



Executive

Date: Wednesday, 22 March 2023

Time: 2.00 pm

Venue: Council Antechamber, Level 2, Town Hall Extension

Everyone is welcome to attend this Executive meeting.

Access to the Public Gallery

Public access to the Council Antechamber is on Level 2 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), Akbar, Bridges, Hacking, Igbon, Midgley, Rahman, Rawlins, T Robinson and White

Membership of the Consultative Panel

Councillors

Ahmed Ali, Butt, Collins, Douglas, Foley, Johnson, Leech, Lynch and Stanton

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 15 February 2023. 5 - 44
- 4. Our Manchester Progress Update**
Report to follow
- 5. Capital Programme Update** **All Wards**
Report of the Deputy Chief Executive and City Treasurer attached 45 - 60
- 6. Health and Social Care Better Care Fund Section 75 agreements for 2023/24**
Report to follow
- 7. Former Central Retail Park Strategic Regeneration Framework Update**
Report to follow
- 8. Manchester Science Park (MSP) Strategic Regeneration Framework Addendum** **Ardwick;**
Report of the Strategic Director (Growth and Development) attached **Hulme**
61 - 68
- 9. Regeneration of Collyhurst - Update** **Harpurhey;**
Report of the Strategic Director (Growth and Development) attached **Miles Platting**
and Newton
Heath
69 – 84
- 10. Refresh of the Community Asset Transfer Policy** **All Wards**
Report of the Deputy Chief Executive and City Treasurer attached 85 - 114

- 11. Designation of Broadhurst Clough as a Local Nature Reserve**
Report of the Strategic Director (Growth and Development)
attached

Moston
115 - 124
- 12. Disposal of Oakwood Community Resource Centre, Northenden, Manchester (Part A)**
Report of the Strategic Director (Growth and Development)
attached

Northenden
125 - 136
- 13. Disposal of land and buildings at Vaughan St, Manchester (Space Studios) (Part A)**
Report to follow
- 14. 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.
- 15. Disposal of Oakwood Community Resource Centre, Northenden, Manchester (Part B)**
Report of the Strategic Director (Growth and Development)
attached

Northenden
137 - 142
- 16. Disposal of land and buildings at Vaughan St, Manchester (Space Studios) (Part B)**
Report to follow

Information about the Executive

The Executive is made up of 10 Councillors: the Leader and two Deputy Leaders of the Council and 7 Executive Members with responsibility for: Early Years, Children and Young People; Health Manchester and Adult Social Care; Finance and Resources; Environment and Transport; Vibrant Neighbourhoods; Housing and Development; and Skills, Employment and Leisure. 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, 14 March 2023** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension, Manchester M60 2LA

Executive

Minutes of the meeting held on Wednesday, 15 February 2023

Present: Councillor Craig (Chair)

Councillors: Akbar, Bridges, Hacking, Igbon, Midgley, Rahman, Rawlins, T Robinson and White

Also present as Members of the Standing Consultative Panel:

Councillors: Ahmed Ali, Butt, Collins, Douglas, Foley, Johnson, Leech and Lynch

Apologies: Councillor Stanton

Exe/23/11 Minutes

Decision

The Executive approved as a correct record the minutes of the meeting on 18 January 2023.

Exe/23/12 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 (Statutory) reported that work had commenced to transform three heritage railway arches, situated between HOME arts centre’s building and Whitworth Street West, into a talent development centre for artists of all ages, disciplines and stages in their careers. The £3.4m Arches project, which would be operated by HOME, would nurture, attract and retain creative talent in Manchester by providing high quality, low cost rehearsal and training space. The scheme was one of two parts of the Culture In The City project which Manchester City Council secured almost £20m of Government Levelling Up funding for in autumn 2021. He also reported on Factory International having been hailed by Time Out magazine as one of its ‘23 best things to do in the world in 2023’. The venue, not yet opened, was the only UK entry in the top ten of the magazine’s prestigious list of the best things to see and do this year and one of only two British entries.

The Deputy Leader reported that Sixty organisations across the city were set to be awarded £3.4m in funding through the Council’s Our Manchester grants programme for the Voluntary and Community Sector (OMCVS). The OMCVS scheme was the Council’s largest grant programme for the voluntary and community sector and helps diverse organisations provide support for residents. The grants were for multiple financial years in order to help organisations plan and invest with more certainty. Recipients of the grants provided a wide range of services across the city including supporting residents experiencing poverty, supporting health and wellbeing and supporting communities.

Councillor Leech commented that in relation to the update on HS2, he was concerned with the amended proposals surrounding the vent shaft location in Didsbury West. He also commented on the potential impact within West Didsbury arising from the diversion of traffic arising from the Manchester to Chorlton Cycleway.

The Leader advised that the Council had petitioned Government on a number of issues within the HS2 proposals and was awaiting Government to formally issue new proposals before it could respond. Assurance was given that local ward councillors would be consulted before any response was submitted.

The Executive Member for Environment and Transport advised that ward councillors, local residents and business were being regularly briefed on the Manchester to Chorlton Cycleway. She acknowledged that whilst some decisions may be less favourable than others, the benefits of the new cycleway were far reaching.

Decision

The Executive notes the update.

Exe/23/13 Revenue Budget Monitoring Update

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which outlined the projected outturn position for 2022/23, based on expenditure and income activity as at the end of December 2022 and future projections.

The Leader advised that the current budget monitoring forecast was estimating an overspend of £3.5m for 2022/23. The main drivers of the overspend are the pay award and the reductions in car parking and Christmas markets income and Home to School Transport. Overall, there was an improvement of £4.1m from Period 7, which was the last report to Executive in December 2022.

The position reflected the release of contingencies £0.3m, reduced price inflation requirement of £1.7m and a £0.6m reduction in the budget required for electricity. These amounted to a £2.6m reduction in the corporate overspends. The Deputy Chief Executive and City Treasurer also commented that there had also been an increase of £1.5m in Corporate Resources due to the redistribution of the Business Rates levy surplus from Central Government

It was reported that it was positive that the main demand led services within Adults, Children's and Homelessness were underspending or breakeven, which puts the Council in a better position than many other councils and reflected the investment in prevention strategies over the last few years.

Any remaining overspend which could not be mitigated in year would require the use of the smoothing reserve or the general fund reserve. The smoothing reserve had been established to assist with timing differences between savings plans being developed and delivered. It was recognised that any unplanned use in the current year would reduce capacity to support future years savings programme and reduce the Council's overall resilience.

Full details about of the budget forecasts and variances by Directorate were detailed in the report and budget changes could be summarised as follows:-

- Highways - Traffic Signal Optimisation - £0.5m grant awarded for upgrade and maintenance of traffic signals and associated equipment;
- Highways - Review of City Centre Controlled Parking Zone and on street tariffs (Parking Reserve) - £50k for the feasibility study estimate of £100k to review the current city centre controlled parking zones and on-street tariffs;
- Homelessness – Homelessness Prevention Grant Winter 2022/23 Top-Up. £0.530m to prevent vulnerable households from becoming homeless and manage local homelessness pressures;
- Corporate Core – Energy Bill Support Scheme: Alternative Funding Grant. £2.300m to facilitate the scheme on an agent basis, whereby the Council acts as an intermediary of Government to make grant payments;
- Use of reserves over and above that agreed as part of the approved 2022/23 budget - £0.6m to Manchester Aquatics Leisure Centre to offset the income losses from the Leisure provider GLL for 2022/23;
- Utilities inflation - £3.246m to cover increased gas prices;
- Cost of living payments to internal Foster Carers of £300, expected to cost £150k in total;
- Payments to households who missed out on the Universal Credit cost Living autumn payments, estimated at £369k;
- £753k released from Contingency; and
- Price Inflation requests

The inflationary pressures outlined in the report were expected to continue into future years. This coupled with funding uncertainty increased the risks associated with setting a balanced and sustainable long-term financial plan and represent a deterioration of the Council's financial position if no action was taken. It was therefore vital that the Council continued with its programme of innovation and reform and developed its operating model to help tackle these challenges and keep the Council's finances stable and sustainable.

The 2022/23 budget process saw the Council develop savings and efficiency plans of over £42.3m over the three years to 2025/26. The provisional financial settlement announced on 19 December 2022 reflected a change in government policy in relation to funding inflation and social care pressures. This had given the opportunity to review the quantum and phasing of savings and it was now proposed that options of £36.2m were progressed

Whilst the position for 2023/24 looked manageable, the financial position from 2023/24 to 2024/25 was much more challenging. The Medium-Term Financial Strategy elsewhere on the agenda set out the financial context for ensuring future financial sustainability.

Decisions

The Executive:-

- (1) Note the global revenue monitoring report and forecast outturn position which is showing a £3.5m overspend.
- (2) Approve the use of unbudgeted external grant funding.
- (3) Approve the release of reserve funding.
- (4) Approve the allocation of budgets to fund Utilities Inflation.
- (5) Approve the request for contingency funding.
- (6) Approve the allocation of budgets to fund Price Inflation.

Exe/23/14 Capital Programme Budget Monitoring 2022/23

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which informed of the progress against the delivery of the 2022/23 capital programme to the end of December 2022, the latest forecast of capital expenditure and the major variances since the Capital Programme Monitoring report submitted in November 2022 and the proposed financing of capital expenditure for 2022/23 and affordability of the Capital Programme.

The Executive Member for Finance and Resources commented that the revised capital budget sat at £575.8m, with a further £472.1m budgeted to be spent across 2023-2025, taking total Council led capital investment in the city to £1,047.9m.

The latest forecasted expenditure for 2022/23 for Manchester City Council was £443.8m compared to the current approved budget of £575.8m. Spend as of 31 December 2022 was £259.4m. It was reported that the programme was subject to continual review to establish whether the forecast remained achievable.

Whilst the intention was for the Council to progress the programme as stated, some projects and their sources of funding might require re-profiling into future years.

Councillor Leech queried whether the re-profiling of certain aspects of the Factory would lead to any additional inflationary charges in future years to which the Deputy Chief Executive and City Treasurer clarified that any profiling would not lead to additional costs.

Decision

The Executive note the report.

Exe/23/15 Medium Term Financial Strategy and 2023/24 Revenue Budget

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which set out the strategic and financial context which supported the 2023/24 Budget based on the outcome of the Final Local Government Finance Settlement.

The report went on to set out the strategic and statutory context for setting the budget, which included:-

- The Our Manchester Strategy;
- Progress to date on delivering the Our Manchester Strategy, building on the recent State of the City analysis;
- The Corporate Plan;
- A summary of the financial position and context;
- The required statutory assessment of the robustness of the proposed budget and adequacy of proposed reserves;
- Other fiduciary and statutory duties; and
- Financial Governance.

The Medium-Term Financial Strategy (MTFS) report to Executive in February 2022 recognised that significant budget cuts would need to be delivered over the Spending Review period to set a balanced budget in future years. When the three-year MTFS was presented in February 2022 the budget gap was forecasted at £37m, in 2023/24, increasing to £58m by 2024/25, reflecting the flat cash funding position set out in the spending review.

Since then, the national funding outlook for Local Government has become more volatile. A review of the Council's budget assumptions was undertaken in August 2022 followed by an emergency financial statement delivered by the new Chancellor, on 17 October 2022, which reversed the majority of the tax changes announced on 23 September 2022. An updated position was reported to Executive on 16 November 2022, based on the latest Government position and updated for the 2022/23 pay award and increased inflationary pressures which projected a revised forecast gap of £28m in 2023/24 increasing to £69m in 2024/25 and £96m by 2025/26.

Savings options had been developed consisting of £21.1m for 2023/24r increasing to £42.3m by 2025/26, alongside the proposed application of more than £48m of smoothing reserves to support the spending position. This reduced the forecast gap to £7m in 2023/24, rising to £37m in 2024/25 and £54m by 2025/26. The financial settlement had provided some additional flexibility and headroom, with savings being reviewed and it was now proposed that savings options of £36.2m are progressed, a reduction of £6.1m overall

Directorate	Amount of Saving				Indicative FTE impact
	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total £'000	
Adults Services	4,142	2,200	2,200	8,542	-
Public Health	730	-	-	730	3
Children's Services	4,411	3,920	3,394	11,725	-
Neighbourhoods	545	1,135	1,772	3,452	3
Homelessness	1,244	2,070	1,332	4,646	-
Corporate Core	3,365	677	1,089	5,131	27
Growth and	959	170	815	1,944	1

Development					
Total profiled savings options	15,396	10,172	10,602	36,170	34

Taking into account the above changes to the financial assumptions; the impact of the Autumn Statement and final Finance Settlement; the setting of the Council Tax and Business Rates base and Collection Fund surplus and the changes to savings and investment proposals, the forecast budget position was:-

	Revised 2022 / 23	2023 / 24	2024 / 25	2025 / 25
	£'000	£'000	£'000	£'000
Resources Available				
Business Rates / Settlement Related Funding	235,553	374,725	380,005	386,872
Council Tax	208,965	217,968	228,087	237,279
Grants and other External Funding	104,559	126,439	127,968	116,055
Dividends	0	0	0	0
Use of Reserves	141,522	17,087	31,861	28,372
Total Resources Available	690,599	736,219	767,921	768,578
Resources Required				
<i>Corporate Costs:</i>				
Levies / Statutory Charge	67,871	70,060	75,463	74,646
Contingency	600	600	600	600
Capital Financing	39,507	39,507	39,507	39,507
Transfer to Reserves	24,638	1,335	0	0
<i>Sub Total Corporate Costs</i>	<i>132,616</i>	<i>111,502</i>	<i>115,570</i>	<i>114,753</i>
<i>Directorate Costs:</i>				
Additional	7,316	8,566	8,566	8,566

	Revised 2022 / 23	2023 / 24	2024 / 25	2025 / 25
	£'000	£'000	£'000	£'000
Allowances and other pension costs				
Insurance Costs	2,004	2,004	2,004	2,004
Inflationary Pressures and budgets to be allocated	(7,169)	22,586	38,060	78,102
Directorate Budgets	555,832	591,561	603,721	605,545
<i>Subtotal Directorate Costs</i>	<i>557,983</i>	<i>624,717</i>	<i>652,351</i>	<i>694,217</i>
Total Resources Required	690,599	736,219	767,921	808,970
Shortfall / (surplus)	0	0	0	40,392

The report explained that the Council's net revenue budget was funded from five main sources: Business Rates, Council Tax, government grants, dividends, and use of reserves. In recent years the on-going reductions in central government funding had increased the importance of growing and maintaining local income and local funding sources, which was now integral to the Council's financial planning. The total resources available to support the Council's net budget position was as follows:-

	Revised 2022 / 23	2023 / 24	2024 / 25	2025 / 26
	£'000	£'000	£'000	£'000
Resources Available				
Business Rates / Settlement Related Funding	235,553	374,725	380,005	386,872
Council Tax	208,965	217,968	228,087	237,279

	Revised 2022 / 23	2023 / 24	2024 / 25	2025 / 26
	£'000	£'000	£'000	£'000
Grants and other External Funding	104,559	126,439	127,968	116,055
Dividends	0	0	0	0
Use of Reserves	141,522	17,087	31,861	28,372
Total Resources Available	690,599	736,219	767,921	768,578

The report went on to present in more detail the main elements that had been part of the Local Government Finance Settlement,

The assumption in regards Council Tax was that the Council would apply a 2.99% Council Tax increase in the basic amount, and a further 2% increase to provide extra funding for Adult Social Care, equating to a 4.99% Council Tax increase overall.

	2022/23 C'Tax	2023/24 C'Tax	Proposed Increase	Increase per week	
	£	£	£	%	£
Manchester City Council - Band D	1,541.34	1,618.25	76.91	4.99%	1.48
Manchester City Council - Band A	1,027.56	1,078.84	51.28	4.99%	0.99
Band A receiving CTS at 82.5%	179.82	188.80	8.97	4.99%	0.17

It was also reported that Council Tax collection rate had been increased from 95.5% to 96.5% in 2023/24 increasing forecast income by £1.9m.

The report examined the future funding uncertainties facing the Council. The Deputy Chief Executive and City Treasurer had examined the major assumptions used within the budget calculations and had carried out sensitivity analysis to ascertain the levels of potential risk in the assumptions being used. The key risks identified to the delivery of a balanced budget and their mitigation were set out in the report.

The details of the Business Rate calculations, forecasts and assumptions were set out in the report, as well as the financial changes arising from the business rate related grants and funding the government had provided to support businesses.

The report provided a breakdown of the other non-ringfenced grants and contributions included in the budget. The most significant grants and contributions were described in detail in the report.

	Revised 2022 / 23	2023 / 24	2024 / 25	2025 / 26
	£'000	£'000	£'000	£'000
Better Care Fund (Improved)	31,748	31,748	31,748	31,748
Children's and Adult's Social Care Grant	31,924	50,695	57,645	57,645
Market Sustainability and Fair Cost of Care Fund	1,800	6,243	9,348	9,348
Adult Social Care Discharge Fund		4,451	7,420	7,420
Services Grant	12,324	7,230	7,230	7,230
Lower tier services grant	1,328	0	0	0
New Homes Bonus Grant	9,857	6,637	0	0
Loan Income from Airport	6,913	6,913	6,913	0
Contribution from GM Integrated Care Board	4,000	4,000	4,000	4,000
Education Services Grant	1,200	1,055	1,055	1,055
Housing Benefit Admin Subsidy	2,514	2,514	2,514	2,514
Council Tax Support Admin Subsidy (rolled into RSG from 2023/24)	856	0	0	0
Care Act Grant - Prison only from 16/17	95	95	95	95
Proposed share of £20m waste rebate		4,498		
Proposed share of further £2m waste rebate		360	0	0
Settlement Risk	0	0	0	(5,000)
Total Non Ring-fenced Grants and Contributions	104,559	126,439	127,968	116,055

The report also examined the use of resources and the proposed revenue expenditure by the Council in 2023/24. The forecast of levy payments the Council would have to make to other authorities in 2023/24 was:-

	Revised 2022 / 23	2023 / 24	2024 / 25	2025 / 26
	£'000	£'000	£'000	£'000
GMCA - Waste Disposal Authority	29,956	30,632	32,164	33,643
Transport Levy	37,573	39,076	39,467	40,651
Contribution to Bus Reform	0	0	3,481	0
Environment Agency	248	258	258	258
Port Health	84	94	94	94
Probation (residuary charge for debt)	7	0	0	0
Magistrates (Residual debt)	3	0	0	0
Net Cost of Levies	67,871	70,060	75,463	74,646

The waste disposal levy was paid over to Greater Manchester Combined Authority (GMCA) and this contributed towards their costs of funding Greater Manchester Waste Disposal Authority (GMWDA). Based on figures provided by GMCA the 2023/24 levy costs were to increase by £0.7 inclusive of changes in costs, recycling rates and market prices for recyclates and energy, as well as one off reserve rebates. The final amount would be confirmed following the meeting of the GMCA on 10 February 2023:-

The proposed Insurance costs of £ 2.004m related to the cost of external insurance policies as well as contributions to the insurance fund reserve for self-insured risks.

The capital financing budget of £ 39.507m was to cover the costs of borrowing. For 2023/24 the forecast breakdown included:-

- Costs of £92.7m as follows:
- Interest costs of £40.7m,
- Minimum Revenue Provision (MRP) of £37.2m, being the provision for the repayment of debt incurred to fund an asset, spread over the useful economic life of the asset,
- Debt Management Expenses of £0.2m, and
- Contributions to investment projects and capital financing reserves of £14.6m.
- Partly offset by interest receivable of £53.2m.

Allowances of £8.566m had also been made for retired staff and teachers' pensions to meet the cost of added-years payments awarded to former employees.

The report explained the main assumptions that had been made when calculating provision to be made for inflation and other anticipated costs. These could not, at this point in time, be allocated to Directorate or other budgets. They would instead be allocated throughout the coming year. The total provision being proposed was £7.169m for 2023/24, broken down into:-

	Revised 2022 / 23 £'000*	2023 / 24 £'000	2024 / 25 £'000	2025 / 26 £'000
Non Pay Inflation	(1,240)	6,476	10,818	13,807
Electricity Inflation	0	2,400	2,400	2,400
Pay Inflation	(6,958)	15,600	26,700	38,000
Reduced Pension Contribution	0	(2,950)	(2,950)	(2,950)
Apprentice Levy (0.5%)	1,029	1,060	1,092	1,124
Social Care Reforms	0	0	0	25,721
Total	(7,169)	22,586	38,060	78,102

The report explained that the Council held a number of reserves, all of which, aside from the General Fund Reserve, had been set aside to meet specific future expenditure or risks. A full review of all the reserves held had been carried out as part of the budget setting process and the planned use of reserves in 2023/24 to support revenue expenditure was as follows:-

	2022 / 23	2023 / 24	Spend supported by the reserve
	£'000	£'000	
Reserves directly supporting the council wide revenue budget:			
Airport Dividend reserve	24,851	1,073	Used in arrears to support the revenue budget position.
General Fund	2,970	0	To support the 2022/23 budget position.
Business Rates Reserve	109,609	7,166	Business rates relief provided over the pandemic and funded by Government. Applied to offset Collection Fund deficit in arrears.
Use of St Johns growth reserve to support revenue budget	0	1,156	Growth in business rates income in the St Johns footprint, used to support the budget.
Adult Social Care budget for New Care Models	0	1,300	An investment to sustain the social work infrastructure and reablement capacity, supporting care models covering Crisis, Discharge to Assess and Manchester Case Management.

	2022 / 23	2023 / 24	Spend supported by the reserve
	£'000	£'000	
Bus Lane and Parking reserves	4,092	6,392	To support transport infrastructure and operations through the TfGM transport levy.
Sub Total	141,522	17,087	
Earmarked reserves:			
Bus Lane and Parking Reserves	5,188	7,044	To support costs associated with transport provision and highways / environmental improvements.
Balances Held for PFI's	433	33	Held to meet costs across the life of the PFI schemes
Managing economic and commercial risks	14,208	1,020	A significant part of the Planning Reserve will be required to support the development of the Local Plan.
Insurance Fund	500	500	Insurance fund reserve to meet uninsured risks, amount required is estimated each year.
Capital Fund Reserve	39,862	20,112	Contribution to schemes which are supporting employment and growth, future carbon reduction investments and high priority strategic development opportunities.
Investment Reserve	1,828	2,189	To fund £400k per Annum for North Manchester regeneration strategy, £0.7m over two years to support This City, and posts in Growth and Development.
Manchester International Festival Reserve	1,927	1,250	10 year grant agreement from 20
Eastlands Reserve	5,118	4,389	This reserve reflects the contribution from Manchester City Football Club and will be used for various projects including English Institute of Sport.
Town Hall Reserve	1,765	3,124	To fund revenue costs from Our Town Hall including decant costs.

	2022 / 23	2023 / 24	Spend supported by the reserve
	£'000	£'000	
Enterprise Reserve	75	99	Enterprise Reserve
Highways Commuted Sum	89	89	Highways Commuted Sum
Medium Term Financial Plan Risk Reserves	25,869	5,816	Includes funding for Our Manchester (Voluntary Sector Grants) and Supporting Families reserve for Thriving Families initiative.
Reserves held for accounting purposes	7,664	7,439	Grants used over more than one year.
Making Manchester Fairer	0	2,430	To fund kickstarter schemes supporting the Making Manchester Fairer ambition
Adult Social Care Reserve	4,268	5,010	To support Adult and Social Care Improvement Plan
Other Specific Reserves	636	1,037	Includes Community Safety, Primary School Catering and Social Value Fund
Total	250,952	78,668	

Where reserves were used to support the Council's overall budget position or corporate expenditure such as levies, these were shown gross as part of the Resources required. The use of these reserves totalled £17m in 2022/23. Of this £7.2m related to Business Rates grant, £1m airport reserve, £1.3m for New Care Models and £6.4m supporting the transport levy.

The proposals for the Directorates' cash limit budgets were detailed in the Directorate Budgets 2022/23 reports that were also being considered at the meeting (Minute Exe/23/16 to 23/26 below). The overall position was:-

	2022 / 23 Revised		2023 / 24	
	Net Budget	Gross Budget	Net Budget	Gross Budget
Directorate	£'000	£'000	£'000	£'000
Children Services	132,052	528,598	138,234	601,822
Adults Services	191,197	258,615	211,947	268,300
Public Health	42,685	45,989	41,955	47,059
Corporate Core	98,321	316,569	104,496	322,861
Neighbourhoods (Incl. Highways and	100,351	242,991	104,662	253,461

	2022 / 23 Revised		2023 / 24	
	Net Budget	Gross Budget	Net Budget	Gross Budget
Directorate	£'000	£'000	£'000	£'000
Homelessness)				
Growth and Development	(8,774)	35,577	(9,733)	35,548
Total	555,832	1,428,339	591,561	1,529,051

The budget assumptions that underpinned 2023/24 to 2025/26 included the commitments made as part of the 2022/23 budget process to fund ongoing demand pressures, as well as provision to meet other known pressures and investments. Whilst this contributed to the scale of the budget gap it was important that a realistic budget was set which reflected ongoing cost and demand pressures.

