanna Midgley	<p>Adult Care Domestic Abuse Early Intervention & Prevention Family Poverty Health Refugees & Asylum Seekers</p>
Children's Services	Councillor Garry Bridges	<p>16-19 Children & Families Early Years Looked After Children to Age 25 Play Schools</p>

		Young People
Environment	Councillor Tracey Rawlins	Air Quality All Green Issues (Including Climate Change) Biodiversity Food Sustainability Highways Infrastructure & Waste Licensing & Planning Policy Transport & Parking Zero Carbon
Housing and Employment	Councillor Gavin White	Community Assets Digital Strategy District/Neighbourhood Centres Local Economic Strategy (Employment & Adult Skills, Apprenticeships, Worklessness, Employer Engagement) Strategic Housing
Neighbourhoods	Vacant	All Enforcement Bereavement Services Crime & Anti-Social Behaviour Leisure Libraries Markets & Other Traded Services Neighbourhood Management (Including Housing Management) Parks & Allotments

4. Recommendations

4.1 The recommendations are set out at the beginning of this report.

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**Manchester City Council
Report for Information**

Report to: Executive – 15 December 2021

Subject: The Leader of the Council’s Review of the Allocation of Responsibilities for the Discharge of Executive Functions

Report of: The City Solicitor

Summary

The purpose of this report is to ask the Executive to note that the Leader of the Council has undertaken a review of the allocation of responsibilities for the discharge of executive functions recorded in Part 3 of the Council’s Constitution and to note that the Leader has reaffirmed the existing arrangements under Part 3.

In addition, the Executive is asked to note that the Leader has also reaffirmed any other arrangements for the discharge of executive functions that were in place at the time of her predecessor’s resignation as Leader.

Recommendations

That the Executive:

1. Notes that, in accordance with Article 7.10(c) of the Council’s Constitution, the Leader of the Council has undertaken a review of the allocation of responsibilities for the discharge of executive functions recorded in Part 3 of the Council’s Constitution.
 2. Notes that following that review the Leader has reaffirmed the existing allocation of such responsibilities set out in Part 3 of the Council’s Constitution.
 3. Notes that the allocation of responsibilities so reaffirmed includes the:
 - i) delegation of the discharge of all of the Council’s executive functions to the Executive, as per paragraph (A) of Part 3, Section B of the Council’s Constitution;
 - ii) delegation to officers of the discharge of the Council’s executive functions recorded at Part 3, Sections A and F of the Council’s Constitution, including both those functions that are designated as “Executive Functions” and, insofar as they are executive functions, those that are designated as “General Functions”.
 4. Notes that the Leader has also reaffirmed any other arrangements for the discharge of executive functions that were in place at the time of her predecessor’s resignation as Leader.
-

Wards Affected: All

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Not directly applicable
A highly skilled city: world class and home grown talent sustaining the city's economic success	Not directly applicable
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Not directly applicable
A liveable and low carbon city: a destination of choice to live, visit, work	Not directly applicable
A connected city: world class infrastructure and connectivity to drive growth	Not directly applicable

Where applicable, 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 directly.

Financial Consequences – Capital

None directly.

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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.

- “Arrangements for the Discharge of Executive Functions” – record completed by the Leader following Article 7.10(c) review, dated 1 December 2021
- Manchester City Council Constitution, as adopted by the Council on 3 February 2021 (and amended April 2021)

1.0 Introduction

1.1 Section 9E(2) of the Local Government Act 2000 (as amended) provides that when a Council operates a Leader and Cabinet form of Executive, it is for the Leader of the Council to allocate responsibility for the exercise of all of the Council's executive functions. The Leader may decide to discharge any of the Council's executive functions personally, or may arrange for the discharge of any of the Council's executive functions by –

- the Executive;
- another member of the Executive;
- a Committee of the Executive;
- an Area Committee; or
- an officer of the Council.

1.2 Section 9E(3) of the Local Government Act 2000 (as amended) provides that where the Leader has arranged for the discharge of any of the Council's Executive functions to be delegated to the Executive, then (unless the Leader directs otherwise), the Executive may arrange for the discharge of any of the Council's executive functions that have been delegated to it by –

- a Committee of the Executive;
- an Area Committee; or
- an officer of the Council.