The Council remained committed to the priorities within the Our Manchester strategy and to the delivery of the Council's Corporate Plan. The budget presented was based on the best information available to date, however there would be potential changes arising from other government funding announcements, such as the Public Health Grant. Overall, the Finance Settlement announcements had been better than anticipated. The 2023/24 budget gap has been closed without the need for further cuts and an opportunity to consider the quantum and phasing of the cuts and savings options alongside a small level of additional targeted investment and the 2023/24 budget contained reduced savings of £15.4m

While the final settlement had given some breathing space it did not provide a sustainable long term funding solution for Local Government. The difficult financial decisions had been pushed back to 2025/26 and it was highly likely that further significant budget cuts would be required at that point. Officers had estimated the future resources available based on the information available. This resulted in a forecast gap of £40m in 2025/26, after the use of £17m budget smoothing reserves. The focus would now return to identifying medium term cuts and savings and continued working with central government to inform the planned reforms and obtain a fair funding settlement for the City.

Councillor Leech sought clarification on the proportion of bus lane reserves to be used and how much would be left.

Decisions

The Executive:-

- (1) Note that the financial position has been based on the final Local Government Finance Settlement announced on 6 February together with any further announcements at that date;
- (2) Note the anticipated financial position for the Council for the period of 2023/24 which is based on all proposals being agreed

- (3) Note the resources available are utilised to support the financial position to best effect, including use of reserves and prior years dividends; consideration of the updated Council Tax and Business Rates position; the financing of capital investment, and the availability and application of grants.
- (4) Note that the Capital Strategy and Budget 2023/24 to 2025/26 has been presented alongside this report.
- (5) Note the Deputy Chief Executive and City Treasurer's review of the robustness of the estimates and the adequacy of the reserves.
- (6) Recommend to Council to approve, as elements of the budget for 2023/24
 - an increase in the basic amount of Council Tax (i.e., the Council's element of Council Tax) by 2.99% and Adult Social Care precept increase of 2%;
 - the contingency sum of £0.6m (para 6.61);
 - corporate budget requirements to cover levies/charges of £70.060m, capital financing costs of £39.507m, additional allowances and other pension costs of £8.566m and insurance costs of £2.004m;
 - the inflationary pressures and budgets to be allocated in the sum of £22.586m; and delegate the final allocations to the Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources;
 - the estimated utilisation of £13.146m in 2023/24 of the surplus from the on-street parking and bus lane enforcement reserves, after determining that any surplus from these reserves is not required to provide additional off-street parking within the district; and
 - The planned use of, and movement in, reserves after any changes are required to account for final levies.
- (7) Approve the gross and net Directorate cash limits.
- (8) Approve the in-principal contribution to the Adults aligned budget, subject to the extension of the S75 Agreement with Manchester Foundation Trust, which will be considered by Executive in March 2023.
- (9) Approve the in-principal contribution to the Better Care Fund (BCF), subject to the extension of the BCF S75 Agreement with Manchester ICS, which will be considered by Executive in March 2023.
- (10) Delegate authority to the Deputy Chief Executive and City Treasurer and Chief Executive in consultation with the Executive Member for Finance and Human Resources and the Leader of the Council to draft the recommended budget resolution for budget setting Council in accordance with the legal requirements outlined in this report and to take into account the decisions of the Executive and any final changes and other technical adjustments;

- (11) Delegate authority to the Deputy Chief Executive and City Treasurer and Chief Executive in consultation with the Executive Member for Finance and Human Resources to administer the Council Tax Support Fund, Household Support Fund and Energy Bill Support Scheme: Alternative Funding Grant.
- (12) Note that there is a requirement on the authority to provide an itemised council tax bill which, on the face of the bill, informs taxpayers of that part of any increase in council tax which is being used to fund adult social care;
- (13) Recommend that Council approve and adopt the budget for 2023/24.

Exe/23/16 Corporate Core Budget 2023/24

The report of the Deputy Chief Executive and City Treasurer and City Solicitor explained how the budget proposals for the Directorate had been developed.

The 2022/23 budget process saw the Council develop savings and efficiency plans of over £42.3m over the three years to 2025/26 of which there were savings options of £10.26m (including Corporate Core savings of £6.024m and Traded Services savings of £4.236m). The provisional financial settlement announced on 19 December 2022 reflected a change in government policy in relation to funding inflation and social care pressures. This had given the opportunity to review the quantum and phasing of savings and it was now proposed that options of £36.2m were progressed, of which £7.712 were attributable to the Corporate Core directorate.

The revised core budget saving proposals would be delivered through a combination of:

- Transformation delivered through the Future Shape Programme – ensuring that the quality of Council services, resident experiences and outcomes were improved, whilst improving council efficiency and reducing costs resulting in approximately £5m savings over a five year period
- Review of workforce structures and capacity alongside taking a realistic view on the ability to fill longstanding vacancies; a review of service areas to identify efficiencies or opportunities for income generation; and delivering a corporate programme of work to ensure the basics were right, sound and competitive procurement, approach to managing inflation, ensuring income budgets were maximised and charges appropriate which would result in a further £3.46m of savings made up of a combination of £170k additional income generation and £3.29m efficiencies

Future Shape Theme	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	Grand Total £000's
Customer Experience (RBDXP)	0	0	200	500	850	1,550
More Purposeful &	200	422	490	400	400	1,912

Effective Core						
Digital Data Insights	100	50	209	300	300	959
Future Shape Total	300	472	899	1,200	1,550	4,421
Further Savings & Efficiencies	3,065	205	190	0	0	3,460
Total Corporate Core	3,365	677	1,089	1,200	1,550	7,881

The report also identified that there were growth and investment pressures of £1.777m that needed to be considered as part of the budget setting process:-

Description	2023/24 £000's	2024/25 £000's	2025/26 £000's	Total £000's
Gorton Hub running costs	500	0	0	500
ICT – EUD refresh	0	750	0	750
ICT – Cyber licences	461	0	0	461
Finance – increased license costs	10	10	0	20
HR – reduced payroll income	23	23	0	46
Total Corporate Core Pressure	994	783	0	1,777

There were also some new pressures that had been identified for 2023/24 and beyond which included:-

- Information Technology £0.75m - as part of the ICT strategy there had been the roll out of the end user device strategy. In order to provide an ongoing refresh of kit and additional revenue requirements of c£0.75m would be required from 2024/25;
- Additional security software - there had been increased requirements in respect of ensuring systems remained secure, and to avoid any security compromises, additional software had been installed in 2022/23 and the full year costs in 2023/24 would be c£461k per annum;
- Financial Management increased licence software to support the implementation of Civica costs £20k; and
- HR/OD £46k reduced payroll income as schools use alternative providers.

Additional investment of £3.55m had also been identified in direct response to the unprecedented pressures facing our residents from the current cost of living crisis.

In addition to the Corporate Core, the report provided details of budget proposals in regards to the Operations and Commissioning budgets. Based on the most up to date information and projections, the likely shortfall in car parking income in 2023/24

was likely to be around £1.9m. It was proposed that this would be mitigated through bringing together off street and on street parking and making a reduced contribution to the parking reserve. The parking reserve was forecasted to be c£6.3m at the close of 2022/23, although based on current activity levels it would reduce to nil by 2027/28.

It was noted that the report had also been considered at a recent meeting of the Resources and Governance Scrutiny Committee where the committee had endorsed the budget proposals (Minute RGSC/23/24)

Councillor Leech sought clarification as to whether Gorton Hub would become self-financing in future years or whether further running cost support would be required. He also commented that whilst the additional support to VCS Groups was a welcome addition, some wards across Manchester were better represented than others and queried if an equal balance of this funding would be applied.

Decision

The Executive approve the budget proposals as detailed in the report.

Exe/23/17 Children and Education Services Budget 2023/24

The report of the Strategic Director for Children's and Education Services explained how the budget proposals for the Directorate had been developed.

The 2022/23 budget process saw the Council develop savings and efficiency plans of over £42.3m over the three years to 2025/26 of which there were savings options of £11.8m for the Children and Education Services directorate. The provisional financial settlement announced on 19 December 2022 reflected a change in government policy in relation to funding inflation and social care pressures. This had given the opportunity to review the quantum and phasing of savings and it was now proposed that options of £36.2m were progressed, of which £11.725 were attributable to the Children and Education Services directorate.

As a result of the improved financial settlement and alongside observations and challenge from Scrutiny Committee Members, the £75k Youth saving proposal has been removed and inflation assumptions had been reviewed. In addition, due to increasing Looked After Placement and Permanence placement costs the Managing Demand saving had been delayed and reprofiled. Furthermore, the School Crossing Patrol savings proposal had also been rephased and whilst it was proposed that savings of £11.725m savings were progressed, the timing of these have been deferred to later years.

The financial settlement had also given some scope for some targeted additional investments focused on preventing and managing future demand to leave the council in a more sustainable position in 2025/26 when the current spending review period ended.

As in previous years the budget options for savings had been informed by the Directorate Budget approach to deliver safe, effective and efficient services, the

progress and impact of the services to date. This approach had contributed to overall looked after children numbers (rates) reducing and remaining relatively stable in Manchester. Cost reductions have been driven by a reduction in the number of expensive external residential placements. There had also been a parallel reduction in spend on external foster placements (12% reduction year on year, equating to £2.1m p.a. reduction in spend).

An analysis of the investment in prevention by the Directorate and current placement stability had led to some confidence that placement numbers were not going to increase at the rate assumed in the 2022/23 budget setting process with anticipated savings achieved through fewer and reduced placement costs, totalling £10.615m

Of the savings proposed, £1.110m would focus on charging of existing services to grant, reserves, ceasing activity that it was not achieving planned outcomes or applying different set of budget assumptions.

It was also reported that Looked after Children placements and Home to School Transport demographic demand was determined based on the placement numbers on which the budget was set compared to the current position and potential increase in demand informed by 3% population growth predictions. Subsequently it was proposed that the Children and Education Services cash limit budget would increase by £2.357m, £2.419m and £2.479m in 2023/24, 2024/25 and 2025/26 respectively as estimated in the 2021/22 budget setting process.

The high and volatile inflationary environment had seen an increase to the corporate inflation allowance and immediate pressures affecting budgets in 2023/24 had already been identified and deemed unavoidable. Requirements illustrated that there were £2.687m of known and confirmed inflation pressures, which would be allocated to the budget at the start of the year and £1.515m would be set aside Corporately for price inflation and drawn down if needed.

It was noted that the report had also been considered at a recent meeting of the Children and Young People Scrutiny Committee where the committee had endorsed the budget proposals (Minute CYP/23/10)

Decision

The Executive approve the Directorate budget proposals as set out in the report.

Exe/23/18 Public Health Budget 2023-26

The report of the Director of Public Health explained how the budget proposals for the Directorate had been developed.

The 2022/23 budget process saw the Council develop savings and efficiency plans of over £42.3m over the three years to 2025/26 of which there were savings options of £1m attributable to Public Health. The provisional financial settlement announced on 19 December 2022 reflected a change in government policy in relation to funding inflation and social care pressures. This had given the opportunity to review the

quantum and phasing of savings and it was now proposed that options of £36.2m were progressed, of which £0.73m were attributable to the Public Health budget.

In the context of austerity and the national public health challenges post pandemic, the approach to the development of savings had been extremely difficult. The work had been informed by:

- The challenging position across a range of Public Health outcome measures with a worsening of health outcomes in Manchester since the pandemic;
- Reducing pressures on the wider health and social care system by ensuring that upstream cost effective prevention programmes were maintained;
- The need to protect the Drug and Alcohol service budget linked to new national investment conditions relating to the new national 10-year Drug Strategy, From Harm to Hope; and
- The scale of previous Public Health savings programmes.

Proposals had been identified as deliverable without impacting on delivery of public health commissioned services in the city and were summarised as follows:-

	2023/24 £'000	2024/25 £'000	2025/26 £000	Total £'000
Initial Target	1,000	0	0	1,000
Savings withdrawn	-270	0	0	-270
Revised Target	730	0	0	730
Comprising:				
Disestablish Public Health Vacancies	90			90
Use of 2022/23 underspend	330	(330)		0
MCR Active	30			30
Headroom in budget set aside for contract uplifts	280	330		610
Total	730	0	0	730

As per the Spending Review, it was announced the public health grant would remain the same in real terms which would significantly undermine the ability of local systems to reduce health inequalities without further investment in prevention by the NHS. However current levels of inflation would significantly erode spending power unless a further increase in grant was confirmed.

If the proposed changes were approved, the three-year budget position would be as follows:-

Service Area	2022/2023 Budget	2023/2024 Indicative Budget	2024/2025 Indicative Budget	2025/2026 Indicative Budget
	£'000	£'000	£'000	£'000
Public Health Core	3,300	3,210	3,210	3,210
Public Health - Children's Services	4,222	4,222	4,222	4,222

Early years - Health Visitors	10,676	10,676	10,676	10,676
Drugs and Alcohol	8,989	8,989	8,989	8,989
Sexual Health	8,295	8,295	8,295	8,295
Wellbeing (includes ZEST)	6,758	6,758	6,758	6,758
Other	445	195	195	195
Total	42,685	41,955	41,955	41,955

The savings proposals would have a limited internal workforce impact due to the roles being disestablished being vacant and planned. This was part of the wider review of roles and responsibilities as resource shifted back to business as usual after the heightened focus on COVID-19 for the last three years.

It was noted that the report had also been considered at a recent meeting of the Health Scrutiny Committee where the committee had endorsed the budget proposals (Minute HSC/23/09)

Decision

The Executive approve the budget proposals as set out in the report.

Exe/23/19 Adult Social Care Budget 2023/24

The report of the Executive Director for Adult Social Services explained how the budget proposals for the Directorate had been developed.

The 2022/23 budget process saw the Council develop savings and efficiency plans of over £42.3m over the three years to 2025/26 of which there were savings options of £10.025m for the Adult Social Care directorate. The provisional financial settlement announced on 19 December 2022 reflected a change in government policy in relation to funding inflation and social care pressures. This had given the opportunity to review the quantum and phasing of savings and it was now proposed that options of £36.2m were progressed, of which £8.542m were attributable to the Adult Social Care directorate.

In the context of austerity and the national challenges and Adult Social Care (ASC) reform programme underway, the approach to the development of savings built upon the previous work done to date and was cognisant of:-

- Better Outcomes Better Lives (BOBL) as the underpinning strategy and the commitments already made to deliver the 2021-24 target, which in itself would be challenging to deliver;
- Preventing potential for a negative impact on the wider health and social care system; and
- The imperative to maintain the progress against the ASC improvement plan for social work infrastructure and improved practice to support and safeguard our most vulnerable citizens.

The proposals detailed were all considered deliverable but would be challenging to deliver, requiring significant service redesign, reconfiguration and effective change

management. The proposals enabled citizen independence and outcomes to be protected or potentially improved but there would need to be an understanding by citizens, families and carers that in some cases care arrangements would have to change and needs may be met in alternative ways. This was integral if the budget strategy was to be achieved.

The proposed savings programme (£8.542m) was detailed as follows:-

	2023/24 £'000	2024/25 £'000	2025/26 £000	Total £'000
Provider Services	150	1,650	1,450	3,250
Workforce	1,217			1,217
Charges		50		50
Demand Management	2,275			2,275
Other	500	500	750	1,750
Total	4,142	2,200	2,200	8,542

As part of the budget process, it was important that as well as having to find savings to balance the budget, that any service pressures were recognised and where unavoidable were correctly budgeted for, this would allow for the better on-going management of the service and budgets. These pressures included the standard increases approved annually for demographic pressures and the uplift to care costs driven by the Council's commitment to pay the Real Living Wage to care staff.

Current pressures reported in 2022/23 which had recurrent budget implications were also included and covered in-house supported accommodation, advocacy costs and deprivation of liberty standards (DOLS) best interest assessments.

In addition, an investment of £1.3m per year 2023-26 would be required to sustain the social work infrastructure and reablement capacity, supporting care models covering Crisis, Discharge to Assess and Manchester Case Management

The Autumn Statement had also included a number of funding announcements of specific importance to social care and further details have been received as part of the provisional financial settlement and through the health announcements for the Better Care Fund (BCF). The key headlines were:-

- ASC Discharge Fund (£4.451m 2023/24 increasing to £7.420m 2024/25)
- Market Sustainability and Improvement Grant (£1.800m in 2022/23 and an additional £4.443m 2023/24 rising to £7.548m 2024/25)
- Social Care Grant (£18.8m 2023/24 rising to £25.7m 2024/25) - ringfenced for adults and children's social care
- Social Care Precept - The council tax referendum limit of 2.99% for local authorities, with social care authorities allowed an additional 2% social care precept
- Continuation of the Better Care Fund in 2023/24 and 2024/25 with an assumed minimum BCF contribution to social care rise of 5.66% at a health and well-being board level equating to £1.023m.

A number of key investments were also proposed funded using the increase in BCF £1.023m with the balance allocated from the Social Care Grant:-

	2023/24 £'000	2024/25 £'000	2025/26 £'000
Strengthening statutory functions	1,166	1,023	1,023
Effective demand management and supporting completion of the BOBL 3 year savings programme	717	703	655
Supporting the delivery of the new savings programme	189	386	306
Areas of demand pressures	1,046	896	971
Total	3,118	3,008	2,955

It was noted that the budget report had also been considered at a recent meeting of the Health Scrutiny Committee and the committee had endorsed the proposals in the report (Minute HSC/23/10).

Councillor Leech commented that he was concerned with the proposal to remove financial support for short breaks and asked if this could be reconsidered as part of the budget proposals.

Decision

The Executive approve the Directorate budget proposals as set out in the report.

Exe/23/20 Neighbourhoods Directorate Budget 2023/24

The report of the Strategic Director (Neighbourhoods) explained how the budget proposals for the Directorate had been developed.

The 2022/23 budget process saw the Council develop savings and efficiency plans of over £42.3m over the three years to 2025/26 of which there were savings options of £2.191m for the Adult Social Care directorate. The provisional financial settlement announced on 19 December 2022 reflected a change in government policy in relation to funding inflation and social care pressures. This had given the opportunity to review the quantum and phasing of savings and it was now proposed that options of £36.2m were progressed, of which £0.646m were attributable to the Neighbourhoods directorate.

The Neighbourhood Directorate had a net budget of c£130.3m, with 1,481 budgeted FTE's. As part of identifying options the initial priority had been to protect service delivery wherever possible

The following proposed savings had been put forward:-

Environmental and Climate Change	Amount of Saving				Indicative FTE Impact
	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>Total</u>	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	
Parks and Green Spaces	127	0	0	127	0
Waste and Street Cleaning	0	0	400	400	0
Total	127	0	400	527	0

Communities and Equalities – Excluding Homelessness	Amount of Saving				Indicative FTE Impact
	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>Total</u>	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	
Compliance	99	0	0	99	0
Libraries, Galleries and Culture	20	0	0	20	0
Total	119	0	0	119	0

As part of the budget proposals a further £1m investment into waste and street cleaning was proposed, this would support Basic Services and Street Cleaning and was in addition to the £1m investment into waste and street cleaning put forward as part of the 2022/23 budget

It was also proposed that there would be a further investment of £1.2m to support specific activity in and around the City Centre, District Centres and key arterial routes.

In relation to the annual waste levy costs, these were driven by forecast tonnages of waste to be disposed of and the costs of disposal. The levy was set by GMCA and based on latest forecasts it is anticipated that this would increase in 2023/24, with the increase to Manchester being £1.024m. Further increases of £1.916m had been assumed split over 2024/25 and 2025/26 and these increases were reflected in the current budget plans for those years.

The budget position also reflected a one-off return of waste reserves from GMCA of £25m, of which Manchester's share was £4.5m. This has been reflected in the corporate budget to reduce the overall budget gap in 2023/24.

There was no projected workforce impact of activity to deliver the savings. Effective and robust workforce planning arrangements were in place.

It was noted that as development continued across the city this could lead to increased growth pressures for Neighbourhood Services as the number of households grew significantly. These increased demands would include compliance and enforcement, waste collection and disposal and street cleaning.

It was noted that the budget reports had also been considered at a recent meeting of the Communities and Equalities Scrutiny Committee (Minute CESC/23/11) and the Environment and Climate Change Scrutiny Committee (Minute ECCSC/23/11) and both committees had endorsed the proposals in the report.

Councillor Leech commented on the proposed budget savings attributed to the review of opening hours of the Art Gallery. He also welcomed the proposal to remove the charge for replacement recycling bins within this year's budget until the next financial year but felt that the charge should be removed permanently. In addition, he also sought clarification on what the extra investment in street cleansing had been spent on.

Decision

The Executive approve the Directorate budget proposals as set out in the report.

Exe/23/21 Zero Carbon 2023/24 Budget Report

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which provided an overview of the funding secured and invested to date to enable delivery of Manchester City Council's Climate Change Action Plan (CCAP) 2020-2025 and set out what has been delivered as a result of the additional revenue funding provided from the Council's budget for 2022/23 and highlights the priority actions to be delivered between 2023-25.

To date, the Council had made good progress, remained within its carbon budget, and had so far achieved nearly 30% of the target to reduce its CO2 emissions by 50% by 2025.

To date, the Council has already put in place investment of approximately £227m to deliver the 5-year Climate Change Action Plan along with an additional direct revenue investment of £800k secured as part of the 2022/23 budget setting. To enable the delivery of the commitments set out in the Council's CCAP, further revenue and capital investment from multiple funding sources over multiple financial years would be critical and a major challenge

It was recognised that continuing to operate within the remainder of the carbon budget would be challenging and the Council would need to continue to identify and secure investment to deliver on its commitments. Work proposed in the Council's Capital Strategy and budget would support some of the ongoing priorities for delivering the CCAP.

The report then outlined the Council's CCAP priorities for 2023/24 and highlighted where the additional capacity would help to drive these actions forward.

Decision

The Executive note the progress that has been made on delivering the Council's Climate Change Action Plan during 2022 and endorses the priorities for 2023/24.

Exe/23/22 Homelessness Directorate 2023/24 Budget

The report of the Strategic Director (Neighbourhoods) explained how the budget proposals for the Directorate had been developed.

The 2022/23 budget process saw the Council develop savings and efficiency plans of over £42.3m over the three years to 2025/26 of which there were savings options of £4.646m for the Homelessness directorate. The provisional financial settlement announced on 19 December 2022 reflected a change in government policy in relation to funding inflation and social care pressures. This had given the opportunity to review the quantum and phasing of savings and it was now proposed that options of £36.2m were progressed, of which £4.646m were attributable to the Homelessness directorate.

The Homelessness budget oversaw a gross budget of £71.959m, and a net budget of £28.435m. The biggest proportion of the budget was spent on Temporary Accommodation, in particular B&B and Dispersed. The Net Homelessness Budget had increased from £15.1m in 2018/19, an increase of £13.3m per annum to reflect the increase in Temporary Accommodation numbers as well as investment into Prevention.

There were no savings options proposed for Homelessness which would result in a reduction in service. Over the medium term the savings would be linked to the ambition to reduce numbers in Temporary Accommodation through significant reductions in B&B placements and increased prevention during 2023/26. However, there were specific demand and inflation pressures facing the Homelessness Budgets. Government refugee and asylum schemes were placing pressure on Manchester temporary accommodation market, driving up cost, resulting in a £4m fee uplift requirement for Homeless Temporary Accommodation and this pressure had been reflected in the Medium Term Financial Plan with £4m of growth proposed for Homelessness in 2023/24. Resources of up to £1.5m held within the Homelessness reserve would be set aside and would be available for investment in supporting the potential pressures in Homelessness.

The Homelessness Service were working with private sector landlords to try and reduce the number of people who were evicted, with a targeted communications campaign to encourage people to seek advice and support early, prior to eviction.

Of the savings required £3.25m could be achieved over the 3 year period in B&B Accommodation schemes as a result of a combination of reductions made for Transformation and changes in Allocation's procedure which would reduce the number of families in B&B, as residents were supported to remain in current accommodation. A further £1.172m of demand reductions would be delivered in Dispersed Accommodation. This was linked to Transformation and an increase in the number of Dispersed Accommodation properties which were managed by a

Registered Provider to reduce the Housing Subsidy loss incurred by the Council in providing this service. The remaining £224k of proposed savings were linked to an increase in vacancy factor of 2% to 5.5% for Homelessness, this reflected the ongoing difficulties in recruitment and brought the vacancy factor in line with existing and expected levels. It was proposed that this saving would be delivered in 2024/25 as the underspend in mainstream staffing budgets in 2023/24 will be retained to fund the new posts created to support the Transformation work and staffing levels would be reviewed as part of the ongoing Transformation work.

It was noted that the budget report had also been considered at a recent meeting of the Communities and Equalities Scrutiny Committee and the committee had endorsed the proposals in the report (Minute CESC/23/12).

Councillor Leech queried whether having no planned contingency for demand pressures on the service from next year was likely to lead to potential problems in future years.

Decision

The Executive approve the Directorate budget proposals as set out in the report.

Exe/23/23 Growth and Development Directorate Budget 2023/24

The report of the Strategic Director (Growth and Development) explained how the budget proposals for the Directorate had been developed.

The 2022/23 budget process saw the Council develop savings and efficiency plans of over £42.3m over the three years to 2025/26 of which there were savings options of £2.398m for the Growth and Development directorate. The provisional financial settlement announced on 19 December 2022 reflected a change in government policy in relation to funding inflation and social care pressures. This had given the opportunity to review the quantum and phasing of savings and it was now proposed that options of £36.2m were progressed, of which £2.169m were attributable to this Directorate.

The Growth and Development Directorate had a gross budget of £36.114m, generates income of £44.886m resulting in a net income budget of £8.772m, and employs 409 FTEs. In addition, Highways service had a gross budget of £27,959m and a net budget of £20.835m with 243 FTE.

The Directorate received a proportion of annual rental income from Manchester Airport Group. Based on estimates provided by the Airport, additional income of £1.615m income had been built into the budget over the next three-year period. Achievement of this income was dependent on performance being in line with or better than the forecasts provided.

A review of the funding arrangements for staff had identified opportunities to capitalise staffing costs, the initial proposal was £250k per annum, but following the review of all options this had been reduced by £100k to £150k. This review had taken into consideration the most appropriate source of funding given the activities of staff.

The proposed sale of an asset in Wythenshawe would result in a capital receipt, there was currently a budget of £170k in respect of the internal loan used to fund the acquisition of the building. Once the site was disposed of the outstanding borrowing would be settled and there will be a saving of £170k per annum.

In respect of Strategic Housing, the deletion of a vacant grade 4 post would result in a £9k saving to the General Fund, with the balance of the saving being reflected in the Housing Revenue Account.

Highway Services initial saving proposals were £354k over three years but following review the total savings proposals had reduced by £129k to a revised total of £225k. The revised proposals were made up of a combination of increased income (£160k) and deleting two vacant positions (£60k)

It was also proposed to invest £300k to provide additional resources to enable capacity to support the establishment of a new team within City Centre Growth and Infrastructure, and to provide additional capacity to the Highways Development Specialist team.

It was noted that the budget report had also been considered at a recent meeting of the Economy Scrutiny Committee and the committee had endorsed the proposals in the report (Minute ESC/23/12).

Councillor Leech questioned whether the proposed deletion of a post within Highways Services that would realise £60k savings would make any difference given the increase in claims to the Council against trips and falls

Decision

The Executive approve the Directorate budget proposals as set out in the report.

Exe/23/24 Housing Revenue Account 2023/24 to 2025/26

A joint report by the Strategic Director (Growth and Development), the Strategic Director (Neighbourhoods) and the Deputy Chief Executive and City Treasurer presented the proposed budget for the Housing Revenue Account (HRA) for 2023/24 and indicative budgets for 2024/25 and 2025/26.

The report set out the requirements placed on the Council with respect to the HRA budget:-

- The Council had to formulate proposals on income and expenditure for the financial year which sought to ensure that the HRA would not show a deficit balance;
- To keep a HRA in accordance with proper practice to ensure that the HRA is in balance taking one year with another; and
- The HRA must, in general, balance on a year-to-year basis so that the costs of running the Housing Service must be met from HRA income.

The HRA Budget Position for 2022/23, which as of December 2022, was forecasting that net expenditure would be £14.940m higher than income, which would need to be funded by the additional use of reserves to that planned. In effect the HRA was forecasting an overspend of £1.752m and the main reasons for in year changes were detailed in the report.

Government guidance allowed Local Authorities to increase rents by a maximum of CPI plus 1% for the five-year period 2020/21 to 2024/25. The CPI rate used was based on the September figure in the preceding year, and as at September 2022 CPI was 10.1%. However, the cost-of-living crisis had resulted in the Government launching a consultation exercise around the level at which the rent cap should be set at in 2023/24. The Government had since advised that the maximum social rent increase would be capped at 7%, with an exception for properties within PFI contracts, where the standard PFI unitary charges are contractually linked to inflation measures. Therefore, this report sought approval to increase tenants' rents for all properties by 7% from April 2023 except PFI properties, where standard increase of CPI +1% (11.1%) was proposed, also in line with Government policy.

Whilst the cap on rents is welcomed from a tenant's perspective, there was no cap applied in respect of inflationary impacts on expenditure incurred by the HRA and the 7% increase (11.1% for properties managed under PFI contracts) would result in c£2.0m less rental income in 2023/24 and c£78m over the life of the 30-year business plan, which would mean £78m less to invest into the estate over that time.

In light of the current economic climate and the potential impact the proposed rent and heating charge increase may have on the most vulnerable tenants it was proposed that the hardship fund was increased from the initial £200k provided in 2022/23 to £1m in 2023/24. This fund would provide targeted support to those most affected by the cost-of-living crisis.

In light of the current economic climate and the potential impact the proposed 7% rent increase might have on the most vulnerable tenants it was proposed that £200k was earmarked to provide a hardship fund to provide targeted support to those most affected by the increase in living costs, the proposed rent increase and the ongoing impacts of COVID. In addition to the hardship fund, it was also noted that the proposed 7% rent increase would be covered in full for those residents in receipt of 100% housing benefit entitlement and tenants in receipt of universal credit would also be partially protected from the impact of any increase in rents

To ensure that the increase applied to garage rents remained in line with that applied to dwelling rents, it was proposed that 2023/24 garage rents be increased in line with the original rent formula or 11.1% by 4.5%, which would see an increase in the rental of between 0.22p and 0.56p per week.

The report also explained the other key changes in the HRA budget for 2023/24, and the full budget was presented as set out below.-

	2022/23 (Forecast)	2023/24	2024/25	2025/26
	£000	£000	£000	£000
Income				
Housing Rents	(62,836)	(67,556)	(72,181)	(74,753)
Heating Income	(681)	(1,736)	(2,292)	(2,338)
PFI Credit	(23,374)	(23,374)	(23,374)	(23,373)
Other Income	(1,022)	(1,974)	(1,083)	(1,073)
Funding from General HRA Reserve	(14,940)	(22,808)	(25,756)	(1,551)
Total Income	(102,853)	(117,448)	(124,686)	(103,088)
Expenditure				
Operational Housing - Management	14,055	14,835	15,272	15,453
Operational Housing - R&M	16,567	16,784	15,842	14,933
PFI Contractor Payments	32,591	36,301	36,944	36,525
Communal Heating	3,196	2,890	2,292	2,338
Supervision and Management	5,568	5,776	5,877	5,940
Contribution to Bad Debts	569	679	726	752
Hardship Fund	150	1,000	0	0
Depreciation	22,000	25,580	26,650	27,163
Other Expenditure	1,327	981	1,036	1,070
RCCO	4,100	9,920	17,350	(4,163)
Interest Payable and similar charges	2,730	2,702	2,695	3,031
Total Expenditure	102,853	117,448	124,684	103,042
Total Reserves (exc Insurance):				
Opening Balance	(112,064)	(97,124)	(74,316)	(48,560)
Funding (from)/to Revenue	14,940	22,808	25,756	1,551
Closing Balance	(97,124)	(74,316)	(48,560)	(47,009)

It was noted that the proposed HRA budget 2023/24 and indication of the 2024/25 and 2025/26 budgets had also been considered by the Resources and Governance Scrutiny Committee at its February 2023 meeting where the committee had noted the proposals in the report (Minute RGSC/23/10).

Councillor Leech raised his concern in relation to increasing rental costs for those residents that were on District Heating Schemes as in previous years they had been given a subsidy towards their energy costs.

Decisions

The Executive

- (1) Note the forecast 2022/23 HRA outturn as set out in section 4 of the report.
- (2) Approve the 2023/24 HRA budget and note the indicative budgets for 2024/25 and 2025/26.
- (3) Approve the proposed 7% increase to dwelling rents and 11.1% increase in Garage rents, and delegate the setting of individual property rents, to the Director of Housing Operations and the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Housing and Development and the Executive Member for Finance and Human Resources.
- (4) Approve the proposal that the Council continues with the policy of where the 2023/24 rent is not yet at the formula rent level, the rent is revised to the formula rent level when the property is re-let.
- (5) Note the proposed 2023/24 changes for communal heating charges and approve the change in policy so that charges can be aligned with the Ofgem price cap over the following financial year in a phased approach and adjusted in line with any change to the Ofgem price cap once alignment has been reached thereafter.
- (6) Approve a proposed £1m support fund to support residents and tenants with increased costs of both rent and heating charges.
- (7) Approve the proposed 2023/24 Housing Operations revenue budget.

Exe/23/25 Schools Budget 2023/24

The Executive considered a report of the Strategic Director for Children's and Education Services, which provided a summary of the confirmed Dedicated Schools Grant (DSG) allocation from the 2023/24 settlement.

The DSG was a ring-fenced grant of which the majority was used to fund individual schools budgets in maintained schools and academies in the city, early years nursery entitlement and provision for pupils with high needs including those with Education Health & Care Plans (EHCPs) in special schools, special provision and mainstream schools in Manchester and out of city.

The Council receive and managed the DSG within four blocks: schools, central school services, high needs and early years. A large proportion of it was paid directly to schools and other settings to provide the majority of education services. A proportion of the DSG was provided to the Council to deliver education services.

The 2023/24 DSG notification was received on 16 December 2022 and totalled £671.364m with an overall increase in DSG since last year of £37.930.

The Schools Block allocation of £503.271m had been calculated bottom up on the basis as if the national funding formula (NFF) was applied at school level. On average the DfE has increased the formula determined by pupil level data by 3.5%.

The Central School Services Block (CSSB) allocation was £3.753m and supported the Council's role in education.

The Higher Needs Block (HNB) allocation was £122.847m and provided increased funding for children and young people with special educational needs and disability from early years to age 25 years. The DfE had allocated an additional £0.97bn to the HNB nationally. Manchester's additional HNB grant was £8.306m, an increase of 7.25% compared to 2022/23, and was £1m higher than previously expected.

The Early Years funding was £41.494m and this was provisional figure which reflected the 2023/24 early years national funding formula (EYNFF) rates for all councils published in December 2022. This funding would be finalised at a later date.

In addition, Manchester had been allocated £22.250m from the Government's £2bn additional schools funding, on-top of the 2023/24 DSG. This additional funding would provide support for schools (reception to year 11) for pay and inflation increases. The funding did not include any allocation for early years or post-16. For 2023/24 this would be in the form of a separate grant, the DfE intended to incorporate this funding into core budget allocations for 2024/25, so for schools 5 to 16 years, this would mean the funding being rolled into the schools national funding formula (NFF) from 2024/25.

It was noted that the report had also been considered at a recent meeting of the Children and Young People's Scrutiny Committee and the committee had endorsed the proposals in the report (Minute CYPSC/23/11).

Decision

The Executive approves the proposed Schools Budget including specifically the following:-

- All Manchester primary and secondary schools should receive a per pupil increase between 0.5% minimum and up to 3.2% on pupil-led funding.
- Manchester does not intend to propose a 0.5% transfer from the school block to high needs 2023/24.
- Early year rates two-year-old base rate increase by 6p. Three and four-year old 22p increase, to be passed onto providers by increase base rate by 5p per hour and adding a new quality supplement (17p per hour) to reflect the rolling in TPG and TPEGC funding into the funding formula.
- Central services school block (CSSB) funding has reduced on a per pupil basis by 2.5% despite there being additional burden due to the new

admission code, with no reduction in other functions councils are required to provide.

- Additional Schools Funding 2023/24 will be allocated as a separate grant for mainstream schools. Special schools will receive a 3.4% funding increase on top of the average place and top-up rates, following DfE formula.

Exe/23/26 Capital Strategy and Budget 2023/24 to 2025/26

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which presented the capital budget proposals before their submission to the Council.

The Capital Strategy had been developed to ensure that the Council could take capital expenditure and investment decisions in line with Council priorities and properly take account of stewardship, value for money, prudence, risk, sustainability and affordability.

The capital programme 2023/24 to 2025/26 comprised the continuation of the existing programme. For continuing schemes, the position was based on that set out in the report on Capital Programme Monitoring 2022/23, also being considered at this meeting (Minute Exe/23/14 above).

Details on the projects within the programme were set out in the report and the full list of the proposed projects was appended to the report.

If agreed, then the proposals contained in the report would create a capital programme of £443.8m in 2022/23, £426.8m in 2023/24, £199.7m in 2024/25 and £34.1m in 2025/26, summarised as follows:-

Forecast Budgets	2022/23	2023/24	2024/25	2025/26	Total	Total 23/24-25/26
	£m	£m	£m	£m	£m	£m
Manchester City Council Programme						
Highways	37.5	44.5	6.0	8.2	96.2	58.7
Neighbourhoods	73.3	34.3	5.8	2.1	115.5	42.2
The Factory and St John's Public Realm	60.9	18.5			79.4	18.5
Growth	84.9	118.5	35.9	3.7	243.0	158.1
Town Hall Refurbishment	68.7	86.4	46.6		201.7	133.0
Housing – General Fund	17.4	38.8	33.1	8.5	97.8	80.4
Housing – HRA	32.4	49.4	44.0	11.6	137.4	105.0
Children's Services (Schools)	43.6	23.3	3.6		70.5	26.9
ICT	4.3	2.6			6.9	2.6
Corporate	15.0	1.5	0.5		17.0	2.0

Services						
Total (exc. Contingent budgets)	438.0	417.9	175.5	34.1	1,065.6	627.6
Contingent Budgets	5.8	8.9	24.2		38.9	33.0
Total Programme	443.8	426.8	199.7	34.1	1,104.4	660.6

The proposed funding for the programme across the forecast period was as follows:-

	2022/23 forecast	2023/24 forecast	2024/25 forecast	2025/26 forecast	Total
	£m	£m	£m	£m	£m
Grant	94.4	110.6	36.7	3.6	245.3
External Contribution	26.6	17.4	0.8	7.0	51.8
Capital Receipts	31.0	43.2	32.7	8.6	115.5
Revenue Contribution to Capital Outlay	36.0	46.9	45.5	11.6	140.0
Borrowing	255.8	208.7	84.0	3.3	551.8
Total	443.8	426.8	199.7	34.1	1,104.4

The proposed capital programme described within the report was affordable within the existing revenue budget based on the estimated capital financing costs associated with delivering the programme.

There were risks associated with the delivery of the capital strategy, specifically regarding delays to the programme or treasury management risks. Measures were in place to mitigate these risks through both the Strategic Capital Board and the treasury management strategy. Reports would be provided throughout the year to Council, Executive and other relevant committees providing updates on the progress of the capital programme and the risks associated with its delivery and funding.

Decisions

The Executive:-

- (1) Approve and recommend the report to Council, including the projects for Council approval in section 6, and note that the overall budget figures may change subject to decisions made on other agenda items.
- (2) Note the capital strategy.
- (3) Note that the profile of spend is provisional, and a further update will be provided in the outturn report for 2022/23.

- (4) Delegate authority to the Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources to make alterations to the schedules for the capital programme 2022/23 to 2025/26 prior to their submission to Council for approval, subject to no changes being made to the overall estimated total cost of each individual project.

Exe/23/27 Treasury Management Strategy Statement 2023/24, including Borrowing Limits and Annual Investment Strategy

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which set out the proposed Treasury Management Strategy Statement and Borrowing Limits for 2023/24 and Prudential Indicators for 2023/24 to 2025/26.

The Treasury Management Strategy Statement set out the risk framework under which the Council's treasury management function would operate by detailing the investment and debt instruments to be used during the year the Strategy detailed the risk appetite of the Authority and how those risks would be managed.

The suggested strategy for 2023/24 was based upon the treasury officers' views on interest rates, supplemented with the forecasts provided by the Council's treasury advisor, Link Asset Services. The strategy covered:-

- Prudential and Treasury Indicators for 2023/24 to 2025/26;
- Impact of 2012 HRA reform;
- Current Portfolio Position;
- Prospects for Interest Rates;
- Borrowing Requirement;
- Borrowing Strategy; and
- Annual Investment Strategy.

The Executive noted the proposed Annual Investment and Borrowing Strategies set out in the report and agreed to commend them to the Council.

Decisions

The Executive:-

- (1) Recommends the report to Council.
- (2) Delegates authority to the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Human Resources, to approve changes to the borrowing figures as a result of changes to the Council's Capital or Revenue budget and submit these changes to Council.

Exe/23/28 Manchester Active Travel Strategy and Investment Plan

The Executive considered a report of the Strategic Director (Growth and Development), which sought approval of the final draft Manchester Active Travel Strategy and Investment Plan (MATSIP).

The Executive Member for Environment and Transport advised that the draft MATSIP set the case for investing in active travel measures, primarily in the form of highways schemes but also supporting infrastructure, and how the Council would go about delivering these interventions. .

Active travel schemes were primarily funded externally through competitive bidding processes to Department for Transport, via Transport for Greater Manchester and it was a key aim of the Strategy to support the production of bids and business cases to secure this funding, and to propose a framework which set out which areas of the city should be prioritised in order to achieve the Council's wider policy objectives.

The draft MATSIP also set out the significant benefits to active travel investment across a range of policy areas including public health, clean air and zero carbon. It set out the overall target to make walking the natural choice for short journeys and to double cycling's mode share by 2028 and the four objectives which underpinned this overall target:-

- improving access to the city centre, district centres, parks and other key destinations;
- enabling safe access to schools and colleges;
- improving citywide health and wellbeing
- reflecting the diversity of Manchester and addressing transport inequalities

It was noted that the support and promotion of active travel along with aligned investment in other infrastructure would help reduce transport-related carbon emissions by increasing the overall share of public transport, cycling and walking trips and reducing short journeys by car.

Decisions

The Executive

- (1) Approve and endorse the Manchester Active Travel Strategy and Investment Plan.
- (2) Delegate responsibility to the Strategic Director (Growth and Development), in consultation with the Executive Member for Environment to make any minor amendments to the final Strategy resulting from feedback during the approvals process, prior to its publication.

Exe/23/29 Health and Care Integration: Establishment of Manchester Partnership Board as the Locality Board of Manchester

The Executive considered a report of the Chief Executive, which set out the intention to establish Manchester Partnership Board as the locality board for Manchester as a further step towards health and care integration.

The Integrated Care Board (ICB) for Greater Manchester (NHS GM) was established with effect from 1 July 2022 replacing ten CCGs in Greater Manchester. The existing Section 75 partnership agreement between the Council and the CCG was transferred

to NHS GM on that date. Manchester now intended to establish Manchester Partnership Board (MPB) as the locality board for Greater Manchester, bringing together responsibility for the pooled budget with the exercise of NHS GM functions delegated to place level.

The MPB would operate as a 'hybrid' committee and its remit would be:-

- To be a committee of the ICB at place level, which was able to exercise delegated functions of the ICB other than those functions which related to the Better Care Fund (BCF) Section 75 agreement.;
- To be responsible for the BCF Section.75 pooled budget which the MHCC Board was previously responsible for; and
- To be a consultative forum that brought the leaders in health and care together to take strategic decisions at one time and in one place.

It was reported that Health and Wellbeing Boards would continue to play a key role within integrated care systems. Decisions taken by MPB would be reported to the Health and Wellbeing Board in Manchester. MPB's decisions would be informed by the Joint Strategic Needs Assessment and Health and Care Strategy that were produced by the Health and Wellbeing Board.

Decisions

The Executive:-

- (1) Note and agree the process for establishing Manchester Partnership Board as the locality board for Manchester.
- (2) Note that the locality board will operate as a hybrid committee arrangement and accordingly:
- (3) Support the decision of NHS GM to delegate functions at place level to Manchester Partnership Board;
- (4) Agree that Manchester Partnership Board acts as a s.75 committee that has responsibility for the Better Care Fund pooled budget; and
- (5) Agree that Manchester Partnership Board operates as a consultative forum that consists of health and care leaders at place level.

Exe/23/30 Disposal of site of former Chorlton Leisure Centre for residential development (Part A)

The Executive considered a report of the Strategic Director (Growth and Development), which sought approval to dispose of the above property, to Mosscafe St Vincent (herein MSV), on a long leasehold basis to facilitate the delivery of an affordable tenure residential development targeted towards the over-55s.

The Executive Member for Housing and Development explained that the redevelopment of Chorlton Baths would comprise a new residential scheme of 50

apartments (with additional flexible ground floor space for wider community uses).

The tenure will be split, with 40 units available for affordable rent, seven units available for shared ownership and three units let to the City Council's Adult Social Care team for use as Neighbourhood Apartments. The proposed scheme would be the first new affordable homes delivered in Chorlton since April 2015.

The scheme would be built to HAPPI design principles and would be low carbon and sustainable.

It was expected that by targeting over 55s, the scheme would free up family housing in South Manchester by encouraging residents out of under occupied homes in Whalley Range, Chorlton and Chorlton Park.

The proposed lease was for a term of 999 years at a premium which was less than the best consideration that could reasonably be obtained on the basis of an unrestricted disposal that would not reflect the high standard of development or level of affordable tenures.

Decisions

The Executive:-

- (1) Approve the basis of the land transaction at less than best consideration in accordance with the commercial terms set out in the associated Part B report.
- (2) Delegate authority to the Strategic Director (Growth and Development) to complete the finalisation of terms of the transaction as set out in this report.
- (3) Delegate authority to the City Solicitor to enter into and complete all documents and agreements necessary to give effect to the recommendations.

Exe/23/31 Exclusion of Press and 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/23/32 Disposal of site of former Chorlton Leisure Centre for residential development (Part B)

The Executive considered a report of the Strategic Director (Growth and Development) which set out the financial implications of the proposal to dispose of Chorlton Leisure Centre, to Mosscafe St Vincent (MSV), on a long leasehold basis to facilitate the delivery of an affordable tenure residential development targeted towards the over-55s.

Decisions

The Executive:-

- (1) Approve the basis of the land transaction as set out in Section 2 of the report at less than best consideration
- (2) Authorise the Strategic Director (Growth and Development) to finalise the detailed terms of the transaction as set out in principle in this report.
- (3) Authorise the City Solicitor to enter into and complete all documents and agreements necessary to give effect to the recommendations.

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Manchester City Council Report for Resolution

Report to: Executive – 22 March 2023

Subject: Capital Programme Update

Report of: Deputy Chief Executive and City Treasurer

Summary

In February each year the Executive receives a report on the capital budget for the forthcoming five financial years and approves a series of recommendations to Council for the approval of the capital programme. Proposals for the 2022/23 to 2025/26 capital budget were presented to the Executive on 15th February 2023.

Throughout the year new and emerging projects are brought forward, as well as changes to on-going projects which require investment. The Capital Update Report informs members of these requests to increase the capital programme, seeks approval for those schemes that can be approved under authority delegated to the Executive and asks the Executive to recommend to Council proposals that require specific Council approval.

Recommendations

- (1) To recommend that the Council approve the following changes to Manchester City Council's capital programme:
 - ICT – End User Experience Additional Funding. A capital budget increase of £0.326m is requested, funded by £0.185m Borrowing and £0.141m virement from ICT Investment Plan.

- (2) Under powers delegated to the Executive, to approve the following changes to the Council's capital programme:
 - Children's Services – Schools Maintenance 2023/24. A capital budget increase of £2.323m is requested, funded by Government Grant.
 - Public Sector Housing – Homes as Energy Systems. A capital budget increase of £1.102m is requested, funded by Government Grant.
 - Highways Services – Levenshulme and Burnage Active Neighbourhood. A capital budget virement of £0.530m is requested, funded by Borrowing.
 - ICT – Housing Case Management System Feasibility. A capital budget decrease of £0.119m is requested and approval of a corresponding transfer of £0.119m to the revenue budget, funded by Capital Fund.

- ICT – Market Feasibility. A capital budget decrease of £0.077m is requested and approval of a corresponding transfer of £0.077m to the revenue budget, funded by Capital Fund.
- Public Sector Housing – Social Housing Decarbonisation. A capital budget increase of £12.565m is requested, funded by £11.602m Social Housing Decarbonisation Grant and £0.963m RCCO from HRA revenue resources.