1.3 Section 9E(7) of the Local Government Act 2000 (as amended) provides that any arrangements that are made by –

- the Leader for the discharge of any of the Council's executive functions by the Executive or by a Council Officer, or
- the Executive for the discharge of any of the Council's executive functions by a Council Officer,

do not prevent the Leader or the Executive whom the arrangements have been made by from exercising the executive functions concerned.

1.4 Article 7.10(c) of the Council's Constitution provides that:

At the earliest opportunity following the election of a Leader, the Leader will review the allocation of responsibilities for the discharge of executive functions recorded in Part 3 of this Constitution. Any alterations that the Leader wishes to make to the allocation of responsibility for the discharge of executive functions will be dealt with in accordance with Executive Procedure Rule 1.4 in Part 4, Section D of the Constitution.

2.0 The Delegation of Executive Functions

2.1 As required by Article 7.10(c) of the Council's Constitution, the newly elected Leader of the Council has undertaken a review of the allocation of responsibilities for the discharge of executive functions recorded in Part 3 of

the Constitution. Having completed that review, the Leader has determined that, for the time being, the existing arrangements are to be unchanged and are reaffirmed. This means that:

- The discharge of all of the Council's executive functions remains delegated to the Executive, as per paragraph (A) of Part 3, Section B of the Council's Constitution;
- The discharge of the Council's executive functions remain delegated to officers as recorded at Part 3, Sections A and F of the Council's Constitution, including both those functions that are designated as "Executive Functions" and, insofar as they are executive functions, those that are designated as "General Functions".

2.2 As no changes have been made to the arrangements for the discharge of executive functions set out in Part 3 of the Constitution, the notification process set out in Executive Procedure Rule 1.4 in Part 4, Section D of the Constitution has not been engaged. Notwithstanding this, to ensure that the position is clearly recorded, the Leader has made a written record of her reaffirmation of the existing arrangements and delivered it to the Monitoring Officer. In that notice the Leader has also reaffirmed any other arrangements for the discharge of executive functions that were in place at the time of Sir Richard Leese's resignation as Leader.

2.3 While there is no constitutional requirement to do so, for the purposes of clarity and transparency the Leader's reaffirmation of the existing arrangements is brought before the Executive for its attention.

3.0 Recommendations

3.1 The recommendations are set out at the beginning of this report.

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**Manchester City Council
Report for Resolution**

Report to: Executive – Wednesday 15 December 2021

Subject: This City: Manchester’s Housing Delivery Vehicle (Part A)

Report of: Deputy Chief Executive and City Treasurer

Summary

Further to a report to the Executive in September 2021 on This City, a business case has been developed outlining the rationale and considerations that have been taken into account when developing the proposal for the establishment of the Council’s wholly owned housing delivery vehicle.

Recommendations

The Executive is recommended to note the content of the report and comment as appropriate.

Wards Affected: All

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero carbon target for the city
<p>The delivery of sustainable homes will be a key priority for This City. This will be at the core of the design considerations for all homes that will be delivered through the housing delivery vehicle.</p> <p>Careful consideration is being given as to how the developments will make a positive contribution to the zero carbon agenda and support the Council with the achievement of zero carbon by 2038.</p> <p>All proposals linked to sustainability have been costed and considered from a financial viability perspective to ensure that there is a clear cost vs benefit realisation justification for the approach being taken.</p>

Our Manchester Strategy outcomes	Contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	A successful economy must be supported by a vibrant and diverse housing market. The provision of a multi-tenure, high quality, low carbon range of housing options will assist the City to attract investment and provide a housing offer to those working on lower incomes in the city.

A highly skilled city: world class and home-grown talent sustaining the city's economic success	A successful jobs and skills market has to be supported by a vibrant and diverse housing market. The provision of a multi-tenure, high quality, zero carbon range of housing options will assist the City to attract and retain talent.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The scale of development envisaged will provide much needed accommodation in the city which will be delivered across a range of communities to meet the needs of the City.
A liveable and low carbon city: a destination of choice to live, visit, work	All homes being developed will be expected to contribute to our zero carbon targets through the sustainability measures that will be included within design specifications.
A connected city: world class infrastructure and connectivity to drive growth	Housing development makes a direct and influential impact on infrastructure and growth. By ensuring an accelerated delivery programme, it is anticipated that there will be a stimulus to investment and development.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Any revenue consequences are associated with the use of revenue funds from the Housing Investment Reserve to cover the costs of establishing This City and initially covering design team fees.