(3) Executive is also asked to note:

- The increases to the programme of £1.359m as a result of delegated approvals.
- The virements in the programme of £1.004m as a result of virements from approved budgets

Wards Affected – Various

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

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

Our Manchester Strategy outcomes	Contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Contributions to various areas of the economy including investment in ICT services, Housing, and leisure facilities.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	Investment provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Improvements to services delivered to communities and enhanced ICT services.

A liveable and low carbon city: a destination of choice to live, visit, work	Investment in cultural and leisure services and housing.
A connected city: world class infrastructure and connectivity to drive growth	Through investment in ICT and the City's infrastructure of road networks and other travel routes.

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

1. Equal Opportunities Policy
2. Risk Management
3. Legal Considerations

Financial Consequences – Revenue

The revenue budget of the City Council will increase by £0.196m if the recommendations in this report are approved.

Financial Consequences – Capital

The recommendations in this report, if approved, will increase Manchester City Council's capital budget by £15.979m across the financial years as detailed in Appendix 1.

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Background documents (available for public inspection):

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

Report to the Executive 15th February 2023 – Capital Strategy and Budget 2023/24 to 2025/26.

1.0 Introduction

1.1 This report outlines the requests for changes to the capital budget from 2022/23.

2.0 Background

2.1 In February each year the Executive receives a report on the capital budget for the forthcoming five financial years and approves a series of recommendations to Council for the approval of the five-year capital programme. Proposals for the capital budget were presented to the Executive on 15th February 2023.

2.2 The capital programme evolves throughout the financial year, and as new projects are developed, they will be reviewed under the current governance framework and recommendations made regarding whether they should be pursued.

2.3 The following requests for a change to the programme have been received since the Capital Budget report to the Executive on 15th February 2023. The impact of changes to the Capital Budget from previous reports are detailed in Appendix 3.

2.4 Note that where requests are made in the report to switch funding from capital to revenue and to fund the revenue spend from the Capital Fund, this is a funding switch from within the capital programme and will not have a negative impact on the Fund itself.

2.5 For the changes requested below, the profile of the increase, decrease or virement is shown in Appendix 1 for each of the projects.

3.0 City Council's Proposals Requiring Specific Council Approval

3.1 The proposals which require Council approval are those which are funded by the use of reserves above a cumulative total of £10.0m, where the use of borrowing is required or a virement exceeds £1.0m. The following proposals require Council approval for changes to the capital programme.

3.2 ICT – End User Experience Additional Funding. The End User Device Project began in 2020 to rationalise the number of end user devices within Manchester City Council used by officers and members in line with a newly developed End User Device (EUD) Strategy. During the first phase of the EUD project (in the midst of COVID) the original business case did not take account of issues encountered such as the need to repair of broken devices outside of warranty which resulted in taking additional stock from EUD stock to enable offices to get straight back to work.

3.3 Demand for devices is also higher than in the original business case. Reasons include the need to include cohorts such as social care student placements. The demand for desktop PCs was higher in areas such as front of house and business support teams where it was not appropriate to share a laptop. In total 700 additional devices were required. Budget contingency covered 250 devices but 450 more were required to fulfil the original project objectives. A capital

budget increase of £0.326m is requested, funded by £0.185m Borrowing and £0.141m virement from ICT Investment Plan.

4.0 Proposals Not Requiring Specific Council Approval

- 4.1 The proposals which do not require Council approval and only require Executive approval are those which are funded by external resources, capital receipts, use of reserves below £10.0m, where the proposal can be funded from existing revenue budgets or where the use of borrowing on a spend to save basis is required. The following proposals require Executive approval for changes to the City Council's capital programme:
- 4.2 Children's Services – Schools Maintenance 2023/24. The grant is to address condition needs identified in the Council's estate of maintained schools which includes community, voluntary controlled and foundation schools. A capital budget increase of £2.323m in 2023/24 is requested, funded by Government Grant. This will be held as a capital budget to be allocated once the individual schemes are agreed.
- 4.3 Public Sector Housing – Homes as Energy Systems. The Council are working in in partnership with Procure Plus to install low carbon measures in over 700 homes in total across Greater Manchester. The project is part funded by European Regional Development Fund (ERDF) grant.
- 4.4 The ongoing project includes installing air source heat pumps, a small number of Solar PV panels and battery storage, and two deep retrofits. The council has been allocated additional ERDF for additional PV panels, battery capacity and air source heat pumps. A capital budget increase of £1.102m in 2023/24 is requested, funded by Government Grant.
- 4.5 Highways Services – Levenshulme and Burnage Active Neighbourhood. The project is delivering a range of safety features such as signalised crossing, zebra crossings, traffic calming and improvements to street lighting to encourage walking and cycling. The initial proposals were exclusive to the Levenshulme ward but as the project has been developed it has been extended to include parts of Burnage. The initial interventions have also been expanded from filters to now include a range of other safety features. Additional funding is now required for these changes.
- 4.6 The project is to be funded from underspends within Highways approved budgets, for the Great Ancoats Street scheme and Medlock Street Roundabout scheme which related to lower statutory undertaker diversion costs than expected, alongside an underspend against the risk funding for Great Ancoats Street. A capital budget virement of £0.530m is requested, funded by Borrowing
- 4.7 ICT – Housing Case Management System Feasibility. The current Housing management system is used by Housing Services staff, Homelessness and the Right to Buy teams. It is the most complex system used in Housing Services, is public facing and used by residents to access Services. The application is being retired by the Supplier Aaeron in January 2025. A feasibility business case is

required to map the requirements of the Housing Service and go out to market to find a suitable replacement. A capital budget decrease of £0.119m is requested and approval of a corresponding transfer of £0.119m to the revenue budget, to allow the feasibility study to take place and will be funded by Capital Fund.

- 4.8 ICT – Market Feasibility. The usage of the main application utilised by Markets was stopped when the suppliers company went bankrupt, and the service is now back to using contingency measures such as spreadsheets and paper. Work is underway to replace the Markets application and use this as an opportunity to rationalise other Markets systems into one enterprise class solution. This will help the Markets Service become more digital, agile and effective whilst improving the standard of service to Market Traders. The feasibility funding will enable the requirements of the Markets Service to be mapped out and go out to market to find a suitable replacement. A capital budget decrease of £0.077m is also requested and approval of a corresponding transfer of £0.077m to the revenue budget, funded by Capital Fund.
- 4.9 Public Sector Housing – Social Housing Decarbonisation. Manchester has committed to becoming a zero-carbon city by 2038 at the latest. With over a quarter of the city’s carbon emissions generated by residential properties (largely due to space heating and hot water), urgent progress is required towards improving the energy efficiency of the housing stock and moving away from fossil fuel-based heating. The Council has bid for Social Housing Decarbonisation Fund (SHDF) funding from BEIS (now DESNZ), which will complement existing and additional capital funding from the HRA to deliver the programme of work to Manchester’s council housing. Further HRA funding will be requested to progress additional works not yet in the programme when funding is secured.
- 4.10 The Council’s programme, supported by SHDF, involves 6 distinct and varied projects, including: seven High Rise blocks, Maisonettes, Heritage Properties, Individual Properties (which require boiler replacement) and a trial Void Project (considering approach to retrofit works when a property becomes void), all of which need to be delivered by September 2025. The SHDF funding will enable the delivery of housing retrofit alongside Decent Homes and other essential works such as those relating to building safety and fire safety compliance. The SHDF funding provides a much-needed contribution to the costs of retrofitting the Council’s own housing stock and assist in building internal resources, experience and skills and enhancing the ability to deliver more zero carbon works over the coming years. A capital budget increase of £7.539m in 2023/24 and £5.026m in 2024/25 is requested, funded by £11.206m Social Housing Decarbonisation Grant and £0.963m RCCO from HRA revenue resources.

5.0 Delegated budget Approvals

- 5.1 There have been increases to the programme totalling £1.359m as a result of delegated approvals since the previous report to the Executive on 18th January 2023. These are detailed at Appendix 2.

6.0 Virements from Approved Budgets

- 6.1 Capital budgets approved for an agreed programme pending allocation can seek approval under delegated powers from the Deputy Chief Executive and City Treasurer.
- 6.2 Approval has been given for the acquisition of Unit 1 Naval Street for £0.525m from the Strategic Acquisitions budget. The unit forms part of a wider plot known as Plot A which, when assembled, will become a developable site at the gateway of 'Ancoats Phase 3'. As the City Council is in ownership of Unit 2 and 3 Naval Street, acquiring Unit 1 is classed as a strategic acquisition to complete the ownership of the block which can be developed as a separate entity if necessary.
- 6.3 An allocation from the Parks Development Programme of £0.079m for Heaton Park Overflow Car Park. The request will progress the scheme design to RIBA Stage 2. This involves delivering Project Preparation, Project Brief and Concept Design Services on the Heaton Park Lakeside South location to increase overall site parking capacity and traffic management and improve south boundary access and connectivity to Lakeside location.
- 6.4 Funding was approved for SHDF Mobilisation utilising £0.400m of budgets already approved for Housing Operations projects. In November 2022, a bid was submitted to GMCA as part of their consortia bid to BEIS in relation to Wave 2.1 of the Social Housing Decarbonisation Fund (SHDF). This involved a bid for £11.6m Grant for the delivery of a SHDF Programme of 7 Projects involving 1,603 properties. Most of the Council's SHDF projects are already included within the Capital Programme. As part of the procurement strategy, the procurement approach/arrangements alongside the routes to market have been considered. It has been concluded that, apart from one of our projects (Anita and George Street), Retrofit Co-ordination (RC) and Retrofit Assessment (RA) should be separate from Design and Works.
- 6.5 This request will enable the service to undertake and procure RC/RA and related activity across all or a proportion of 6 of the 7 projects: involving 606 of the 1,603 properties within the Programme. It will also enable completion of some consultancy and design work in relation to 2 projects: Anita and George Street and the Newton Heath High Rise projects.

7.0 Prudential Performance Indicators

- 7.1 If the recommendations in this report are approved the General Fund capital budget will increase by £15.979m across financial years, as detailed in Appendix 1.
- 7.2 This will also result in an increase in the prudential indicator for Capital Expenditure in corresponding years. Monitoring of all prudential indicators is included within the Capital Monitoring Report during the year.

8.0 Contributing to a Zero-Carbon City

- 8.1 All capital projects are reviewed throughout the approval process with regard to the contribution they can make to Manchester being a Zero-Carbon City. Projects

will not receive approval to incur costs unless the contribution to this target is appropriate.

9.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

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

(b) A highly skilled city

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

(c) A progressive and equitable city

9.3 Improvements to services delivered to communities and enhanced ICT services.

(d) A liveable and low carbon city

9.4 Investment in cultural and leisure services and housing.

(e) A connected city

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

10.0 Key Policies and Considerations

(a) Equal Opportunities

10.1 None.

(b) Risk Management

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

(c) Legal Considerations

10.3 The approvals set out in this report are in accordance with the Council's constitution.

11.0 Conclusions

11.1 The revenue budget of the City Council will increase by £0.196m if the recommendations in this report are approved.

11.2 The capital budget of the City Council will increase by £15.979m, if the recommendations in this report are approved.

12.0 Recommendations

12.1 The recommendations appear at the front of this report

Appendix 1 - Requests for Adjustments to the Capital Budget Provision

Dept	Scheme	Funding	2022/23	2023/24	2024/25	Future	Total
			£'000	£'000	£'000	£'000	£'000
<u>Council Approval Requests</u>							
ICT	End User Experience	Borrowing	326				326
ICT	ICT Investment Plan	Borrowing	- 141				- 141
<u>Total Council Approval Requests</u>			185	0	0	0	185
<u>Executive Approval Requests</u>							
Children's Services	Schools Maintenance	Government Grant		2,323			2,323
Public Sector Housing	Homes as Energy Systems	Government Grant		1,102			1,102
Highways Services	Levenshulme and Burnage Active Neighbourhood	Borrowing		530			530
Highways Services	Great Ancoats Street	Borrowing		- 230			- 230
Highways Services	Mancunian Way and Princess Parkway NPIF	Borrowing		- 300			- 300

ICT	Housing Case Management System Feasibility	Borrowing reduction, funding switch via Capital Fund			-119		- 119
ICT	Market Feasibility	Borrowing reduction, funding switch via Capital Fund			-77		- 77
Public Sector Housing	Social Housing Decarbonisation	Government Grant		7,539	4,063		11,602
Public Sector Housing	Social Housing Decarbonisation	RCCO from HRA revenue resource			963		963
Total Executive Approval Requests			0	10,964	4,830	0	15,794
Total Budget Adjustment Approvals			185	10,964	4,830	0	15,979

Appendix 2 - Approvals under authority delegated to the City Treasurer

Dept	Scheme	Funding	2022/ 23	2023/ 24	2024/ 25	Futur e	Total
			£'000	£'000	£'000	£'000	£'000
Highways Services	Parsonage Safer Streets	External Contribution	33				33
Highways Services	Alan Turing Way Active Travel Fund	External Contribution	139				139
Highways Services	High Street – Fountain Street Active Travel Fund	External Contribution	87				87
Highways Services	Accident Reduction and Local Community Safety schemes	Government Grant	50				50
Highways Services	Christie Extension RPZ	RCCO	236	64			300
Highways Services	Ancoats Residents Parking Zone (RPZ) Scheme	Capital Receipts	5	209	11		225
Neighbourhoods	Wythenshawe Park Football Pitches	External Contribution - S106		525			525
Total Delegated Approval Requests			550	798	11	0	1,359

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Appendix 3 - Capital Programme Budget 2022-25

	Approvals			
	Council	Executive	Delegated	Total
	£'000's			
Capital Outturn 2021/22		969,370		969,370
Capital Update Report 1st June 2022	11,905			11,905
Capital Update Report 22nd July 2022	4,350	9,764		14,114
Capital Update Report 14th September 2022	5,230	11,144	-264	16,110
Capital Update Report 19th October 2022		1,550	1,794	3,344
Capital Update Report & Standalone 16th November 2022	23,000	2,484	659	26,143
Capital Update Report 14th December 2022		2,225	150	2,375
Capital Update Report 18th January 2022		214	4,002	4,216
Capital Strategy Report 14th February	58,184			58,184
Capital Update Report 22nd March 2022			1,359	1,359
Total Revised Budget	102,669	996,751	7,700	1,107,120

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**Manchester City Council
Report for Resolution**

Report to: The Executive – 22 March 2023

Subject: Manchester Science Park (MSP) Strategic Regeneration Framework Addendum

Report of: Strategic Director (Growth and Development)

Summary

This report informs the Executive of the outcome of a public consultation exercise with local residents, businesses and stakeholders, on the draft addendum to the Strategic Regeneration Framework (SRF) for Manchester Science Park (MSP), and the updating of development principles across the SRF to reflect the Council's target to be net zero carbon by 2038. The addendum responds to the opportunity that has arisen for the relocation of an internationally significant health research resource to Manchester Science Park. The report seeks the Executive's approval of the addendum to the Framework.

Recommendations

The Executive is recommended to:

- (1) Note the outcome of the public consultation on the draft addendum and updating of development principles for the Manchester Science Park SRF.
 - (2) Approve the addendum and updating of development principles for Manchester Science Park SRF and request that Planning and Highways Committee take the framework into account as a material consideration when considering planning applications for the site.
-

Wards Affected: Ardwick & Hulme

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

This addendum to the Manchester Science Park SRF proposes placing a new emphasis on climate change, biodiversity, green and blue infrastructure and sustainable transport policies. Proposals are expected to be in line with these principles to ensure that Manchester Science Park contributes to Manchester City Council's aim to achieve net zero carbon by 2038. In line with the 2018 Manchester Science Park SRF, this addendum will promote a shift from a reliance on car travel, utilising the location's strong sustainable transport links including buses, the Metrolink network, cycling infrastructure and walking routes that connect the MSP site and Oxford Road Corridor with the city centre and Hulme.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

The addendum outlines proposals for a major investment opportunity to develop a new purpose-built health research resource facility within Manchester Science Park, which has recently come forward. This will bring significant direct and indirect socio-economic benefits to Manchester Science Park and the wider Oxford Road Corridor, enhancing connections through the neighborhood, particularly with the communities of Rusholme, Ardwick, Hulme and Moss Side to ensure that the regeneration benefits are shared. Furthermore, the proposals will increase training and employment opportunities for local residents.

Manchester Strategy outcomes	Summary of how this report aligns to the Our Manchester Strategy
<p>A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities</p>	<p>The proposals as set out in this addendum will deliver a range of employment opportunities within the Oxford Road Corridor supporting the objectives of the Manchester Science Park SRF. This district is one of the most economically important areas within Greater Manchester, generating £3 billion GVA per annum and with more job creation potential than anywhere else.</p> <p>Assets within Manchester Science Park and the wider Oxford Road Corridor area are vital to capture the commercial potential of research and innovation. This addendum to the SRF will further support economic growth through the creation of 550 full-time equivalent (FTE) jobs per annum during the construction phase, and 730 FTE jobs in the operational stage, as well as a further 1,400 FTE jobs in the wider economy as a result of the development.</p>
<p>A highly skilled city: world class and home grown talent sustaining the city's economic success</p>	<p>The addendum to Manchester Science Park SRF sets out the development opportunities in recognition of the scope for the ambitious expansion of Manchester Science Park in order to ensure that this unique commercial location is maximised for the benefit of Manchester.</p> <p>The proposals present a live opportunity that will bring demonstrable direct and indirect socio-economic benefits to Manchester Science Park and the wider Corridor ecosystem, leveraging advantages in terms of locational clustering with major knowledge and research institutions. Importantly,</p>

	securing investment at Manchester Science Park will strengthen Manchester's Research & Development (R&D) capabilities and world leading reputation for life science and health innovation, catalysing the next phases of development at the park through clustering opportunities.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities.	Manchester Science Park continues to support a range of training programmes and initiatives to increase the skills of those seeking to work within the science, digital and technology sectors. Occupants within the Manchester Science Park site have facilitated a number of apprenticeships and enterprise/training programmes. The proposals as set out in this addendum will create new employment, training and start-up opportunities and will improve connections to these opportunities for residents.
A liveable and low carbon city: a destination of choice to live, visit, work	The delivery of high-quality public realm forms a critical component of maximising the future expansion of Manchester Science Park. This will improve the local community's experience of Manchester Science Park as a place to walk through and dwell. It will also ensure the delivery of an environment that both appeals to future commercial occupiers and creates a fitting environment for occupants to showcase the world-leading work and activities that are taking place in the area.
A connected city: world class infrastructure and connectivity to drive growth	The Manchester Science Park site will benefit from continued investment and enhancements delivered in relation to the city's public transport infrastructure. The framework promotes a modal shift from a reliance on car travel to the site, utilising the location's strong sustainable transport links including cycling infrastructure and walking routes.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None directly from this report.

Financial Consequences – Capital

None directly from this report.

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Background documents (available for public inspection):

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

- Report to Executive – Manchester Science Park Draft Regeneration Framework – 12 March 2014
- Report to Executive – Manchester Science Park Draft Regeneration Framework – 3 September 2014
- Manchester Science Park – Strategic Regeneration Framework September 2014
- Draft updated Manchester Science Park Strategic Regeneration Framework – August 2018
- Draft Manchester Science Park Strategic Regeneration Framework Addendum – November 2022
- Report to Executive – Manchester Science Park (MSP) Strategic Regeneration Framework Addendum November 2022 – December 2022

1.0 Introduction

- 1.1 On 14 December 2022, the Executive endorsed, in principle, an addendum and updating of the development principles for the Manchester Science Park Strategic Regeneration Framework (SRF) and requested that the Strategic Director for Growth & Development carry out a public consultation exercise on the addendum with local stakeholders. This report summarises the outcome of the public consultation.

2.0 Background

- 2.1 In September 2014, Manchester City Council approved a SRF for the future expansion and intensification of Manchester Science Park, a strategic employment area on the Oxford Road Corridor, following engagement with key stakeholders including the local community. The 2014 SRF was subsequently updated in August 2018.
- 2.2 The addendum responds to the opportunity that has arisen for a proposed relocation of an internationally significant health research resource to Manchester Science Park. It relates specifically to a site currently occupied by the Greenheys Building and adjacent car park, located within and to the north-west of the framework area. This latest update reflects increased ambitions for the area, following on from the ongoing success of Manchester Science Park in establishing a world-class science park. The key principles underpinning the March 2014 Manchester Science Park SRF, and the subsequent 2018 update, are carried forward into the 2022 addendum, and have been updated to provide a new emphasis on climate change, biodiversity, green and blue infrastructure.
- 2.3 With MSP occupation at 97%, there is a need to bring forward new development to capture further health, science and innovation opportunities as they arise. An internationally significant research facility has been identified as a potential anchor tenant for the proposed development to relocate their current operations and set up a new development hub and archive with additional space for new SMEs who can benefit from being co-located with this major facility.
- 2.4 The facility is seeking to generate additional partnerships with industry, particularly SMEs; and develop data assets for the wider UK Research and Innovation (UKRI) community. The facility is also looking to relocate to ensure it can provide a faster, higher capacity modern, modular, vendor-supported archive. Locating on Manchester Science Park within the Oxford Road Corridor supports these aims by providing suitable accommodation and promoting academic, commercial and NHS collaboration and cross-working opportunities.
- 2.5 The addendum also updates the development principles across the framework area to reflect the Council's Green and Blue Infrastructure Strategy Refresh (2021-25) as well as Manchester's aim to be Net Zero by 2038.

3.0 The Consultation Process

- 3.1 The consultation on the addendum to the MSP SRF ran for 6 weeks from 4th January 2023 until 15th February 2023.
- 3.2 Consultation letters and emails were sent to 979 addresses, this included:
- Local residents living within the study area consultation boundary plans, as well as businesses in the area.
 - Local ward councillors.
 - Key local organisations, including landowners, community or services groups and key occupiers.
 - Statutory bodies.
- 3.3 An updated MSP consultation webpage on the Council website, providing details of the addendum and download links to relevant documents.
- 3.4 Consultation letters and emails provided the weblink to the consultation page as well as details of how feedback could be provided, which included an email and postal address.
- 3.5 Responses were monitored during the consultation period and in response to the low levels of correspondence received, local partners including Oxford Road Corridor Partnership, the agents for the property owners and Council departments operating in the area, were asked to ensure that information relating to the consultation was further distributed throughout their networks.

4.0 Consultation Comments

- 4.1 The consultation has received three responses. The breakdown of which includes:
- One person who describes themselves as a local resident.
 - One person who describes themselves as a tenant of MSP.
 - One person who describes themselves as from a statutory body.

Disruption to Local Residents during Construction

- 4.2 A local resident expressed concerns relating to the impact of contractor vehicles and deliveries by HGV on Greenheys Lane during construction. The respondent stated that during the construction of BASE on MSP, Greenheys Lane was used for contractor vehicles and deliveries by HGV, causing inconvenience to local residents, whilst alternatives within MSP existed.

Active Travel

- 4.3 A local resident expressed concerns relating to active travel. The respondent stated that the BASE building had reduced active travel options through MSP and that BASE was not accessible to cyclists.

Enterprise House

- 4.4 A tenant of MSP identified that the masterplan for the MSP site, included with the addendum, did not show Enterprise House. He was concerned that plans had been made to redevelop Enterprise House without consultation with the current tenants of the building.

Statutory Consultees

- 4.5 Historic England advised that they did not have any specific comments to make on the information contained within the addendum. However, they recommended that advice is sought from the Council's conservation team and from the Greater Manchester Archaeological Advisory Service.

5.0 Response to Comments

Disruption to Local Residents during Construction

- 5.1 Times of operation, loading and unloading of materials and other potential disruption during construct is considered as part of the planning process. Upon submission of a planning application and following a statutory consultation period, if planning permission is approved, this may be subject to conditions related to mitigation of disruption to local residents during construction.

Active Travel

- 5.2 The BASE building provides 56 cycle parking spaces, where previously there were none, significantly increasing the cycle accessibility of the building. The addendum includes updates to the development principles across the framework area to reflect Manchester's aim to be net zero by 2038. This includes the promotion of a modal shift from a reliance on car travel to the site, utilising the location's strong sustainable transport links including cycling infrastructure and walking routes. The updated development principles state that consideration needs to be given to balancing the servicing needs with pedestrian / cycle movement through the site.

Enterprise House

- 5.3 The indicative masterplan included in the consultation documents forms part of the previously endorsed SRF (2018) and was subject to consultation at that time. Whilst the endorsed SRF identifies Enterprise House as having future development potential, there are no immediate plans for that site to come forward for redevelopment. The site owner has confirmed that if and when they seek to progress plans for Enterprise House in the future, all existing tenants will be consulted in advance of any plans entering the public domain and that they would seek to discuss individual tenant circumstances at that point to identify any opportunities to relocate within MSP.

Statutory Consultees

- 5.4 Further consultation will take place in relation to any planning application submitted for the site, which will include engagement with the Council's conservation team and the Greater Manchester Archaeological Advisory Service.

6.0 Conclusions

- 6.1 The MSP SRF Addendum responds to the opportunity that has arisen for a proposed relocation of an internationally significant health research resource to MSP, supporting economic growth through the creation of 550 full-time equivalent (FTE) jobs during the construction phase, and 730 FTE in operation, as well as a further 1,400 FTE jobs in the wider economy, increasing training and employment opportunities for local residents.
- 6.2 Securing investment at MSP will strengthen Manchester's Research and Development capabilities and world leading reputation for life science and health innovation.
- 6.3 Updating the development principles across the framework will give greater emphasis to climate change, biodiversity and green and blue infrastructure.

7.0 Legal Considerations

- 7.1 If the draft MSP SRF Addendum is approved by the City Council, it will not form part of the Council's Development Plan but would be a material consideration for the Council as a Local Planning Authority when determining any applications within the MSP SRF area.

8.0 Recommendations

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

**Manchester City Council
Report for Information**

Report to: The Executive – 22 March 2023

Subject: The Regeneration of Collyhurst - Update

Report of: Strategic Director of Growth & Development

Summary

The regeneration of the Collyhurst estate has been a long-standing objective of the City Council and this is now being taken forward as part of the wider Victoria North initiative, which is being driven through a Joint Venture (JV) partnership between the City Council and Far East Consortium (FEC).

This report reaffirms the commitment of the Council and its JV partner to working with local tenants and residents, local elected members and other stakeholders to ensure the successful delivery of this objective.

Specifically, the report provides an update on the delivery of the Collyhurst Phase 1 scheme, which is now under contract and involves the construction of 274 new homes, including 130 new Council homes, together with the first phase of a new Community Park and new retail facilities.

The report also sets out proposals to develop a wider Master/Delivery Plan for Collyhurst Village and South Collyhurst, which will be used to guide and co-ordinate future phases of regeneration activity. A key element of developing the Plan will be consultation with the existing community that will commence in May 2023.

Finally, the report also notes that, the identification and appointment of an Affordable Housing Partner will be required in order to ensure the delivery of affordable housing at an appropriate level and to facilitate the wider development of the neighbourhood.

Recommendations

The Executive is recommended to:

1. Consider and comment on the information set out in the report, particularly in relation to the intention to commence community focussed engagement in May 2023 to facilitate the development of a clear Delivery and Phasing Strategy for the further regeneration of the Collyhurst Village and South Collyhurst Neighbourhoods.
2. Note the requirement to identify an Affordable Housing Delivery Partner to assist the City Council and FEC in the future delivery of affordable housing in these neighbourhoods and the work that is underway to develop an appropriate procurement process that will be undertaken to appoint such a partner.

3. Request that a further report is brought back to Executive in the summer of 2023 to report on progress and to seek any necessary approvals to move the regeneration initiative forward.

Wards Affected: Harpurhey, Miles Platting & Newton Heath

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

This report provides an update on the delivery of regeneration in Collyhurst where new housing development at scale is proposed. The design of new homes will build on the low-carbon principles of the Northern Gateway SRF (now known as Victoria North), which recognises that future development within the area will need to respond to the Councils zero-carbon target achieved through the active utilisation and deployment of leading building technologies.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

To ensure that Masterplanning proposals are brought forward in an inclusive manner, an appropriate community and stakeholder engagement process will be developed. The engagement process will result in a Masterplan and Delivery Strategy for future development in Collyhurst, which will be brought back to a future Executive meeting.

The future development of the neighbourhood is capable of providing significant new residential space and associated commercial space and community infrastructure, creating jobs and opportunities open for all residents. The site would be made highly permeable, connecting neighbouring streets and communities with high quality and fully accessible open spaces and public realm. Any future phases of development proposals would be considered through future planning applications with full public consultations. It is considered at this stage that the proposals do not impact any protected or disadvantaged groups.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The Victoria North initiative will expand the City Centre in a northern direction establishing sustainable mixed-use neighbourhoods including new jobs and employment opportunities.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The Victoria North initiative will provide direct employment opportunities and also meet the demand for housing from residents who wish to live close to the skilled employment opportunities located in and around the Regional Centre.
A progressive and equitable city: making a positive contribution by	Development of Victoria North offers the potential to deliver on the objectives of

unlocking the potential of our communities	the Manchester Residential Growth Strategy and meet the growing demand for high quality new housing in the city in all forms of tenure.
A liveable and low carbon city: a destination of choice to live, visit, work	Victoria North development opportunities will support the delivery of new residential developments using state of the art technologies and low carbon construction methods.
A connected city: world class infrastructure and connectivity to drive growth	The delivery of new neighbourhoods within Victoria North will include traffic and transport planning, ensuring that various modes of transport (car, bus, rail, Metrolink, cycle, and walk) are provided for.

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 through this report.

Financial Consequences – Capital

None directly through this report.

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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.

Council Reports

1. Victoria North – The Proposed City of Manchester (Thornton Street North Collyhurst Village) Compulsory Purchase Order 2022: Report to Executive 16 March 2022
2. Northern Gateway: Progress Update & Delivery Arrangements for Collyhurst Phase 1: Report to Executive 17th February 2021
3. Northern Gateway Progress Update Housing Infrastructure Fund: Report to Executive 29 July 2020
4. Northern Gateway Strategic Business Plan and First Phase Development Area: Report to Executive 12 February 2020
5. Delivering Manchester's Affordable Homes to 2025: Report to Executive, 11 September 2019
6. Northern Gateway: Implementation and Delivery, Report to Executive, 13 February 2019

1.0 Introduction

- 1.1 The regeneration and transformation of the Collyhurst estate has been a long-standing priority for the City Council, with the intention being to expand and improve the housing offer, increase the permeability and connectivity of the estate and ensure that the neighbourhood and its residents are able to benefit from the ongoing economic growth that is being experienced by the City and the region.
- 1.2 The estate was the subject of a £252m Private Finance Initiative (PFI) proposal that was terminated by the coalition government in 2010. This PFI proposal, which had been the subject of extensive public consultation, would have seen the comprehensive redevelopment of the entire estate, leading to a significantly increased population at sufficient density to sustain local retail and other local services/infrastructure.
- 1.3 Following Government's termination of the proposed PFI, the City Council has been seeking to identify an alternative means of delivering the scale of transformative change required. Collyhurst was included in the Victoria North initiative (originally known as the Northern Gateway) entered into in 2017. Development-led regeneration was identified as the most appropriate means of exploiting vacant land already available and establishing proposals of sufficient scale that would effectively tackle the issues of the poorly laid out, low density estate, creating a new and expanded housing market and residential offer to better meet the needs of existing and future residents.

2.0 Background

- 2.1 The City Council entered into a Joint Venture (JV) partnership with Far East Consortium (FEC) in April 2017 to drive forward the delivery of the Victoria North initiative, which is focussed on the residential led regeneration of a 155-hectare area at the northern edge of Manchester city centre. It is intended that more than 15,000 new homes are delivered as a result of the initiative over a fifteen to twenty - year period.
- 2.2 In February 2019 the Executive approved a Strategic Regeneration Framework (SRF) to help co-ordinate development activity in the Victoria North area. As stated above, a key component of the initiative is the comprehensive regeneration of the Collyhurst housing estate. The SRF and illustrative masterplan set out high-level design principles for the neighbourhoods that make up the Collyhurst estate. The intention was that more detailed development proposals would be brought forward in a phased basis following community consultation exercises.

3.0 Initial Development Activity - Collyhurst Phase 1

- 3.1 In February 2021, the Executive approved the overall detail of the first phase of development in Collyhurst, namely:

- The construction of 244 new homes in Collyhurst Village - of which 100 homes would be new City Council social rent properties with the balance being for open market sale - together with the demolition of 29 existing properties (including 22 existing MCC tenanted properties and 7 properties in private ownership); the provision of new public realm; and the delivery of Phase 1 of a new Community Park; and,
 - The construction of 30 new City Council social rent homes in South Collyhurst.
- 3.2 Authority was delegated to the Strategic Director, Growth and Development, the Deputy Chief Executive and City Treasurer and the City Solicitor to finalise the terms for the delivery of the proposal through the Joint Venture partnership with Far East Consortium. Further authority was delegated to the City Solicitor to enter into and complete all necessary legal agreements.
- 3.3 Planning consent was obtained for the two elements of the scheme in February and June 2021 respectively and the procurement of a contractor to deliver the programme of works was started shortly thereafter. However, this process became elongated as a result of the impact of challenging market conditions and significant inflationary pressure in the contracting sector and supply chain.
- 3.4 Ultimately this resulted in the Executive meeting of 14th September 2022 approving an increased Capital Budget for the scheme, and the Council and FEC entered into a Development and Funding Agreement (DFA) and associated legal agreements on 7th October 2022.

Collyhurst Phase 1 - Progress Update

- 3.5 FEC are delivering the Scheme as developer with DEX Construction Group (FEC's in-house Contracting Team) undertaking the construction. The new Council homes will be built by FEC on land in the City Council's ownership with the open market sale homes built on land that has been transferred to FEC.
- 3.6 Enabling works to prepare sites in Collyhurst Village for development have already been undertaken with the main works expected to start on site at the beginning of March 2023. Enabling works will commence on the South Collyhurst site also during March 2023 to remediate land and prepare the site for foundation works.
- 3.7 The Council has committed to support all affected residents living within the Scheme boundary, to relocate to a new property within the Scheme on a single move basis. As a result, a key principle of the Scheme is the timely delivery of re-provision homes in the new development to facilitate a single move, relocating affected residents into the new properties within the development and to provide an opportunity for the operator of the retail premises to relocate to the new commercial unit within the development.

- 3.8 The current programme has been developed with this in mind and anticipates that the development of new homes will be completed by April 2026 with the first 10 new Council homes completed in 2024/25, and the remainder completed in 2025/26. To date, there has been significant interest in the new homes in Collyhurst, with FEC having already secured sales reservations on an early release of homes.

Collyhurst Village Compulsory Purchase Order

- 3.9 Whilst the Council remains committed to agree the acquisition of the 7 privately owned property interests through negotiation, it is important to recognise that this may not be possible. Therefore, in March 2022 the Executive authorised the making of a Compulsory Purchase Order (CPO) as a contingency measure to ensure delivery of the Scheme in its entirety. However, the submission of the CPO has been delayed until the delivery arrangements for the scheme were finalised.
- 3.10 Since the delivery arrangements for the Scheme were concluded in October 2022 the Council has been able to progress discussions with those property owners affected by the proposed CPO and the negotiation process is underway to agree offers of market value compensation and in the case of the current business owner to understand their intentions and whether they wish to relocate their business. Officers have also been in discussion with the owner-occupiers about the Relocation Assistance (Equity Share Loan) that will be made available to help them purchase a replacement home. These discussions are ongoing and FEC have set aside a suitable number of new homes within the development for those affected owner-occupiers.
- 3.11 As the delivery arrangements for building the new homes are now in place, Legal Services are progressing with formally making the City of Manchester (Thornton Street North, Collyhurst Village) Compulsory Purchase Order 2023. The necessary legal notices have been served and the Order has been submitted to the National Planning Casework Unit for confirmation. Those affected by the CPO have an opportunity to submit objections. If objections are received, the Secretary of State may decide to hold a Public Local Inquiry to determine whether the CPO should be confirmed or not. Throughout this process negotiations to acquire interests by agreement will continue, and Officers will liaise closely with those affected to ensure that they are supported and as informed as possible.
- 3.12 In addition, the Council has committed to rehouse the affected Council tenants within the new development. Early in the design process, an assessment of each households housing needs was undertaken and considered during scheme development. Throughout the next stages of scheme delivery, further work is necessary to liaise closely with the Council tenants affected by the development, allocate the new homes appropriately and facilitate the rehousing process.

4.0 Future Phases of Development – Key Issues

- 4.1 The commencement of the main construction works on the Phase 1 scheme is a significant milestone and is evidence of the Council and FEC's commitment to deliver the comprehensive regeneration of the neighbourhood for the benefit of both the existing community and the new residents that will move into the area. In this regard, significant efforts have been invested by both parties to ensure that the existing community of Collyhurst have been engaged throughout the design process and that those affected are able to remain in the neighbourhood in a suitable new home and benefit from the regeneration.
- 4.2 This initial development is intended to be the catalyst for further phases of regeneration over the next 10-15 years to deliver a higher density of homes that will support local amenities and social infrastructure and create a sustainable neighbourhood that positively contributes to the economic growth of Manchester.
- 4.3 Work undertaken to date as part of the development of the Northern Gateway Strategic Regeneration Framework (SRF) has established that the two neighbourhoods of Collyhurst Village and South Collyhurst, which at present accommodate c.700 homes, together have the potential to be the location for around 3,000 much needed new homes. A plan is attached as Appendix 1, showing the location of these two neighbourhoods.
- 4.4 The existing homes are predominately Council owned (556 homes) with a small number of RP properties (26 homes) and the rest privately owned (122 homes), the majority of which have been purchased through Right to Buy. The construction of c.3000 new homes would diversify the tenure of the neighbourhood, creating choice and an expanded housing market.
- 4.5 There is however, limited vacant and available land across the neighbourhood to facilitate future phases of development. Therefore, the ongoing phased delivery of c.3,000 new homes of diverse tenure would require the creation of coherent development plots through sequential demolition or remodelling and development. As a result, the timely reprovision of the existing Council homes within the neighbourhoods is an absolutely essential component of any future development. This reinforces the need to approach the redevelopment of Collyhurst on a strategic basis, with full involvement of the community and careful consideration given to how development can be phased around the neighbourhoods.
- 4.6 The Council homes being delivered in the first phase of development have been funded from a mixture of Housing Revenue Account (HRA), Capital Receipt and grant from Homes England's Affordable Housing Programme. However, the cost of full reprovision of the Council homes in future phases would be significant and, given the competing demands on the HRA, it is unlikely that this could be met through the Council's own resources alone. In addition, Government grant programmes of sufficient scale are not available to the Council to deliver reprovision homes for the purpose of regeneration.

Therefore, the Delivery and Phasing Strategy needs to take account of this and explore the opportunities that exist to re-provide any existing Council homes that may need to be demolished.

5.0 Community Focussed Master Planning

5.1 Subject to consultation and community engagement, it is envisaged that any further development would be delivered through a multi-phased approach over a 10-15 year period and would follow a similar format to that which has been used in Phase 1, i.e. sequential development on cleared sites and subsequent demolition to facilitate a single move for existing residents and create development sites for future phases. The nature, extent, location and timing of intervention would be defined by a Master Planning process with input from the existing community and stakeholders.

5.2 It is therefore proposed that detailed Master Planning focused on the Collyhurst Village and South Collyhurst neighbourhoods is undertaken to provide the basis for the identification of future phases of development activity and define a Delivery and Phasing Plan. The Master Planning would build upon the approach to community engagement and participation that was taken in the development of proposals for Phase 1.

5.3 To enable Master Planning, a rigorous process has been undertaken to identify a Lead Design Partner, who have the necessary expertise and track record in delivering robust neighbourhood regeneration masterplans. Following final interviews with all shortlisted parties, the JV partners have selected a Master Planning team formed of:

Mae Architects,
Schulze + Grassov
Turner Works
If Do.

5.4 The team has been appointed on the basis that they have the necessary skills to ensure that a community engagement programme is at the heart of the process, which will include elements of co-design with residents and key stakeholders. This will mean that the existing community have an opportunity to actively participate in the future development of their neighbourhood and positively benefit from the regeneration and evolution of Collyhurst.

5.5 It is intended that engagement with the local community and key stakeholders will commence in May 2023. This engagement will build upon the previous engagement that took place to develop the neighbourhood vision contained in the Northern Gateway SRF, refreshing the perspective and working through further detail.

6.0 Underlying Principles to Guide Future Phases

6.1 Given the likely scale of future development and the necessity for estate remodelling, including, where required the demolition of existing properties to

create coherent development opportunities, it is important to set out what are considered to be key underpinning principles. These principles will ensure that the existing community is a focus of the proposals as they are developed and dealt with fairly during implementation: -

- **Meaningful and Extensive Community engagement** – the existing Community should be at the heart of developing proposals for their neighbourhood that will be of benefit to them and of future residents.
- **Retention of the existing Community** – development proposals to take account of the needs of existing residents and provide opportunities for all those who wish to stay in Collyhurst and benefit from the regeneration to do so.
- **A clear Phasing and Single Move Strategy** - to provide clarity on when development will take place and wherever possible, if existing residents do need to move home to facilitate development, that this is done through a single move to a suitable home within Collyhurst.
- **Reprovision** – Social rented homes to be re-provided at a ratio that enables existing Council tenants to remain in Collyhurst in a home suitable to their housing needs.
- **Relocation Assistance** – Appropriate mechanisms are put in place in line with the City Council's Home Improvement and Relocation Assistance Policy to ensure that any owner occupiers affected by future development activity are able to relocate to appropriate and suitable homes.
- **Growth in the level of Affordable Housing** - to meet the objective of increasing supply of Affordable Housing as set out in the Housing Strategy, that in addition to the reprovision of existing Council homes, a range of additional Affordable Housing products are delivered through any new development that comes forward. The ambition is that up to 20% of the additional homes provided (above any necessary re-provision) will be affordable, subject to viability.
- **Delivery of Sustainable Neighbourhoods** – a mix of homes (type and size) and tenures is essential to provide housing choice for future generations and necessary to sustain local services, shops, schools, community facilities etc.

6.2 These principles will be kept under review and further developed throughout the Master Planning process.

7.0 Identifying an Affordable Housing Delivery Partner

7.1 As set out above, the regeneration of the Collyhurst neighbourhoods of Collyhurst Village and South Collyhurst provides the opportunity for the delivery of up to 3,000 homes, with a significant focus on affordability.

7.2 Given the scale of these ambitions, and the commitment to deliver additional affordable homes, the JV will need to work alongside an Affordable Housing Delivery Partner, most likely a Housing Association registered with the Regulator of Social Housing, commonly referred to as a Registered Provider (RP). Given the complexity of the project, a single strategic affordable housing

delivery partner is likely to be needed to enable delivery across the whole of Collyhurst.

- 7.3 It is recognised that such partners can bring best practice and significant delivery expertise and resource to positively implement any agreed masterplan. Therefore, to inform the Masterplan and Planning Strategy for the neighbourhoods, and ensure the plans are based on robust commercial and delivery insights, an affordable housing delivery partner needs to be in place as early as possible in the process.
- 7.4 Further work is required to inform the optimal delivery strategy for affordable homes within Collyhurst (including re-provision homes and additional homes to be built). In particular, this needs to include recommendations around the most appropriate structure (commercial and legal), nature of partner, and requirement for procurement.
- 7.5 To inform the strategy, informal “soft market testing” with the RP and investor market commenced in February 2023. This exercise is important to fully understand market appetite and ensure that any subsequent formal procurement or marketing process required is designed to optimise engagement with the RP Sector.
- 7.6 The soft market testing exercise will initially target the engagement of RPs that have Homes England (HE) Strategic Partner status. These are organisations who have been identified by HE as having credentials around complex project delivery, interested in long term relationships, and with capacity and capability to deliver significant programmes. Of key importance, Strategic Partners also have potential opportunity to access alternative funding arrangements with HE.
- 7.7 Following completion of this market testing it is intended that a delivery strategy is devised, to be tested with the Council’s legal and procurement teams before a further report is brought back to a future meeting of the Executive together with any recommended actions.

8.0 Collyhurst – Future Phases Next Steps

- 8.1 As set out above FEC have appointed a Master Planning Team to develop a delivery and phasing plan for Collyhurst. Meaningful community engagement will be at the heart of developing the plan in order to understand the existing communities needs and aspirations and it is intended that this will commence in May 2023.
- 8.2 In the coming months, ahead of community engagement, the Master Planning team will commence work to more fully understand the neighbourhoods, undertaking relevant site surveys and developing the approach to engagement with residents and stakeholders.
- 8.3 Informal Soft Market testing has already commenced with the RP sector and investor market. This will continue in the coming months, informing the

creation of a delivery strategy that will likely involve the appointment of an RP partner to enable delivery of affordable and re-provision homes. This strategy will be developed with input from the Councils Legal and Procurement teams and presented to a future meeting of the Executive.

- 8.4 Work is underway to establish a Local Lettings Strategy for the Phase 1 Council homes that will start to become available for occupancy in the 2024/25 Financial Year. This Strategy will be brought back to a future meeting of the Executive for formal consideration and approval.

9.0 Eastford Square - demolition

- 9.1 Although situated outside of the Collyhurst Village/South Collyhurst boundary, the demolition of Eastford Square is a Council priority. Demolition of these last remaining Collyhurst maisonettes will conclude the process that commenced some years ago to address the obsolete blocks. The properties are now in the Councils ownership and Planning Approval has been granted for their demolition, which will commence following completion of utility disconnections. As part of the demolition, the artwork currently situated in the Square will be retained and relocated into the grounds of the nearby Roach and Vauxhall Courts where it will be visible from Rochdale Road.

- 9.2 In the longer term, the land at Eastford Square has been identified for development as part of the wider Victoria North programme of regeneration with a mix of new homes and commercial space. However, detailed Master Planning has not yet taken place. As it is located outside of the boundary identified at Appendix 1, development of a Master Plan for this area will be undertaken as part of a separate process and will be subject to future public consultation.

10.0 Contributing to the Manchester Strategy

- 10.1 Please see the front of the report.

11.0 Key Policies and Considerations

Equal Opportunities

- 11.1 As part of the vision set out in the Northern Gateway SRF, a key aim of the proposed Master Planning Process will be to formulate plans for an inclusive, connected and accessible neighbourhood that will support the creation of new homes, public realm, jobs, and improved access to opportunities for both existing and new residents within the local area and wider city. The Master Planning process will be the subject of local community engagement, giving residents and stakeholders opportunities to engage in the process.

Risk Management

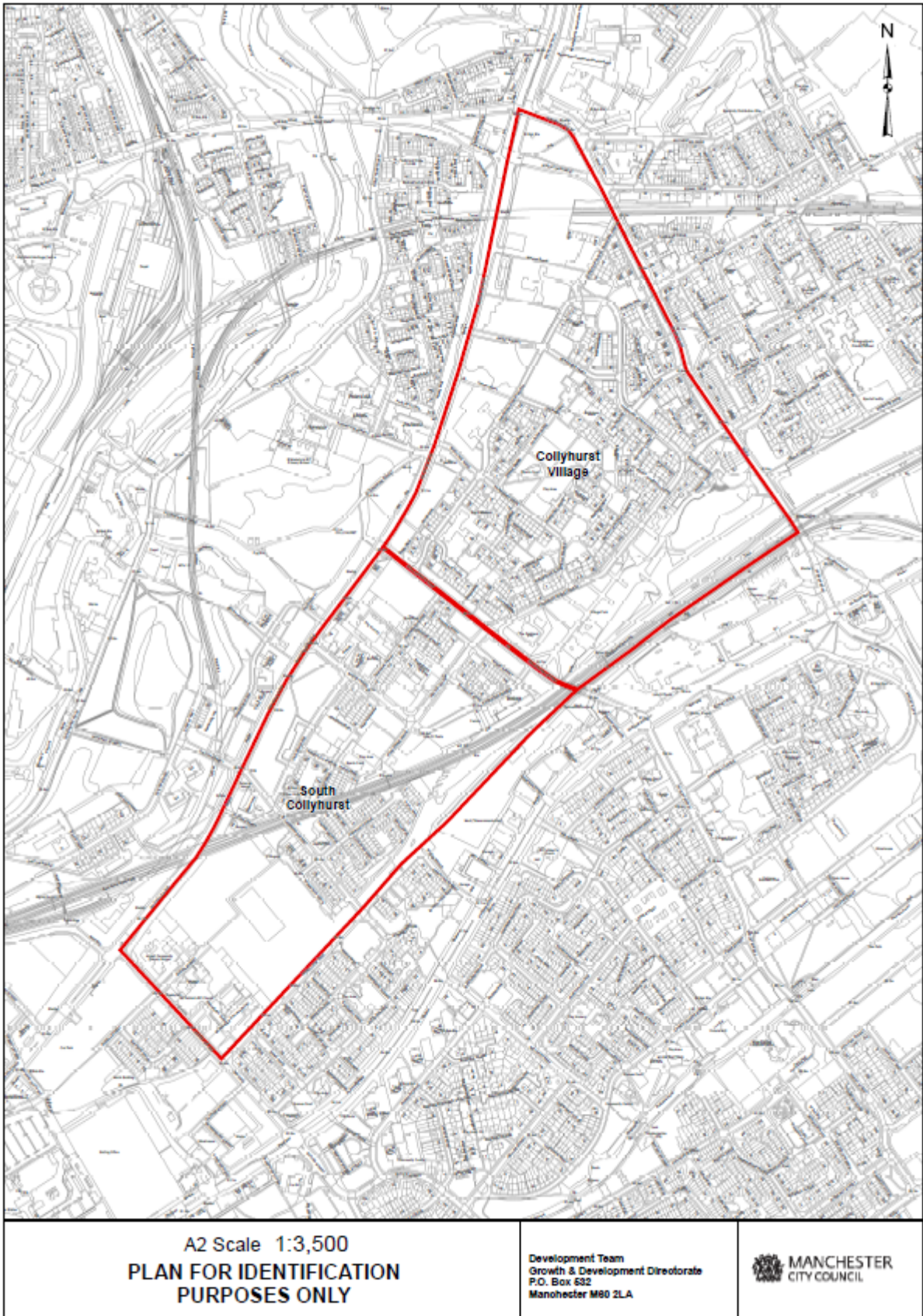
- 11.2 The Victoria North programme will continue to be progressed in accordance with existing internal governance arrangements and within the legal framework of the Victoria North Joint Venture.