Financial Consequences – Capital

A capital budget increase of £33m funded by prudential borrowing has previously been approved by Council and the Executive towards the construction costs to deliver the first scheme as part of the This City housing delivery vehicle.

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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: Delivery of new affordable homes in Manchester – 25th March 2020

Executive: A Housing Delivery Company – 3rd June 2020

Executive: This City Housing Delivery Vehicle – 15th September 2021

1. Introduction

- 1.1 As part of the dynamic and proactive post COVID-19 Manchester Economic Recovery Plan, the Council is committed to sustaining confidence in the housing market by reinforcing current approaches to new development to ensure that our existing core messages to investors and developers remain as strong. With this in mind, the Council has decided to create its own housing delivery vehicle, This City, to further bolster housing supply, focussing on the provision of new accessible and sustainable homes, which are in significant demand.

2. Background

- 2.1 There has been significant work undertaken to formulate the This City proposition in detail as well as to bring forward development proposals for the first phase of delivery via This City. Furthermore, there has been extensive work on the development of a robust financial model to underpin the operation of the entity and provide detailed performance monitoring information which will be regularly reported back to the Council as Shareholder.

- 2.2 To ensure there is clarity around the focus of This City, the approach to delivery and the company business case / plan has been structured around the following objectives:

- Viable proposition – to ensure that as a minimum the company can repay principal and interest finance costs back to the Council in addition to managing and maintaining the property to a high standard;
- Provision of an accessible tenure – that a proportion of each scheme, a minimum of 20%, is let at an ‘Accessible Rent; which is defined as at or below Local Housing Allowance rates;
- Sustainability – demonstrate that a high-quality housing product, meeting zero carbon aspirations and providing accessible homes is achievable;
- Retention of control – that the company will retain control of rent setting, management and lettings functions;
- Commercial with a conscience – the company is a trading entity with a key focus on maximising the number of accessible homes that can be delivered through cross subsidisation from the market rented units and ensuring that the delivery of Social Value is embedded through the companies policies and practices;
- Scalable and adaptable – flexibility in the structure and model of the company in order for delivery to be scaled up and provide a route in for investors, with the ability to deliver up to 500 new homes per year.

- 2.3 A range of corporate structuring options have been considered for This City. The structure is required to be efficient, underpinned by robust governance, and offering the flexibility to be adaptable as the delivery and business model evolves for This City over time, to enable the company to be flexible and respond to new opportunities as they emerge.

- 2.4 For the first phase of delivery, This City will be delivered through a wholly

owned company. As the Council wishes to exert control and influence on shaping this phase and developing the blueprint for what the This City housing offer will look like, the use of a wholly owned vehicle was deemed the most appropriate way to do this. In addition, it is proposed that This City will utilise the Council's procurement frameworks for the first phase whilst its own procurement strategy is developed.

- 2.5 To wrap around the operation of This City, there will be strong and transparent governance, regularly reporting back to the Council as Shareholder and outlining company performance from both a delivery and financial perspective. The implementation of a robust monitoring and accountability framework for This City will be a critical factor to its success. A set of Key Performance Indicators are in the process of being established which will be tracked by the This City Board, with performance monitoring being presented to the Council on a minimum of each quarter. This will ensure that there is effective oversight of operations and any emerging risks or performance issues can be mitigated appropriately.
- 2.6 A Company Board comprising of Directors and Non-Executive Directors with the appropriate skills is to be created. The Board will work to a defined Delegations Matrix, highlighting the decision-making authority which the Board has and what should be referred to the Shareholder.
- 2.7 With regards to Directorships, it is proposed that the Executive Member for Housing & Employment alongside another Councillor nominated by Council, will take up positions on the Board. In addition, a senior officer will act as the Council's Shareholder representative on the Board. In addition, adverts have been issued for the appointment of Non-Executive Directors, who will be recruited in early 2022.
- 2.8 For the first phase of This City, it is expected that the Council will fund the construction of the homes through a mix of debt and equity in the company, which the Council will fund through the Public Works Loan Board (PWLB). The interest and debt repayments received by the Council from This City will be used to service the PWLB debt incurred by the Council.
- 2.9 In progressing this approach, the Council will need to incur costs before the company is fully established, including design fees. It is expected that costs incurred in advance of the This City company being fully established will form part of the setup costs of the company and will therefore be recovered by the Council.
- 2.10 The debt and equity blend are expected to be slightly different for each scheme, and the Council will ensure that the composition of financing is compliant with the Subsidy Control Principles outlined within the Subsidy Control Bill, which provides the framework for a new, UK-wide subsidy control regime.
- 2.11 A comprehensive financial modelling tool has been developed for This City. The model provides the ability to apply a range of sensitivities in order to