Legal Considerations

- 11.3 Legal Services work closely with the project team to provide legal advice on all aspects of the Victoria North Initiative. Legal Services will continue to support and advise the team on all aspects of this project to facilitate delivery and ensure compliance with all relevant legislation, regulations and contractual terms.

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Appendix 1: Plan of Collyhurst Village & South Collyhurst Neighbourhoods



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**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee – 7 March 2023
The Executive – 22 March 2023

Subject: Refresh of the Community Asset Transfer Policy

Report of: Deputy Chief Executive and City Treasurer

Summary

Executive last adopted a revised Voluntary and Community Sector Property Policy in December 2013. An update on these arrangements was reported to Communities and Equalities Scrutiny Committee in October 2018, including feedback from community organisations on the arrangements. Officers have been asked by the Statutory Deputy Leader, as Executive Member for the Operational Estate, to review the policy and approach. The report sets out the key points of the review and proposes a revised Community Asset Transfer Policy.

Recommendations

The Resources and Governance Scrutiny Committee is recommended to endorse the proposals to the Executive.

The Executive is recommended to:

- (1) To consider and comment on the information in the report; and
 - (2) To adopt the revised Community Asset Transfer Policy contained at Appendix 3
-

Wards Affected:

All

<p>Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>
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<p>The revised Community Asset Transfer Policy requires applicants to demonstrate that their proposal contributes towards the Council's corporate objectives, community priorities and the priorities of the Council's strategic partners, including supporting the zero-carbon target for the city. The application process includes a review of how Community Asset Transfer proposals support this objective.</p>
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<p>Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments</p>

<p>The revised Community Asset Transfer Policy requires applicants to provide open access to all residents, regardless of age, disability, gender, race, religion or belief,</p>
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and sexual orientation, and the application process includes an Equality Impact Assessment to ensure any potential impacts on equality, diversity and inclusion are identified and managed.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The Community Asset Transfer policy can directly contribute to the Our Manchester Strategy by supporting the strength and diversity of the Voluntary and Community Sector in Manchester.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The Community Asset Transfer policy can directly contribute to the Our Manchester Strategy by supporting the delivery of VCS services that support all our residents to learn, progress, upskill and retrain so they can access the city's current and future employment opportunities.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The Community Asset Transfer policy can directly contribute to the Our Manchester Strategy by supporting the delivery of VCS services that maintain Manchester's vibrancy and ensure that all our communities are included in the life of the city, regardless of their age, ethnicity, gender, disability, sexuality, faith or socioeconomic background.
A liveable and low carbon city: a destination of choice to live, visit, work	The Community Asset Transfer policy can directly contribute to the Our Manchester Strategy by supporting the delivery of VCS services that contribute to our zero-carbon ambition by 2038 at the latest, via green growth, sustainable design, low-carbon energy, retrofitting buildings, green infrastructure, and increasing climate resilience.
A connected city: world class infrastructure and connectivity to drive growth	The Community Asset Transfer policy can directly contribute to the Our Manchester Strategy by supporting the delivery of VCS services that create sustainable, safe, resilient and cohesive neighbourhoods, with good-quality green spaces, and accessible culture and sporting facilities.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

There are no specific revenue impacts arising from the adoption of the revised Community Asset Transfer policy or process. Individual cases of Community Asset

Transfer may have implications for revenue, for example where community organisations take on, or return, responsibilities for running costs. These will be dealt with through existing revenue management processes.

Financial Consequences – Capital

There are no specific capital impacts arising from the adoption of the revised Community Asset Transfer policy or process. Individual cases of Community Asset Transfer may have implications for capital. These will be dealt with through existing capital management processes.

Contact Officers:

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Position: Head of Estates and Facilities
Telephone: 0161 234 7226
E-mail: richard.munns@manchester.gov.uk

Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing 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.

Community Asset Transfers, Communities and Equalities Scrutiny Committee – 11 October 2018.

1.0 Introduction

- 1.1 Community Asset Transfer (CAT) involves the leasing of Council land or buildings to a Voluntary and Community Sector (VCS) organisation, usually at less than market value for local social, economic or environmental benefit.
- 1.2 CAT presents local communities with the opportunity to breathe new life into surplus public buildings, to preserve valuable community resources or develop exciting new services for local communities. It is not without risks however, and should be pursued in a planned, supported way to ensure a successful transfer of responsibilities and long-lasting benefits.
- 1.3 Executive last adopted a revised Voluntary and Community Sector Property Policy in December 2013. An update on these arrangements was reported to Communities and Equalities Scrutiny Committee in October 2018, including feedback from community organisations on the arrangements. Officers have been asked by the Statutory Deputy Leader, as Executive Member for the Operational Estate, to review the policy and approach. The report sets out the key points of the review and proposes a revised Community Asset Transfer Policy.

2.0 Background

- 2.1 Manchester has a diverse, talented, thriving VCS that achieves significant impacts for the City's residents. The City's diversity is largely reflected in the VCS, both in terms of its characteristic make-up, as well as the sizes and types of organisations that make up the sector. The sector plays many important roles in helping to deliver the aims of the Our Manchester Strategy.
- 2.2 The 2021 Manchester State of the VCSE Sector report identified that in Manchester:
 - There are over 3,800 VCSE organisations in the city (up from around 3,390 in 2017)
 - The total income of the sector in 2019-20 was around £500 million, down from £540 million in 2017
 - The VCSE workforce includes over 162,000 volunteers (an increase from about 111,00 in 2017) giving over 480,000 hours each week (278,000 in 2017). This is valued at £242 million per annum, which is down from the £252 million valuation in 2017
 - 85% of organisations are bringing at least one source of non-public funds into the City (89% in 2017)
 - 66% of organisations are 'micro' (annual income of under £10k; same as in 2017), often providing support to specific communities of identity and / or geography.
- 2.3 MCC supports the VCS in a variety of ways, and one of these is through the use of its land and property assets. Community Asset Transfer, introduced in the Localism Act 2011, involves the leasing of Council land or buildings to a VCS organisation, usually at less than market value for local social, economic or environmental benefit.

- 2.4 There are currently 26 completed Community Asset Transfers in place, with a further 18 that are in the process of legal completion, in negotiation or in development. The relevant properties and organisations are shown in Appendix 1.
- 2.5 MCC employ a dedicated Community Asset Transfer Project Manager, hosted in the Corporate Estates and Facilities Service, to support VCS organisations through the Community Asset Transfer Process. The Council also provides grant funding programmes to the VCS, including the Neighbourhood Investment Fund, co-ordinated through the Neighbourhoods Service. Further advice and support to VCS organisations is provided through Manchester Community Central, the Council's community support partner, who provide voluntary and community groups with an extensive range of resources, information and tools designed to meet current and future development needs.
- 2.6 Generally, under the current arrangements, requests from VCS organisations to use Council properties come into two ways. These are either: a VCS organisation contacts the Council speculatively, asking for any surplus properties they can use to deliver services; or, a VCS organisation contacts the Council about a specific property they are aware or believe is owned by MCC, usually through local networks and connections.
- 2.7 In either case, the enquiry is managed by the CAT Project Manager, who identifies any suitable properties or assesses the specific property relating to the enquiry. Where a property is surplus to operational requirements, the CAT Project Manager will work with the Development Team to ascertain if there are other calls on the surplus property, for example for commercial letting or development to deliver housing. If the property in question is not earmarked for development, the CAT Project Manager will work with the interested VCS organisation to develop a business case for Community Asset Transfer.
- 2.8 The current Policy is attached at Appendix 2.

3.0 Policy Review

- 3.1 Officers have reviewed the existing documented policy, and current practice for Community Asset Transfers. This has including engaging with Council teams and services who have close working relationships with the VCS, and close involvement with community assets. Officers have collected comments and feedback from the Neighbourhood Teams, Parks Service, City Policy VCS Support Team, Legal Services, Estates and Facilities Management, and the Development Team. Part of this work also involved reflecting on the review of feedback from the report to Communities and Equalities Scrutiny Committee in October 2018; and also from the developing work on strategic asset management planning.
- 3.2 The key areas of feedback on potential policy and process improvements are described in the following paragraphs.

- 3.3 A recurring theme from stakeholders was that MCC should seek to increase the number of “open” processes, by which opportunities for community use are pro-actively identified and advertised to a range of community organisations, rather than waiting for groups to contact officers about specific buildings.
- 3.4 Relating to the above point, feedback included that MCC should publish a list of available assets on the corporate website.
- 3.5 Feedback was that the process feels too slow, and tighter control of timescales could speed the process up (accepting that these must be flexible where there are complex cases).
- 3.6 There was clear feedback that MCC don't have a well-publicised policy or clearly written VCS transfer process – this would increase transparency. The process and documents should all be online, there should be a CAT section of the Council's website.
- 3.7 The review feedback included that there should be more clarity on ‘the front end’ of the process - how assets become available for VCS use, and how this fits strategically with other priorities. There is currently an ad-hoc approach to availability based on when and how an asset becomes surplus, and the review highlighted that officers should strengthen the links to strategic asset management planning and assess suitability for VCS use alongside other priorities – e.g. use of land for housing or other development.
- 3.8 Other feedback included that MCC should develop a more managed process to review CATs during their life. For example, at regular intervals: is community benefit still being achieved as agreed during the application process?; does the VCS group remain suitably resourced?; is the Business Plan being achieved?; is the asset being maintained?
- 3.9 Feedback indicated the policy should be clearer about threshold for longer leases, and look in more detail at other options, for example short term leases that provide VCS organisations with time to create a stable longer term business case.
- 3.10 Feedback also included that the policy should be clearer about use of MCC funds to bring buildings up to viable condition or fund upfront development / feasibility work.
- 3.11 A revised Community Asset Transfer Policy and Process have been developed in response to this feedback, specifically to: be clear and open about policy and process; be more proactive by developing and advertising opportunities; following an open process as standard, with any opportunities advertised widely; fit with the Councils approach to Strategic Asset Management; be quicker; address issues with the current policy about leases length, terms and funding.
- 3.12 The revised policy is attached at Appendix 3. The revised process is attached at Appendix 4.

- 3.13 The intended outcomes of this policy are the successful and sustainable transfer of assets to VCS organisations to deliver community benefit in Manchester; supporting and strengthening the capacity of VCS organisations; delivering a fair and transparent process; providing clear roles and responsibilities for all parties; reduced running costs and maintenance liabilities to MCC; and to raise awareness of the need to comply with relevant Legislation to ensure a legally compliant CAT.

4.0 Next Steps

- 4.1 Subject to comments on this report, officers will: finalise the policy document, including completing a review of VAT implications; implement the necessary changes to the Council website, and finalise the associated forms and documents that support the CAT process; develop a communications plan to promote the policy; and implement the new policy and process.
- 4.2 Adopting a more detailed policy and process will support a clearer understanding of the approach to Community Asset Transfers across all stakeholders and will support more regular reviews of the approach to ensure it aligns with the Council's approach to place-based working.

5.0 Recommendations

- 5.1 The Resources and Governance Scrutiny Committee is recommended to endorse the proposals to the Executive.
- 5.2 The Executive is recommended to:
- (1) consider and comment on the information in the report; and
 - (2) adopt the revised Community Asset Transfer Policy contained at Appendix 3.

6.0 Appendices

Appendix 1 – Current Community Asset Transfers

Appendix 2 - VCS Property Policy as approved by Council Executive

18.12.2013

Appendix 3 - Community Asset Transfer Policy – January 2023

Appendix 4 - Community Asset Transfer Application Process – January 2023

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Appendix 1 – Current Community Asset Transfers**Completed Community Asset Transfers**

Site Name	Ward	CAT Details
Hulme Hall	Hulme	Mothers Against Violence
Tree Of Life Centre	Baguley	Tree of Life
345 Burnage Lane	Burnage	N-Gage
Skateboard Park, London Road	Ardwick	Projekts Ltd
Former Northenden District Library	Northenden	Northenden Players
Slade Lane Neighbourhood Centre	Longsight	Myriad Foundation
Fletcher Moss Old Parsonage	Didsbury West	Didsbury Parsonage Trust
Longsight Youth Centre	Ardwick	Manchester Vineyard
Hulme Community Garden Centre	Hulme	Hulme Community Garden Centre
The Place at Platt Lane	Fallowfield	Friends of Fallowfield Library
Manley Park Play Centre	Whalley Range	Communities on Solid Ground.
Manchester Gay and Lesbian Centre	Hulme	The Proud Trust Limited
Withington Leisure Centre	Old Moat	Love Withington Baths
Community Centre, Justin Close	Ardwick	The Wai Yin Chinese Society
John Gilmore Centre	Clayton & Openshaw	Ardwick Lads Boxing Club.
Chorlton Park Sure Start and Childrens Centre	Chorlton Park	Emmeline's Pantry
Pakistani Community Centre	Ardwick	GM Pakistani Association
Rushford Park Football Changing Room	Longsight	Manchester Youth Academy
Cringle Park Bowling Pavilion	Levenshulme	Levenshulme Amateur Boxing Club
Blackley Cemetery Glenbrook Chapel	Higher Blackley	Christian Restoration Manchester
Platt Fields Park Boathouse	Fallowfield	Envirolution, Coffee Cranks/Bike Hub
Victoria Baths	Ardwick	The Victoria Baths Trust
Barrington Street Centre	Clayton & Openshaw	The Beacon Centre CIO
Crossley Street Centre	Gorton & Abbey Hey	Manchester Congolese Organisation
Simpson Memorial Hall	Moston	Simpson Memorial Association
Bradley Fold Allotment Gardens	Didsbury West	Didsbury Gardens Society

Community Asset Transfers in Development, Negotiation or Legals

Site Name	Ward	CAT Details
1 - 3 Morrowfield Avenue	Cheetham	Cheetham Hill Advice Centre
115 Briscoe Lane	Miles Platting & Newton Heath	Yes Manchester
Claremont Community Resource Centre	Hulme	The African Caribbean Care Group (ACCG)
Burnage Community Centre	Burnage	Burnage Good Neighbours
Broadhurst Park Sure Start	Moston	4CT
Cornbrook House	Ardwick	Coverdale and Newbank Residents Association
Ladybarn Community Centre	Withington	4CT and Trustees of Ladybarn Community Association.
Stirling Centre	Miles Platting & Newton Heath	4CT
Levenshulme District Library	Levenshulme	Levenshulme Old Library Group
Didsbury Park Childrens Centre	Didsbury East	Didsbury Good Neighbours
The Link at Armitage	Ardwick	Armitage School and the West Gorton Community group
Platt Fields Park Bowls Pavilion	Fallowfield	Manchester Urban Diggers
Gorton Community Centre	Gorton & Abbey Hey	Healthy Me Healthy Communities
306a Yew Tree Road	Old Moat	OMYOP
Sporting Edge Community Sports Centre	Clayton & Openshaw	4CT
Cringle Park Play Centre	Levenshulme	Manchester Steiner Kindergarten
Heathfield Hall	Miles Platting & Newton Heath	4CT
Cheetham Youth Action	Cheetham	Wai Yin Chinese Society

Appendix 2 - VCS Property Policy as approved by Council Executive
18.12.2013

1. Grant full repairing and insuring leases. Where the occupying group is operating on a not-for-profit basis and provides a wider benefit to the community the occupation shall be on the basis of the payment of a peppercorn rent only subject to a valuation signed by the Head of Development which confirms this is a market value on a restricted basis. However, in the interests of transparency and equity, those organisations providing commissioned activities for the Council or partner bodies should continue to pay rental, albeit on a restricted valuation basis reflecting ongoing community use. It should be noted that full repairing and insuring terms would mean that a group would be responsible for all repair, maintenance, running and insurance costs for the building/space they occupy.
2. In addition to granting full repairing and insuring leases as detailed in paragraph 1 above, the Head of Development may also approve leases on a restricted valuation basis (i.e. a valuation reflecting use restricted to community activities) to Registered Providers operating in true partnership with the local community on a not-for-profit basis and where community activities will be generated throughout the lease period as a result of the proposed letting. In such circumstances the Registered Provider will be required to establish a project-specific Board of Management to oversee the operation of the asset and the activities within it which shall incorporate at least 51% community representation to ensure local interests are represented.
3. The community benefit will be measured by considering how the proposed use of the asset, to be specified in a business case approved by the Head of Development, will contribute towards priorities identified by council services.
4. That the City Council's role as a VCS funder and its function as a landlord, are wholly separate and must not be merged.
5. That any future support by services to particular VCS activity in Council premises must be through formal prioritised and approved project funding as required for VCS activities in non-council premises.
6. That all VCS occupancies of council premises must be on a formal lease/licence on full repairing and insuring terms and that any group unwilling or unable to enter into or regularise such an arrangement may lose its tenure.
7. That any lease or occupation granted under the VCS Lettings policy is subject to regular review to confirm that the tenant is complying with the terms of the lease and that the asset continues to be used for community benefit on a not-for-profit basis. The reviews will also

ensure that, where appropriate and in accordance with the terms of the Lease, the tenant is undertaking regular disclosure and barring service (DBS) checks and continues to implement safeguarding policies to ensure the safety of children and vulnerable adults.

8. That all existing VCS occupations which do not conform to this policy to be converted at the first opportunity legally available under their current tenure.
9. That where any occupations do not allow immediate updating any present irregularities in conditions of occupancy or management practise with an impact on VAT issues must be resolved as a matter of urgency in consultation the VAT Section of Corporate Services and local members as appropriate.
10. That charges for sessional use of council space be formalised on a premise by premise basis by services in consultation with the VAT Section of Corporate Services.

Appendix 3

Manchester City Council

Community Asset Transfer Policy – January 2023

1.0 Background

Community Asset Transfer (CAT) presents community organisations with the opportunity to breathe new life into surplus public buildings, to preserve valuable community resources or develop exciting new services for local communities. It is not without risks however, and should be pursued in a legally safe, planned and supported way to ensure a successful transfer of responsibilities and long lasting benefits.

The purpose of this policy is to provide residents with a clear understanding of the Council's approach to CAT and demonstrate that it is an open, fair, transparent and consistent process.

Within the Localism Act 2011 CAT involves the transfer of ownership and/or the management of land or buildings from the Council to a community-based organisation or group (such as a charity or community interest organisation). CAT is not a legal requirement, but a voluntary process at the discretion of the Council.

CAT involves the transfer (usually by way of a lease) of Council land or buildings to a Voluntary and Community Sector Organisation (VCSO) or group, potentially at less than market value to reflect the local social, economic or environmental benefit that will be achieved through the CAT.

Groups wishing to undertake a CAT will need to demonstrate:

- how the community and local people will benefit from the transfer;
- that there is community support for the transfer, and
- that they can access sufficient funds to cover repairs, maintenance and on-going operational costs.

The Our Manchester Strategy 2016–2025 sets out the long-term vision for Manchester's future. It details the priorities that the whole city – our public, private, voluntary and community organisations and our residents – will work on together to put Manchester in the top-flight of world cities by 2025.

The priorities in the Our Manchester Strategy are creating: a thriving and sustainable city; a highly skilled city; a progressive and equitable city; a liveable and zero-carbon city and a connected city.

The Community Asset Transfer policy can directly contribute to the Our Manchester Strategy by supporting the delivery of services that:

- Maintain Manchester's vibrancy and ensure that all our communities are included in the life of the city, regardless of their age, ethnicity, gender, disability, sexuality, faith or socioeconomic background.
- Support all our residents to learn, progress, upskill and retrain so they can access the city's current and future employment opportunities
- Support an equal and inclusive city, where everyone can thrive at all stages of their life, and quickly and easily reach support to get back on track when needed.
- Improve physical and mental-health outcomes

- Create sustainable, safe, resilient and cohesive neighbourhoods, with good-quality green spaces, and accessible culture and sporting facilities
- Contribute to our zero-carbon ambition by 2038 at the latest, via green growth, sustainable design, low-carbon energy, retrofitting buildings, green infrastructure, and increasing climate resilience
- Improve access to digital technology and strong digital skills

Well managed CAT's can help support strong and resilient communities, create a thriving network of local enterprise, provide services that the Council may not be able or best placed to deliver and create opportunities for innovation and new approaches to service delivery.

The policy provides a framework within which transfers are considered rather than a prescriptive rule book as it is recognised that every community asset transfer proposal is different and will need to be considered on its own merits and particular circumstances. This policy sets out that framework for elected members, council officers and local communities to provide a consistent approach to dealing with both projects that can be supported and those applications which are unsuccessful.

2.0 Definitions

Community Asset - The Council defines a Community Asset as a building and/or land from which a community based activity or service is capable of being delivered

Community Asset Transfer (CAT) is the transfer of ownership and/or management of land or buildings from the Council to a community organisation or group under a CAT agreement (most often a Lease)

Community Asset Transfer Agreement (CATA) is the Agreement under which a CAT is made

Voluntary and Community Sector Organisation (VCSO) – an organisation that is independent of national or local government bodies, often with a majority of volunteer/unpaid staff. The VCSO will provide services of a public nature for the good of the community to promote social, environmental or cultural objectives. They are not run for financial gain. Examples include (but are not limited to) charities, community groups, community interest companies, friendly societies, social clubs, many sports clubs, churches and other faith groups, and voluntary organisations.

“Not-for-profit organisation” is a broad term for independent organisations whose purpose is something other than to make private profit for directors, members or shareholders, and who re-invest any surpluses to further the ‘good’ they create for the community.

An **incorporated group** is a legal entity in its own right, distinct from its members, and it can enter into contracts, buy or lease property, and employ people in its own right.

3.0 Legal Context

This policy and any CAT must comply with legislation that relates to the disposal of land or buildings by the Council.

For example, the issue of disposals at less than the best consideration reasonably obtainable; Secretary of State / statutory consents to disposals; Subsidy e.g. (assistance from public resources on a selective basis that can distort competition among organisations engaging in economic activity) and the implications applying will all need to be considered in regard to any potential disposal.

The Council will need to assess the full market value of any CAT asset, and which may involve the taking of independent advice in such regard, so that any decision about transfer at 'less than Best Consideration' for the asset is transparent and issues such as government consents and Subsidy can be considered.

Similarly, proposals to transfer Public Open Space/School Land and / or Playing Fields will also need to be considered in the light of statutory provisions applying and any objections must be considered by the Council in deciding whether or not to progress with the proposed transfer along with issues such as whether Secretary of State consent would be required for any disposal.

Land or buildings that are held by the 'Council in trust' will not be considered for a Community Asset Transfer unless the Council's Trustees are prepared to approve of the disposal. Such a disposal will need to follow statutory requirements regarding advertisement of the disposal and any objections considered by the Trustees. In certain circumstances, such as when land or buildings were gifted to the Council, or are held by the Council in trust for a specified purpose (for example for use as a public recreation ground), these proposed disposals may need to be referred to the Charity Commission for their approval under relevant statutory provisions applying.

In some circumstances the transfer of land or a building may have wider implications and result in the requirement for Council staff to transfer to the community organisation under Transfer of Undertakings (Protection of Employment) (TUPE) provisions. Usually this will not be the case, but if the land/ building is going to continue to be used for the same purpose it may apply. This is particularly likely to apply to premises which have a specific purpose such as recreation. In such circumstances Council staff may have rights under TUPE regulations. This will require the community organisation to employ any staff affected on the same terms and conditions as they currently have. This can be a burden on community organisations, particularly the requirement to provide pension protection that is the same as, or broadly comparable to, or better than the pension provision while employed by the Council. This issue requires careful consideration and staff in the Council's Human Resources service will be able to advise if TUPE applies and its implications.