create the optimum financial viability scenario. The ability to run a range of sensitivities is key at this early stage of scheme formation given costs for delivery are still high level, indicative and in the process of being refined as part of the work being undertaken through the RIBA stages.

- 2.12 For the first phase of delivery, a prudent approach to the cost estimates has been taken to pricing with 5% inflation, 5% risk and 5% design contingency included in any indicative cost modelling. These provisions are being monitored closely, with advice being taken from cost consultants and economists working for Mace, who have the latest industry insights and trends.
- 2.13 Following tax advice covering Corporation Tax, VAT and SDLT, the wholly owned company route for phase 1 provides the optimum level of efficiencies, rather than the first phase of delivery being amalgamated into a wider group structure. Tax advice has been provided for both the Council and This City, to ensure that the implications and benefits for both parties are fully understood.
- 2.14 It is to be noted, that for the first phase of delivery, there will be no grant input, such as Right to Buy Replacement Programme or Homes England funding programmes, applied. However, for future phases, the opportunity to access grant funding streams will be considered.
- 2.16 For Phase 2 and beyond, it is intended that This City will seek an investment partner to work with to drive forward new developments, rather than fund through further PWLB debt. Any new schemes which will be delivered in partnership with an investor will still seek to follow the core principles of This City: development of new, high quality, sustainable homes which are accessible to the people of Manchester.

3. This City Business Case

- 3.1 The This City Business Case sets out the proposals for Manchester City Council to establish a wholly owned housing company, This City, to develop new homes which will contribute towards meeting the Council's housing, regeneration and growth objectives.
- 3.2 This City will operate as a wholly owned, independent company, with the business case setting out the following:
 - (i) The rationale for establishing This City, including the aims and objectives of the company;
 - (ii) Housing market context and how This City will act as a key player in meeting housing need
 - (iii) Governance, legal and financial considerations that have been taken into account
 - (iv) Proposals for the first two schemes that are intended to be delivered through This City and an overview of future phases of development
 - (v) An overview of key policies which are in the process of development
 - (vi) Operational considerations, both in terms of an indicative staffing

structure and the service provision of the management and maintenance function

- (vii) Risks and proposed mitigations
- 3.3 The business case outlines the finer detail of the proposed approach, building on the reports presented to the Executive in March and June 2020 and more recently, September 2021. It sets out the context of the project, the Council's vision and the proposed governance arrangements. It demonstrates the legal frameworks that the Company will operate within and that the proposals meet with legal and financial requirements. It is hoped that this document will give senior leaders the confidence that the proposal has been carefully thought through and that all aspects for the creation, development and operation of a venture as such as this have been considered from both a company and Council perspective.
- 3.4 It is to be noted that the content of this business case has been independently assured to provide external validation that approach outlined has taken into account necessary regulatory provisions and has responded to any lessons learnt highlighted through recent public reports into the operation, financing and governance other similar Local Authority backed ventures.
- 3.5 Once approved by the Council's Executive, the business case will be used as the guiding document to initiate the operation of the company and delivery of the first two phases of development. The business case will be reported back through to the already established governance structure for This City and will eventually evolve into a business plan for the company. In addition, performance of This City will be reported back through to the Council's Shareholder Panel, to ensure that the company is performing against Key Performance Indicators and financial projections.
- 4. Risks and Mitigations**
- 4.1 Through the development of the This City proposition and refinement of the business case, a number of key risks have been highlighted, and a mitigations tracker has been developed. The points below highlight the most live and pertinent risks to this project at present:
- **Volatility of the construction sector:** Cost consultants and economists working as part of the design team have ensured that accurate as possible inflation figures are applied to the cost profiling. At present, there is a 5% provision for inflation but this is being monitored closely as some sources have indicated that this could increase up to 9%. It is to be noted that financial modelling has also been undertaken on a 9% basis to ensure that overall potential impact is clearly understood. In addition, the contractor procurement commenced early in the design process for the first proposed development to ensure that there is a contractor that has the capacity to include the scheme in their resourcing programme.
 - **Financial and Cashflow:** The financial model developed allows for sensitivity analysis, so that the impact of, for example, rent levels, voids, and maintenance costs can be reviewed. Inflation risk remains a concern

given the current market intelligence, but the design team are building in prudent assumptions on cost increases. Cashflow will be an ongoing risk, which can be mitigated through some of the measures discussed below, but it will need constant review.

- **Robust market intelligence:** It's critical that there is robust market intelligence underpinning the approach to This City – that we are delivering the right mix to meet the market need. A range of housing performance and delivery data has informed approach and will keep a regular track of changes in the property market.
- **Availability of a properties:** A certain proportion of market rented properties need to be let within a certain timeframe to ensure that there is enough cashflow to repay debt and cover ongoing running costs. Staggered occupancy dates have been built into the financial modelling to provide enough headroom in the scenario where properties could take longer to let than anticipated. Flexibility to switch the tenure to accessible to ensure some level of income is also being explored.
- **Attracting an Investor for Phase 2 and beyond:** As highlighted earlier in the report, future phases are predicated on attracting an investor to back This City. Therefore, the proposition must be attractive to a third party and constructed in the right way for maximum benefits. An insight into investor preferences has been discussed with some of the external advisors who have supported This City to date to ensure that we are cognisant of the parameters that would need to be worked within.

5. Contributing to a Zero Carbon City

- 5.1 The delivery of sustainable homes will be a key priority for This City. This will be at the core of the design considerations for all homes that will be delivered through the housing delivery vehicle. Careful consideration is being given as to how the developments will make a positive contribution to the zero-carbon agenda and support the Council with the achievement of zero carbon by 2038.
- 5.2 All proposals linked to sustainability have been costed and considered from a financial viability perspective to ensure that there is a clear cost vs benefit realisation justification for the approach being taken.

6. Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

- 6.1 A successful economy must be supported by a vibrant and diverse housing market. The provision of a multi-tenure, high quality, low carbon range of housing options will assist the City to attract investment and provide a housing offer to those working on lower incomes in the city.

(b) A highly skilled city

- 6.2 A successful jobs and skills market has to be supported by a vibrant and diverse housing market. The provision of a multi-tenure, high quality, zero carbon range of housing options will assist the City to attract and retain talent.

(c) A progressive and equitable city

- 6.3 The scale of development envisaged will provide much needed accommodation in the city which will be delivered across a range of communities to meet the needs of the City.

(d) A liveable and low carbon city

- 6.4 All homes being developed will be expected to contribute to our zero carbon targets through the sustainability measures that will be included within design specifications.

(e) A connected city

- 6.5 Housing development makes a direct and influential impact on infrastructure and growth. By ensuring an accelerated delivery programme, it is anticipated that there will be a stimulus to investment and development.

7. Key Policies and Considerations**(a) Equal Opportunities**

- 7.1 There are no equal opportunities considerations at this stage but through the development of policies for This City, there will be equality, diversity and inclusion impact assessments undertaken.

(b) Risk Management

- 7.2 As outlined at section 6, there is a comprehensive understanding of the risks associated with This City and are being mitigated appropriately. There is a detailed risk register included in the business case which is regularly tracked through the This City governance structure and once the This City Board is established, this will be a standing item on each agenda.

(c) Legal Considerations

- 7.3 Both internal and external advice has been provided to ensure that the approach to the creation of the company meets legal and regulatory requirements.

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