4.0 The Community Asset Transfer Policy

4.1 Policy Purpose and Outcomes

We want to encourage communities to make the best use of assets and have the best chance of securing long term sustainability through sharing the occupation and use of buildings as well as ensuring that the assets continue to be used by, and benefit, the widest section of the local community as possible.

This policy provides community bodies with an opportunity to apply for a CAT of certain Council owned assets and which, depending on individual circumstances, could include a lease at a subsidised rate (for

example at a peppercorn rent) which would be subject to assessment as set out in this policy and compliance with relevant legislation etc. that relates to the disposal of the relevant asset.

This policy covers all CAT enquiries for any Council owned assets (land and/or buildings).

The Council will provide organisations interested in a CAT with guidance, to ensure they have a clear understanding of the Council's approach and a fair, transparent and consistent process for such transactions.

The intended outcomes of this policy are:

- Successful and sustainable transfer of assets to VCSO's to deliver community benefit in Manchester
- Supporting and strengthening the capacity of VCSO's
- Fair and transparent process
- Clear roles and responsibilities for all parties
- Reduced running costs and maintenance liabilities to MCC
- Raise awareness of the need to comply with relevant Legislation etc. to ensure a statutory compliant and legal CAT

4.2 Properties and Purposes Available for CAT

The Council holds property assets for a range of purposes. Not all property assets are appropriate for CAT. Some assets are required to support the delivery of Council services; others provide an income to the Council; some support Council priorities such as the delivery of affordable housing or economic regeneration. The Council must also balance the needs of the community and its commitment to CAT against its need to generate capital receipts in order to invest in essential capital projects or for other Council purposes. This CAT Policy is intended to support the provision of public services by VCSO's.

Property assets usually considered suitable for CAT are:

- Assets that the Council has identified as suitable for CAT through its Strategic Asset Management Plan (SAMP) - where a community organisation enquires about a specific asset which has yet to be assessed as part of the SAMP, it will be assessed at the soonest available opportunity
- Assets must be in the ownership of the Council and not subject to any existing agreements for occupation of the whole asset by third parties
- Under utilised parts of premises maybe considered for CAT

The Council will not consider applications for CAT in the following circumstances:

- Assets which are identified for a different purpose or disposal under the SAMP
- Assets that are part of the Operational Estate and that are required for delivery of Council Services (save where part of the asset maybe deemed suitable)
- Surplus assets where the Council is exploring an operational use for Council or partner services
- Assets which are held in the investment portfolio

- Transfers to organisations to be used purely as a vehicle for commercial ventures. This does not include, for example, charitable organisations with trading arms, where profits are reinvested in communities
- Transfers to individuals
- Transfers that contravene Subsidy or Procurement or any other statutory provisions or regulations or rules
- Assets which may be used solely for religious or political purposes/activities

There are also some assets that may be considered unsuitable for transfer because of restrictions applying to them (for example, assets gifted to the Council for educational purposes). Some restrictions can be varied or released but it can take time, cost and resource and such matters will be factored into any consideration given to the disposal of a property asset as a CAT.

All assets available for CAT will be recorded as such on the Council's property management system, and a register of CAT opportunities will be held on the Council's website.

4.3 Who can apply for a CAT

The Council will consider applications for CAT of qualifying assets from VCSO's that are:

- Based and operating within the City of Manchester
- Deliver services that generate social, economic or environmental benefits which directly benefit Manchester residents
- Incorporated, or are willing to become incorporated as part of the CAT process
- Not-for-profit organisations

There are various types of incorporated bodies which may complete a transfer. Examples include Community Interest Companies, Charitable Incorporated Organisations, and Co-operative societies. VCSO's must determine the best type of incorporation for them, as this may vary from organisation to organisation. The Council will review the form of incorporation and constitution of VCSO's during the CAT application process to determine their fit with this policy.

VCSO's will be expected to demonstrate, through the application process, that they:

- Generate social, economic or environmental benefits which directly benefit the people of Manchester
- Can evidence a clear community or social demand for the CAT
- Are willing to share information with the Council and participate in regular reviews to ensure the CAT remains aligned with the terms on which it was agreed
- Have a well-prepared and robust business case that demonstrates the ability to fund ongoing repairs, maintenance and other operational costs.
- Can access sufficient capital funding where a CAT involves development projects or the responsibilities for capital maintenance
- Have robust systems of governance and appropriate organisational policies
- Have the capacity to manage the asset and have directors or committee members who have the necessary experience and skills.

- Contribute towards the Council's corporate objectives, community priorities and the priorities of the Council's strategic partners.
- Do not duplicate or negatively impact on services or facilities already provided in the local community.
- Provide open access to all residents, regardless of age, disability, gender, race, religion or belief, and sexual orientation.

Before entering into any CAT the Council will need to satisfy itself that the financial standing of the organisation is satisfactory, this will include (but is not limited to) a review of financial statements, review of owned assets and bank accounts, audited accounts, review of current and intended business activities, review of the VCS proposals / offers to secure sufficient funds to cover repairs, maintenance and on-going operational costs and the review of any other CATs acquired by the organisation including linked organisations or its group.

4.4 Forms and Length of CAT Agreement

Community use of Council assets can take place under different forms of agreement. These include:

- Licence to occupy (right to use the property asset for defined uses but not a grant of exclusive rights).
- Short term lease (less than 7 years with no protected right to renew lease);
- Long term lease (usually 25 years, although could be up to a maximum of 39 years in specific circumstances, and with no protected right to renew the lease other than in exceptional circumstances).

The appropriate form of CAT agreement will be agreed during the application process. The length of the occupation / term however may vary from project to project. For assets that require substantial investment the Council may consider the grant of a longer lease than one, say, of a small area of land which is being leased to a local community where little or no capital investment is required. The length of any lease term will be based, amongst other things, on the needs that are clearly outlined within the business case and the capacity of the organisation to manage the asset.

Agreement / Length	Criteria
Licence to occupy	<p>This can be a useful intermediate stage for:</p> <ul style="list-style-type: none"> • A recently formed organisation • Where exclusive possession of an asset is not a requirement • An organisation that may not have the technical expertise to manage property and/or may not yet have the financial ability to invest in the premises. • An innovative service with an unproven business case • A meanwhile use for an asset where there are longer term proposals <p>This form of agreement is usually appropriate, for example, for a VCSO that wish to support the maintenance of land such as parks and open spaces.</p>

	The length of the agreement will usually be up to 1-3 years.
Short term lease	<p>A short term lease may be appropriate where:</p> <ul style="list-style-type: none"> • The business case is deemed viable but there are some concerns over the long term sustainability (e.g. time limited grant funding) • Where exclusive possession of an asset is a requirement • The business case does not demonstrate the ability to access suitable capital funding to secure the long term capital maintenance of the asset • There are issues around demonstrating a disposal at 'best consideration' and where a short term lease may allow a proposal to progress • It is for a meanwhile use for an asset where there are longer term proposals.
Long term lease	<p>Where the application process and business case meets all the required criteria a long term lease will be considered with a standard maximum lease length of 25 years (although this may vary from case to case).</p> <p>Longer leases will usually only be considered where the VCSO is making a significant capital contribution to the asset or is bidding for and is able to secure funding where the funder requires a longer lease period. Where this is the case, the Council may include break clauses in the lease where funding is not secured or works are not carried out within a reasonable time frame. A longer lease could be up to a maximum of 39 years.</p> <p>In exceptional circumstances, and subject to a risk and benefit analysis, a longer lease may be considered. Any VCSO requirement for a longer term lease will need to be balanced at all times with ensuring that the asset remains available for the benefit of the community or is required for the delivery of other Council objectives.</p>

4.5 Standard Terms of CAT Agreements

The Council has a standard lease template for use for CAT's. The Council will however adopt a flexible approach to the lease terms if the circumstances of a particular CAT so require, but will always aim to ensure that there is a balance between what the community organisation reasonably requires and what the Council requires in order to ensure that the property asset remains available for the benefit of the community as was intended (including, for example, the maintenance, repair and insurance of the property).

Typical lease terms are set out below.

- Standard lease provisions will include full repairing and insuring obligations.
- The lease to be contracted out of the Landlord and Tenant Act 1954, which means there is no automatic right to renew the lease.
- Mutual break clauses or a Council only break clause may be included as appropriate. This will be considered on a case by case basis and the drafting of any 'break clause' may need to address

fundings concerns - for example a 'break clause' may not be triggered until project life of the funding has expired.

- Underletting of part will only be permitted with the Council's prior consent by way of short-term leases contracted out of the 1954 Landlord and Tenant Act, providing such underletting is mentioned in the supporting business plan and the user compliments that of the purpose of the CAT and will continue to do so. The granting of licences and room hire agreements that do not confer any security of tenure or property rights will usually be permitted.
- Assignment of part is not permitted. There will be a prohibition on assignment and underletting of the whole. In certain circumstances, though, assignment of the whole may be permitted but only with the Council's prior consent, which may be withheld and at the Council's absolute discretion, but any permitted assignment would only be permitted to a relevant successor body.
- A Legal Charge (mortgage) on the property asset is not permitted without the Council's prior consent and which will be at the Council's absolute discretion.
- Restriction on title on all leases registrable at the Land Registry to ensure that the Council is aware and consents to any proposed mortgages, assignments or under-lettings.
- User provisions will be restrictive and clearly defined to ensure the property asset is used for the particular community use it was intended. A right to review the rent payable at appropriate intervals (for example on a 5 yearly review basis). However, user provisions may also permit ancillary commercial uses in recognition of the fact that community assets cost money to run and commercial activity is often required to subsidise premises running costs to make premises sustainable for community use. Such commercial activity will only be permitted though where it is ancillary to and clearly defined in the lease with any surpluses from commercial activity or rental paid by a third party reinvested in the asset and services delivered within.
- Where assets sit in a wider public facility, such as a park, or is part of a larger building, lease terms may place certain restrictions on access and activities.
- Standard forfeiture provisions to enable to the Council to terminate the lease (for example for non-payment of rent, breach of covenants and insolvency). Forfeiture for insolvency will need to be considered in each case and may need to be tailored, for example, by providing funders with 'step in' rights to accommodate particular funding requirements.

Any lease or occupation granted under the CAT Policy will be subject to regular review to confirm that the tenant is complying with the terms of the lease and that the asset continues to be used for community benefit on a not-for-profit basis.

4.6 Maintenance and Operating Obligations

On completion of the CAT Agreement, the VCSO will usually take on responsibility for managing and repairing and maintaining, insuring the property asset and other on going operational costs. The VCSO should demonstrate through the application process that they can access sufficient funds to cover repairs, maintenance, insurance and on-going operational costs. Some responsibilities, for example compliance with Health and safety legislations, may require additional technical advice, and VCSO should demonstrate through the application process how they will address such issues.

By way of example only and not by limitation:

- maintenance liabilities may include maintaining in good order: Electrical, mechanical and plumbing installations, such as lighting and heating/cooling systems; lifts; building safety systems including fire detection and alarm systems and emergency lighting; structural and fabric elements including the roof, windows, doors and cladding; kitchens and bathroom; decoration and floor coverings; external areas such as hard and soft landscaping; security systems including CCTV, alarms or roller shutters.
- Operational costs may include: planned and preventative maintenance contracts; repairs; cleaning and waste management; utilities; business rates; insurance; grounds maintenance, window cleaning and pest control; office costs such as telephony, ICT and printing.
- Other responsibilities may include complying with regulations for health and safety, and management of fire risk, asbestos, legionella, and electrical and gas safety.

4.7 Rent

Subject to compliance with legal requirements and assessments, including land and property valuations, CAT properties may be leased at less than market rental. Although some projects may make financial surpluses this may not result in a rental being payable as long as there are robust and clear provisions in place to the effect that any surpluses are reinvested into the project and/or for community benefit, and lease provisions will be tailored for the particular circumstances;

The amount of rental (if any) payable under leases granted through the CAT process will be assessed on the business case.

Criteria used will, by way of example, include:

- Any rent payable by the Council under an existing lease of leasehold premises – only in exceptional circumstances will the rent payable under the CAT be less than the current rental payable or a pro rata proportion thereof in the case of a CAT of part of an asset.
- Any capital or revenue investment the VCSO is making into the asset
- The extent / level of services provided and the social, economic or environmental benefit of the same.
- The extent to which the transfer supports the Our Manchester strategy and the Council's corporate objectives
- The extent to which the use of the asset benefits the wider community.
- The extent to which the asset is made available for other groups to use.
- How well the asset is managed and maintained.
- If the use of the asset varies, with the Council's prior approval and in which respect the Council will have an absolute discretion whether to give that approval or not, from the original business case to include commercial uses (other than commercial uses which are strictly ancillary to the main CAT use) and where any profit is reinvested in community uses, the Council shall have the discretion to review the rent up to the market rental asset depending upon the degree of commerciality.

Any rent at the commencement of the Lease and any rent payable where the use of the asset is varied as detailed above, it shall be subject to 5 yearly reviews.

4.8 Use of MCC Funding

The starting point of any CAT will be that the property is transferred in its current condition. Where the condition of a property identified as available for CAT is considered to be a barrier to a successful transfer, the Council may, but at its absolute discretion, propose funding works to improve the condition of the property. However, if the cost of works is substantial, this will trigger a re-evaluation of the asset through the Strategic Asset Management Plan to compare the cost and benefit of transferring the asset (with works costs) compared to other options. Any funding proposed in this way will follow the usual governance routes for approval – for example the Capital Gateway Process for stand alone projects or the Estates and Asset Board for provision within the Councils Annual Capital Maintenance Programme (AMP).

The Council may, in the same way, consider a grant or loan to the VCSO for the purposes of funding works to the property and also investing funds to reduce energy use and carbon emissions from a property prior to or during the transfer process.

All funding proposals will need to be considered in the light of the Council's constitution and any statutory and other provisions applying. Depending on the particular circumstances, and how the funding is to be provided, and the terms and conditions applying, the Council may require the VCSO to enter into a formal agreements/deeds to record and detail those terms and conditions.

The Council will work with each VCSO through the application process to be clear about the condition of the property asset in question and will share historic information about running costs where these are available.

The VCSO will be expected to cover their own legal fees associated with completing a CAT.

5.0 The Application Process

The purpose of the application process is to:

- ensure an open, consistent and transparent process;
- ensure robust assessment of the suitability of CAT proposals; and
- ensure appropriate governance around the use of Council assets.

The application process is attached at Appendix A and which may, from time to time and at the Council's discretion, be varied without notice.

Each application will be considered for eligible transfer on a case-by-case basis against the criteria outlined in this Policy.

All applications for new CAT's will be considered following the application process.

If an asset is already run by a community group, and the group is seeking to amend or renew their CAT agreement, the Council may negotiate with that group directly outside of the open application process.

In this situation, the Head of Estates and Facilities, or another appropriate officer, will agree this approach with the Executive Member with responsibility for the operational Estate.

Resources are available on the Council webpages to assist groups intending to make an application.

6.0 Decision Making

The following decision making protocols will apply to this policy.

Decisions regarding which assets are available for a CAT will be made in line with the arrangements set out in the Council's SAMP.

Decisions regarding when to open applications for CATs and the administration of the application process will be made by the Head of Estates and Facilities, in consultation with the Executive Member with responsibility for the Operational Estate.

Decisions within the application process, such as the viability of business cases, will be made as set out in the CAT Application Process.

Any disposal of a property asset will be made in line with the Constitution of the Council and relevant statutory provisions and regulations applying from time to time.

Any decisions on capital investment into assets subject to a CAT will follow the usual governance routes for approval – for example the Capital Gateway Process for stand-alone projects or the Estates and Asset Board for provision within the Councils Annual Capital Maintenance Programme (AMP).

All funding proposals will need to be considered in the light of the Council's constitution and any statutory and other provisions applying.

7.0 Further Information and Support

Further information and support on Community Asset Transfers is available from the following sources:

Manchester City Council Estates Team - <create contact address>

Manchester City Council Website – <create link>

Our Manchester - our_manchester_strategy_forward_to_2025.pdf (mcc.local)

Manchester Community Central - Community Asset Transfer – are you sure? | Manchester Community Central

MyCommunity - Community assets and ownership - MyCommunity

National CLT Network: <http://www.communitylandtrusts.org.uk/>

Locality: locality.org.uk - Powerful Communities, Strong Economies report - Locality

Sport England - www.sportengland.org/guidance-and-support/facilities-and-planning/community-assets-and-rights

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Appendix 4

Manchester City Council

Community Asset Transfer Application Process – January 2023

1.0 Background

This document sets out an overview of the process that applies to dealing with applications for Community Asset Transfers. The process supports the delivery of the Community Asset Transfer Policy.

2.0 The Process

Applications for Community Asset Transfers will proceed through the following steps:

Step 0 – pre-application stage, where MCC assesses assets for suitability for CAT and publishes available assets on its website, and the application window for that asset.

Step 1 – Expression of Interest stage, where VCSO's complete a short application form to express their interest in a transfer of an asset. All applications received by the application closing date are assessed by the Corporate Estates Team, in consultation with other Council services, to ensure that the applicant and the proposed use complies with the CAT Policy. At the end of this stage, successful applicants are asked to proceed to the next stage (Step 2 – Full Proposal).

Step 2 – Full proposal, where applicants are asked to develop a full proposal and business case for the transfer. The full proposal and business case will be assessed by a panel of officers, who will consult as appropriate. Proposals may be amended and further developed following feedback until the final closing date of this stage, where the final panel review and assessment will take place. At the end of this stage officers recommend a decision to the Executive Member with responsibility for the Operational Estate to nominate a preferred applicant for the transfer.

Step 3 – Agree Terms and Transfer, during this step, the Council will offer Heads of Terms to the successful applicant and which may propose the transfer at less than best consideration on the basis of the economic, social or environmental benefits that the proposed CAT will provide. All disposals will be made in line with the Constitution of the Council and may be subject to other consents and approvals (e.g. government consent). Final negotiations will be completed and where terms are agreed the CAT will, subject to formal approvals under the Council's constitution and any other consents / approvals that may be required, progress into the preparation and signing of legal documentation. At the end of this stage the CAT will be completed and the VCSO will then be responsible for all matters relating to the asset in accordance with the terms and conditions of the completed CAT, including the management of the asset.

Step 4 – Monitoring. There will continue to be on going periodic engagement with the Corporate Estates Team to ensure that the agreement is operating as intended and all terms and conditions are being observed and performed. The CAT documentation will provide for the Council to have access to the asset for such purposes.

Indicative timescales are:

- Step 1 - Expression of Interest stage – 4 weeks
- Step 2 – Full proposal – 8 weeks (subject to extension)
- Step 3 - Agree Terms and Transfer – 6-12 weeks

Further detail of these steps is provided below.

2.1 Step 0 – Pre-Application Stage

MCC are adopting a Strategic Asset Management Plan (SAMP). As part of adopting the SAMP, MCC will review its' surplus assets to determine the most appropriate use of these assets to support the Councils' objectives. Where an asset is identified as suitable for CAT, this will be recorded as such on the Councils property management system, and a register of CAT opportunities will be published on the Councils website.

Where a Council asset becomes surplus to requirements in the future, it will be assessed through the SAMP process as above.

Where a VCSO enquires about a specific asset which has yet to be assessed as part of the Strategic Assessment Plan, it will be assessed at the earliest available opportunity and the VCSO notified accordingly of the Council's response to the VCSO's enquiry.

The Register of CAT opportunities will be published on the Council webpages (address tbc). The Register will show each asset available for CAT (the Unique Property Reference Number and address of the asset); a brief description of the asset; and the application window associated with that asset.

The Register will only show assets available at Step 0 –Pre-application Stage.

Where the register is updated with a new asset, this information will also be communicated through Manchester Community Central, the Councils community support partner. The Corporate Estates Team maintains contact details of VCSO that have expressed an interest in CATs previously and will email these organisations when the register is updated.

The Executive Member with responsibility for the Operational Estate, the appropriate Ward Members, and the appropriate Neighbourhood Team will also be notified that the asset has been listed on the Register of CAT opportunities.

The usual application window for assets will be 4 weeks from the date it is published.

2.2 Step 1 - Expression of Interest

During the application window, VCSO's may complete and submit a short application form to express their interest in a CAT listed on the register of CAT opportunities.

A copy of the application form is held on the Council's webpages (add link).

The application form will (by way of example) request information about:

- The VCSO – contact details, type of organisation (e.g. is it incorporated; a not for profit organisation etc.), its aims, structure, funding and previous experience of managing assets (including the management of any assets similar to the subject asset), as well as any existing relationships with MCC.
- The proposed use of the asset – the services that will be provided, the nature of the expected benefits / good that those service will bring to the community and how they will promote social, environmental or cultural objective., the fit with the Our Manchester Strategy.
- Any existing evidence supporting the need for the services that will be provided in the relevant part of the city.

All applications received by the application closing date will assessed by the Corporate Estates Team, in consultation with other Council services and as may be appropriate, to ensure that the applicant and the proposed use complies with the CAT Policy.

The consultation with other Council Services will typically include: those relevant to the service/use of the asset being proposed; those relevant to any existing relationships noted in the application form; and the relevant Neighbourhood Team; and/or the relevant Parks Team where the asset is within a park.

Consultation with Ward Members at this stage will be through the Neighbourhood Team.

Applications that comply with the CAT Policy will be successful; applications that do not comply with the CAT policy will be unsuccessful. Officer assessments of the applications will be reviewed with the Executive Member with responsibility for the Operational Estate before a final decision is reached.

If no applications are successful, the asset will return to Step 0, and a new application window will open. Should an asset regularly achieve no applications or unviable applications, the Head of Estates and Facilities, in consultation with the Executive Member with responsibility for the Operational Estate, may remove the asset from the register to explore other opportunities.

At the end of this stage, successful applicants will be asked to proceed to the next stage.

Unsuccessful applicants will be notified, with details of the reason(s) for the decision, and added to the list of VCSO's that have expressed an interest in CATs to be contacted if other opportunities arise.

2.3 Step 2 – Full proposal

Successful applicants from the previous step will be asked to develop a full proposal and business case for the proposed CAT.

A copy of the proposal and business case is available on the Councils webpages (add link).

The application form will collect information about:

- The VCSO – further details of the organization, including their systems of governance and appropriate organisational policies (e.g. EDI Policy, Zero Carbon Policy); their capacity and skills to manage the asset.
- The service to be provided from the asset – evidence of community consultation on the proposal; the needs analysis supporting the service; commitment to open access for the facility;

- The business case – demonstrating that the organisation has sufficient funding to manage the operation and undertake repair and maintenance of the asset, and setting out any requirements and funding associated with redeveloping or investing in the asset
- Terms of agreement for the CAT – confirming the basis of the terms of the legal agreement and acceptance of key terms and conditions, including necessary insurances.
- Risk assessment demonstrating the understanding of the risks of managing the asset.

There will be a mutually agreed submission date for the application form.

The Estates Team will share any available information about the condition and running costs of the asset to assist the VCSO to prepare their business case. Site visits can also be arranged during this period.

The full proposal and business case will typically be assessed by a panel of officers, including from the Corporate Estates Team; the Development Team (where relevant); the appropriate Neighbourhood Team; and/or the relevant Parks Team where the asset is within a park. The panel will consult with other council services, for example the Legal Service or Insurance Team, as appropriate.

Assessment of works will be carried out in conjunction with the AMP team and Capital Programmes Service and as otherwise may be appropriate.

After the initial review, the Council may, at their discretion, provide interim feedback (including requesting points of clarity or further information) to applicants and may, as part of that process, extend the application window for this stage by up to 6 weeks. The intention of this is so that VCSO's are given appropriate time and support to develop the best application possible leading to the higher chance of a successful application.

If an extension is applied, it will be applied equally to all applicants. Any revised applications at the end of the extension period will be reviewed by the panel as described above.

At the end of this stage officers will recommend a decision to the Executive Member with responsibility for the Operational Estate to either nominate an applicant, with associated Heads of Terms or not to proceed with any application.

Unsuccessful applicants will be notified, with details of the reason(s) for the decision, and added to the list of VCSO's that have expressed an interest in CATs to be contacted if other opportunities arise.

2.4 Step 3 – Agree Terms and Transfer

The Council will offer Heads of Terms for the CAT to the successful applicant.

After a short period of negotiation, the Heads of Terms will be signed and following which the Council will put in motion the process(es) for the seeking of any appropriate approvals and consents to the proposed CAT.

If Heads of Terms are not mutually agreed within the short period of negotiation, the process will end there and the applicant notified accordingly.

Where this happens the Council reserves the right to work with any other applicant(s) who reached the preceding step of the process and to nominate them in place of the initially successful applicant.

Where Heads of Terms are mutually agreed, both parties will instruct their lawyers to complete the CAT documentation.

Both parties will work through the CAT handover checklist to prepare for the transfer of the asset.

On completion of the legal documents the asset will transfer to the VCSO who will then be responsible for all matters relating to the asset in accordance with the terms and conditions of the completed CAT documentation, including the management of the asset.

2.5 Monitoring

There will continue to be on going periodic engagement with the Corporate Estates Team to ensure that the agreement is operating as intended and all terms and conditions of the CAT documentation and any associated agreements or deeds are being observed and performed. The CAT documentation will provide for the Council to have access to the asset for such purposes.

Monitoring arrangements will be set out in the CAT documents but will typically involve an annual visit by representatives of the Council to the asset to ensure:

- The service or project is still operating and delivering benefits as set out in the proposal;
- The business case remains viable;
- The asset is being used, insured, maintained, and is compliant with health and safety requirements as set out in the CAT documentation and all terms and conditions of the CAT documentation and any associated agreements or deeds are being observed and performed;
- The VCSO retains the capacity to manage the asset.

2.6 Governance

This process will be administered as set out in the Community Asset Transfer Policy, and, along with the Community Asset Transfer Policy, may be amended from time to time and without notice by review of the Estates and Assets Board in consultation with the Executive member with responsibility for the Operational Estate.

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**Manchester City Council
Report for Resolution**

Report to: The Executive – 22 March 2023

Subject: Local Nature Reserve Declaration: Broadhurst Clough

Report of: Strategic Director (Growth and Development)

Summary

To seek the approval of the Executive Committee to declare one site in Manchester, Broadhurst Clough, as a Local Nature Reserve.

Recommendations

The Executive is recommended to: -

- (1) To approve the proposed declaration of the area shown outlined on the “Location map of Broadhurst Clough” (Appendix 1) as the Broadhurst Clough Local Nature Reserve.
 - (2) Request officers consult formally with Natural England on the proposed declaration of the Broadhurst Clough Local Nature Reserve.
 - (3) Authorise the Director of Planning, Building Control and Licensing to instruct the City Solicitor (subject to the outcome of the formal consultation with Natural England) to prepare the formal declaration document as necessary.
-

Wards Affected: Moston

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

Ecosystems, such as Manchester’s woodlands, help to capture and store carbon, as do effectively managed meadows, while rivers and canals provide a cooling effect during times of heat stress. Access to nature encourages walking and cycling and improves health and wellbeing, reducing reliance on cars with a consequent reduction in carbon emissions.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

The creation of Local Nature Reserves in the city allows for greater environmental equity for Manchester’s residents, protecting their ability to access these green spaces. The proposed LNR has designated accessible routes incorporated within it.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Thriving green spaces increase the attractiveness of Manchester as a place in which to work and invest. Jobs are created in the environmental sector through the need to plant and manage the local green and blue infrastructure resource. Specialist jobs are also created such as Forest Schools leaders, ecologists and wildlife related engagement officer roles.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Manchester competes on a world stage to attract skilled people. A high quality, attractive natural environment makes an important contribution to this.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Local Nature Reserves should be accessible to all communities within Manchester, offering the potential to gain health benefits through improved access to nature for relaxation and exercise and learning new skills through volunteering opportunities.
A liveable and low carbon city: a destination of choice to live, visit, work	The city's natural environment, its woodlands, rivers and meadows play a valuable role in storing carbon and creating a liveable city.
A connected city: world class infrastructure and connectivity to drive growth	Improved connectivity between green spaces improves local public access to nature, reducing the need to travel.

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.

- Manchester Biodiversity Strategy – 2022-2030
- Manchester’s Great Outdoors: A Green and Blue Infrastructure Strategy for Manchester: July 2015
- Manchester’s Great Outdoors: A Green and Blue Implementation Plan Refresh – March 2022
- Our Manchester Strategy - Forward to 2025
- Manchester City Council Climate Change Action Plan 2020-25

1.0 Introduction

- 1.1 Manchester City Council has a new Biodiversity Strategy which was endorsed at the Scrutiny and Executive Committees in October 2022. Objective 2 within the strategy states that ‘Land managers and practitioners in the city must be provided with the necessary knowledge and skills to protect and recover biodiversity’. One of the key ways to achieving this objective is to increase the number of Local Nature Reserves in Manchester. The strategy proposes that further sites will be designated as Local Nature Reserves on an annual review basis.
- 1.2 There are currently nine Local Nature Reserves in Manchester – Chorlton Water Park, Blackley Forest, Clayton Vale, Chorlton Ees & Ivy Green, Highfield Country Park, Boggart Hole Clough, Wythenshawe Park, Stenner Woods & Millgate Fields, and Kenworthy Woods. All the sites have benefitted from the designation through increased public usage by local and regional visitors. These sites are nationally recognised by Natural England and other nature conservation organisations such as The Wildlife Trust for Lancashire, Manchester and North Merseyside.

2.0 Background

- 2.1 Local Nature Reserves (LNRs) are protected areas of land designated by local authorities due to their wildlife and/or geological features that are of special interest locally. They provide opportunities for people to become involved in the management of their local environment as well as giving people special opportunities to study, learn or simply enjoy and connect with nature.
- 2.2 Declaring sites as LNRs plays an important role in biodiversity conservation. LNRs will offer many benefits not only to wildlife but also to the quality of life for the people of Manchester. The benefits of LNRs can be summarised as: -
- Protection of wildlife habitats and natural features
 - Increased community awareness and enjoyment of the natural environment through greater involvement
 - Provision of an environment in which people can learn about and study nature
 - Building relationships between local authorities, national and local conservation bodies, and local people
- 2.3 Local authorities have the power to acquire, declare and manage LNRs. To establish an LNR, the local authority must have or must acquire a legal interest in the land. The sites selected so far for designation have been chosen due to their rich flora and fauna and strong “Friends of...” groups. The guidance to declare LNRs is that they should generally be greater than 2ha in size and capable of being managed primarily for nature conservation so that there are special opportunities for study, research, or enjoyment of nature. They should also meet one of the following:
- of high natural interest locally

- of some reasonable natural interest and of high value locally for formal education or research
 - of some reasonable natural interest and of high value locally for the informal enjoyment of nature by the public
- 2.4 Local authorities are advised to consult with Natural England informally at an early stage and must consult formally when Council approval has been granted. Natural England is the Government agency that supports and advises on the conservation of wildlife and geology. They are key in the process of designating LNRs.
- 2.5 LNRs are protected from unsuitable development through the planning system. Policy EN15 (Biodiversity and Geological Conservation) of Manchester's Core Strategy and the National Planning Policy Framework 2021 (Habitats and Biodiversity), set out how the City Council as Local Planning Authority should consider planning applications which affect an LNR.
- 2.6 Natural England states that LNRs are an essential part of the country's green infrastructure. They are an important way to enhance and conserve nature and ecosystem services - the services nature provides to benefit people - against threats like climate change, declining biodiversity and lack of access.
- 2.7 Natural England recommends that everyone should have an accessible greenspace of 2 ha within 300m of home; at least one accessible 20 ha site within 5km of home; and at least one 500 ha site within 10km of home. LNRs can contribute to these targets and the ANGSt (Accessible Natural Greenspace Standards) standard of a minimum of 1 ha of LNR per 1000 of population. The reason for this is to try to ensure that all communities have reasonable access to natural environments near to where they live. With a population estimate of 550,000 at present Manchester's target is approximately 550 ha. If Broadhurst Clough is designated as an LNR then Manchester will increase its coverage from 427.8 ha to 441.8ha
- 2.8 It is important to have a productive and useful environment to support our existing and future residents. As ecological assets, Local Nature Reserves provide many co-benefits to both people and wildlife as key parts of the City's wider green and blue infrastructure network.
- 2.9 The designation also increases the opportunity to bid for additional sources of funding. For example, in 2022 the Parks team and Friends of Highfield Community Group helped secure £41,000 through Natural England and a range of other sources to develop wildlife friendly management approaches on Highfield LNR in Levenshulme.
- 2.10 The Council can declare land which it holds for recreation purposes (such as under section 164 of the Public Health Act 1875) provided the management of the proposed LNR will not restrict the public's statutory right of access and such use does not compromise the conservation aims of the LNR designation.

3.0 Broadhurst Clough

- 3.1 Broadhurst Clough is located within the Moston Ward and forms part of the North Manchester nature network linking to Moston Fairway and Boggart Hole Clough and is also part of the Irk Valley Corridor. Broadhurst Clough contains The Dean Brook which trickles through the lower level of the Clough in a steep-sided woodland ravine. The rest of the site consists of a mosaic of amenity grassland, species-rich rough grassland and marshland. It is 14 hectares in size and is managed by the Parks Department. The site already has notable ecological value and is a Grade C Site of Biological Importance.
- 3.2 There are some mature stands of poplar on the site, with younger copses of developing birch and alder woodland which have been planted in partnership with City of Trees, formally Red Rose Forest. Extensive stands of flag iris can be found in the marshy areas and seasonal pond, which provide ideal cover for common frogs and toads, as well as rest stops for dragonflies.
- 3.3 There is a very active “Friends of...” group which has its own website and organises regular events such as bat walks, nature walks, pond dipping, and fungal foraging events along with general clean up events.
- 3.4 Broadhurst Clough is held by the Council under section 164 of the Public Health Act 1875 and as such, the public have a statutory right of access. The proposed management of the land as an LNR will not restrict the public’s statutory right of access for recreation purposes or compromise the conservation aims of the proposed LNR designation.

4.0 The Future

- 4.1 The designation of LNR status for Broadhurst Clough would help to establish the long-term maintenance and raise the profile of the site. The designation will also offer opportunities for funding as it reinforces Manchester’s commitment to nature conservation and recreation. The location of the proposed LNR within the Irk Valley means that the designation also supports the ambition set out across a range of objectives in the City’s Our River Our City Strategy, providing increased opportunity for increased practical action, community engagement and awareness raising.
- 4.2 Natural England has confirmed their informal support for the declaration of LNR status for the site. If the Executive approves the proposed declaration, the management plan will be referred to Natural England for formal consultation. Subject to the outcome of the formal consultation, the site will be formally declared by the preparation of a formal declaration document. Once formally declared, the site will, at the earliest opportunity, be marked as an LNR on the upcoming Local Plan for the City of Manchester.
- 4.3 As mentioned in 2.7, we aim to ensure that in future, as many people across Manchester as possible have easy access to natural environment sites. This is part of an ongoing programme, with further sites under consideration for Local

Nature Reserves declaration in order to represent an even spread across the city.

5.0 Recommendations


5.1 The Executive is recommended:

- (1) To approve the proposed declaration of the area shown outlined on the “Location map of Broadhurst Clough” (Appendix 1) as the Broadhurst Clough Local Nature Reserve.
- (2) Request officers consult formally with Natural England on the proposed declaration of the Broadhurst Clough Local Nature Reserve.
- (3) Authorise the Director of Planning, Building Control and Licensing to instruct the City Solicitor (subject to the outcome of the formal consultation with Natural England) to prepare the formal declaration document as necessary.


6 Legal Considerations

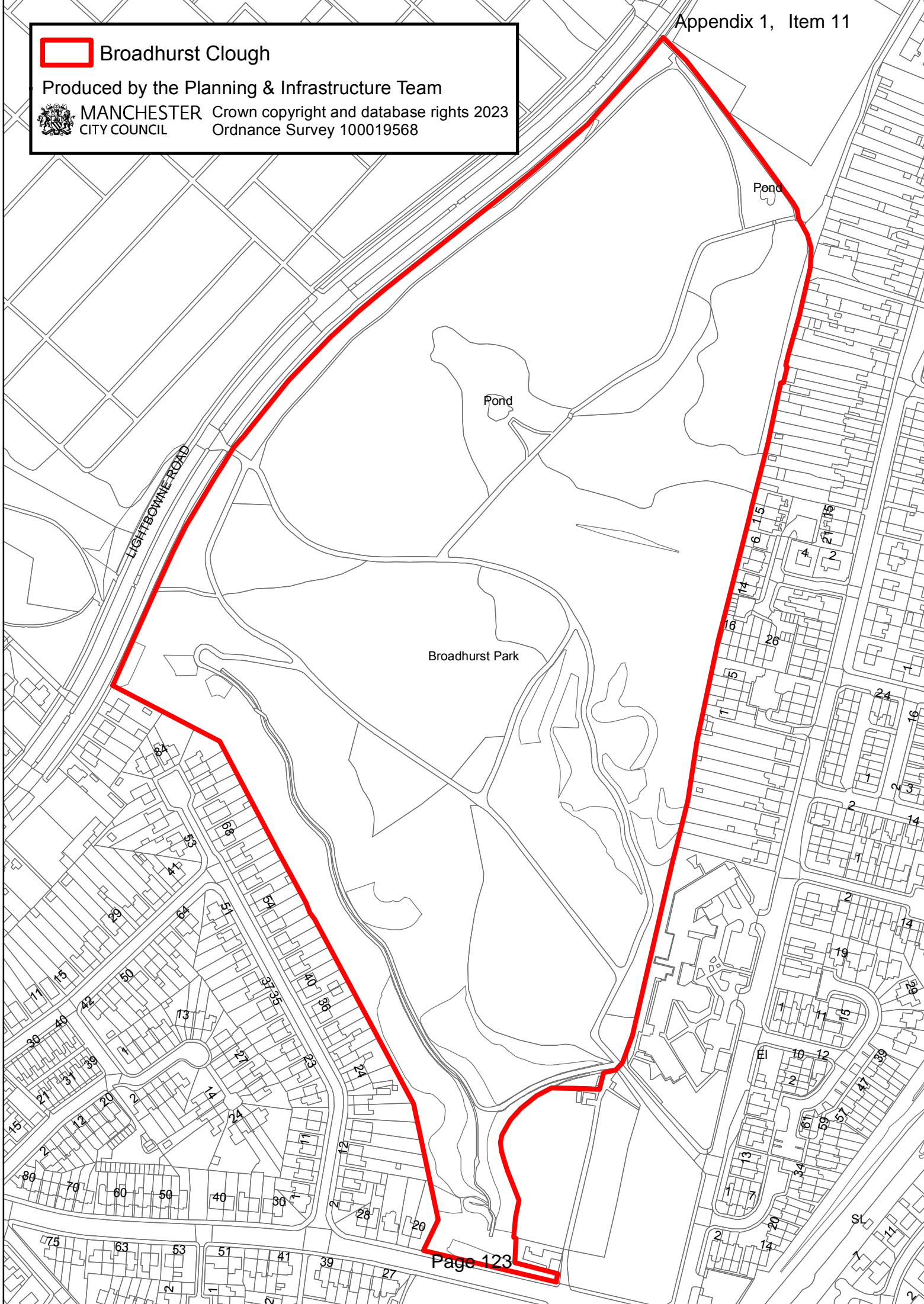
- 6.1 Under section 21 of the National Parks and Access to the Countryside Act 1949, a local authority can designate a site as an LNR provided:
- i) The site is controlled by the local authority, e.g. through ownership.
 - ii) It appears expedient to the local authority it should be managed as a nature reserve; and
 - iii) The local authority has consulted with Natural England.
- 6.2 An LNR is defined as including land managed for a conservation purpose and for a recreational purpose (provided the management of the land for the recreational purpose does not compromise its management for the conservation purpose)
- 6.3 Section 164 of the Public Health Act 1875 provides that any urban authority may purchase, lease, plant, improve and maintain lands for use as public walks or pleasure grounds.

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 Broadhurst Clough

Produced by the Planning & Infrastructure Team

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**Manchester City Council
Report for Resolution**

Report to: Executive – 22 March 2023

Subject: Disposal of Oakwood Community Resource Centre, Northenden, Manchester M22 4HY (PART A)

Report of: Strategic Director (Growth and Development)

Summary

This report seeks approval to dispose of the above property, to Wythenshawe Community Housing Group (herein WCHG), to facilitate the delivery of an affordable tenure residential development. The City Council will provide a development lease before transferring the freehold to WCHG at practical completion.

The development will comprise a new residential scheme of 20 houses. The tenure will be split, with 10 units available for social rent and 10 units to be shared ownership.

The scheme will be sustainable in design, employing low carbon technologies including air source heat pumps, whilst being off-gas entirely.

The agreed disposal price is considered to be less than the best consideration that could reasonably be obtained on the basis of an unrestricted disposal in the open market. Further comment herein.

Further commercial and financial details are set out in the accompanying Part B report.

Recommendations

The Executive is recommended to:

- (1) Approve the basis of the land transaction as set out in Section 3 of this report at less than best consideration in accordance with the commercial terms set out in Part B of this report.
 - (2) Delegate authority to the Strategic Director for Growth and Development to complete the finalisation of terms of the transaction as set out in this report.
 - (3) Delegate authority to the City Solicitor to enter into and complete all documents and agreements necessary to give effect to the recommendations.
-

Wards Affected – Northenden

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

The development will be low carbon and sustainable using up to date energy efficiency systems in the fabric and construction. The exact specification is currently being drawn up but will include air source heat pumps. The development will be off-gas.

In addition to the above, a travel plan will be in place promoting active travel, public transport and car share opportunities.

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 redevelopment of a long vacant, brownfield site for much needed affordable homes is a positive result which will contribute to supporting a diverse and distinctive economy and MCC's wider affordable housing targets.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	There will be jobs created during the construction process. The development will support wider growth in the city, adding to the housing stock/mix by providing mixed tenure affordable homes.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The creation of affordable mixed tenure homes in a desirable residential location is a positive contribution to the local area and will encourage diversity. The newly created homes will make a contribution to the City Council's affordable housing targets.
A liveable and low carbon city: a destination of choice to live, visit, work	A travel plan for the development will encourage active travel options and use of public transport. As set out above, the development itself will employ low carbon/sustainable technologies in both the design/operation.
A connected city: world class infrastructure and connectivity to drive growth	The scheme is well-connected in terms of public transport, with bus links to the city centre, airport, Stockport, Altrincham and the wider region. A travel plan will be in place encouraging use of public transport.

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 Council is currently liable for ongoing costs around security and maintenance. The costs are not significant and once the disposal has completed, the City Council will be relieved of said costs.

Financial Consequences – Capital

The proposed disposal of the site will realise a capital receipt, and due to the proposed restrictions in order to ensure a higher number of affordable properties the capital receipt is less than what would have been achieved on an unrestricted sale.

The City Council's Development team has undertaken internal valuations of the site on multiple bases and are satisfied that the disposal price is an appropriate discount to that which might be received in an open market, unrestricted disposal.

In the context of market volatility and cost inflation, the ability to ensure this project's viability and maintain momentum around delivery is considered a positive result and the financial compromise acceptable.

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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.

- Site plan
- Proposed site plan as per current planning consent

1.0 Introduction

- 1.1 This report seeks approval to dispose of the above property on a long leasehold basis (with freehold transfer at project completion) to facilitate the delivery of an affordable tenure residential development.
- 1.2 The redevelopment of the site will deliver 20 much needed, new, affordable homes including 10 for Shared Ownership and 10 for Social Rent.
- 1.3 The transfer will be restricted to ensure only affordable tenure homes can be delivered on site.
- 1.4 The proposed scheme will provide much needed new affordable family housing in Northenden. Social rent is generally equivalent to around 60% of market rent which currently averages £870 per month (2bed) across the wider Northenden ward.
- 1.5 The inclusion of Shared Ownership (SO) homes responds to the various affordability challenges faced by residents in South Manchester (the current average house price in Northenden is £247,837). Shared ownership tenures provide an option for first time buyers, families, and those on lower incomes to own their own home by addressing many of the barriers (high prices, large deposits, high repayments linked to increasing interest rates, etc) which can constrain residents ability to access more conventional home ownership products.
- 1.6 The proposed disposal is at a premium that is less than the best consideration that could reasonably be obtained on the basis of an unrestricted disposal that would not reflect the high standard of development or level of affordable tenures.

2.0 Background

- 2.1 The subject property is a City Council freehold brownfield site and comprises a former adult services building that ceased operation in 2019. The buildings remain on site and will be demolished to make way for the new development, with the demolition costs being funded by WCHG as part of the development.
- 2.2 Discussions with WCHG have been ongoing around the site since 2019 when a different scheme, tenure mix, and financial consideration was proposed. Approval for the disposal was granted at Executive in 2019, however, there have since been changes to the tenure/financial consideration.
- 2.3 The latest proposal amounts to a development of 20 affordable homes, with a split tenure – 10 social rent and 10 shared ownership.
- 2.4 WCHG are the dominant registered provider in the area and are a trusted partner of the City Council with a track record of delivery and quality across Wythenshawe.

- 2.5 WCHG secured a planning consent for the proposed scheme (see proposed site plan appendix) under 133576/FO/2022 in October 2022.

3.0 The Proposed Disposal

- 3.1 The proposed disposal will be on the basis of a development lease, with the freehold transferred at practical completion of the development. To satisfy Homes England funding requirements, a 999yr lease would need to be granted so the retention of the freehold reversion is impractical in such circumstances. The completion of the scheme will be protected by the proposed legal structure.
- 3.2 The provision of affordable tenures (specifically 10 shared ownership and 10 social rent) will be a requirement of the agreed disposal.
- 3.3 This results in an undervalue of the land, which is in large part a result of the 10 social rent units. The social rent units are unviable in isolation and have a significant negative impact on land value. Notwithstanding the agreement of a reduced land premium, the provision of other tenures is required to support the delivery of the social rent units.
- 3.4 The Council are in dialogue with WCHG in respect of nomination rights and expect (as a minimum) to receive 100% nominations for first lets and then 50% thereafter.
- 3.5 The completed development will be retained and managed by WCHG, a trusted partner of the City Council.

4.0 Contributing to a Zero-Carbon City

- 4.1 The development will be low carbon and sustainable using up to date energy efficiency systems in the fabric and construction. The exact specification is currently being drawn up but will include air source heat pumps. The development will be off-gas.
- 4.2 In addition to the above, a travel plan will be in place promoting active travel, public transport and car share opportunities.

5.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

- 5.1 The redevelopment of a long vacant, brownfield site for much needed affordable homes is a positive result which will contribute to supporting a diverse and distinctive economy and MCC's wider affordable housing targets.

(b) A highly skilled city

- 5.2 There will be jobs created during the construction process.

- 5.3 The development will support wider growth in the city, adding to the housing stock/mix by providing mixed tenure affordable homes.

(c) A progressive and equitable city

- 5.4 The creation of affordable mixed tenure homes in a desirable residential location is a positive contribution to the local area and will encourage diversity.
- 5.5 The newly created homes will make a significant contribution to the City Council's affordable housing targets.

(d) A liveable and low carbon city

- 5.6 A travel plan for the development will encourage active travel options and use of public transport.
- 5.7 As set out above, the development itself will employ low carbon/sustainable technologies in both the design/operation.

(e) A connected city

- 5.8 The scheme is well-connected in terms of public transport, with bus links to the city centre, airport, Stockport, Altrincham and the wider region.
- 5.9 A travel plan will be in place encouraging use of public transport.

6. Key Policies and Considerations

(a) Equal Opportunities

- 6.1 The properties within the development will be available to all regardless of their age, race, religion, gender or other characteristics.

(b) Risk Management

- 6.2 The development lease will allow the Council to forfeit the lease if the covenants are not observed and development timescales/obligations not met.

(c) Legal Considerations

- 6.3 The General Consents under s25 of the Local Government Act 1988 (Local Authority assistance for privately let Housing) 2010 and in particular Consent A, allows a Local Authority (LA) to provide a Registered Provider (RP) with financial assistance or a gratuitous benefit consisting of the disposal to the RP of land for the development of housing accommodation. This consent is subject to conditions which include the following:

- Completion of the disposal is by transfer of freehold or grant of a lease of 99 years or more;

- Any housing should be completed within 3 years of completion of the disposal, but provision can be made for this date to varied in the event of circumstances beyond the RPs control;
- The terms of the disposal provide that any housing accommodation to be developed shall be (1) let by the RP as social housing or on a shared ownership lease; or (2) used as a hostel; or (3) occupied by those receiving support from a local social services authority; and
- The LA are not under any agreement or other arrangement which entitles them to manage the accommodation developed on the land; and
- The aggregate value of the financial assistance provided for this disposal and any financial assistance provided for previously in the same financial year under this consent does not exceed £10 million. This must be certified by an appropriate officer which could be the chief executive, chief financial officer, or a qualified Valuer.

6.4 No further consent of the Secretary of State to a disposal under the above consent is required by virtue of section 123(2) of the Local Government Act 1972 or sections 32(2) or 43 (1) of the Housing Act 1985 both of which provide that an LA cannot dispose of land for a consideration less than the best that can be reasonably obtained. without the specific consent of the Secretary of State.

6.5 Provided the above conditions are met specific consent will not be required for the proposed disposal at an undervalue.

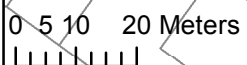
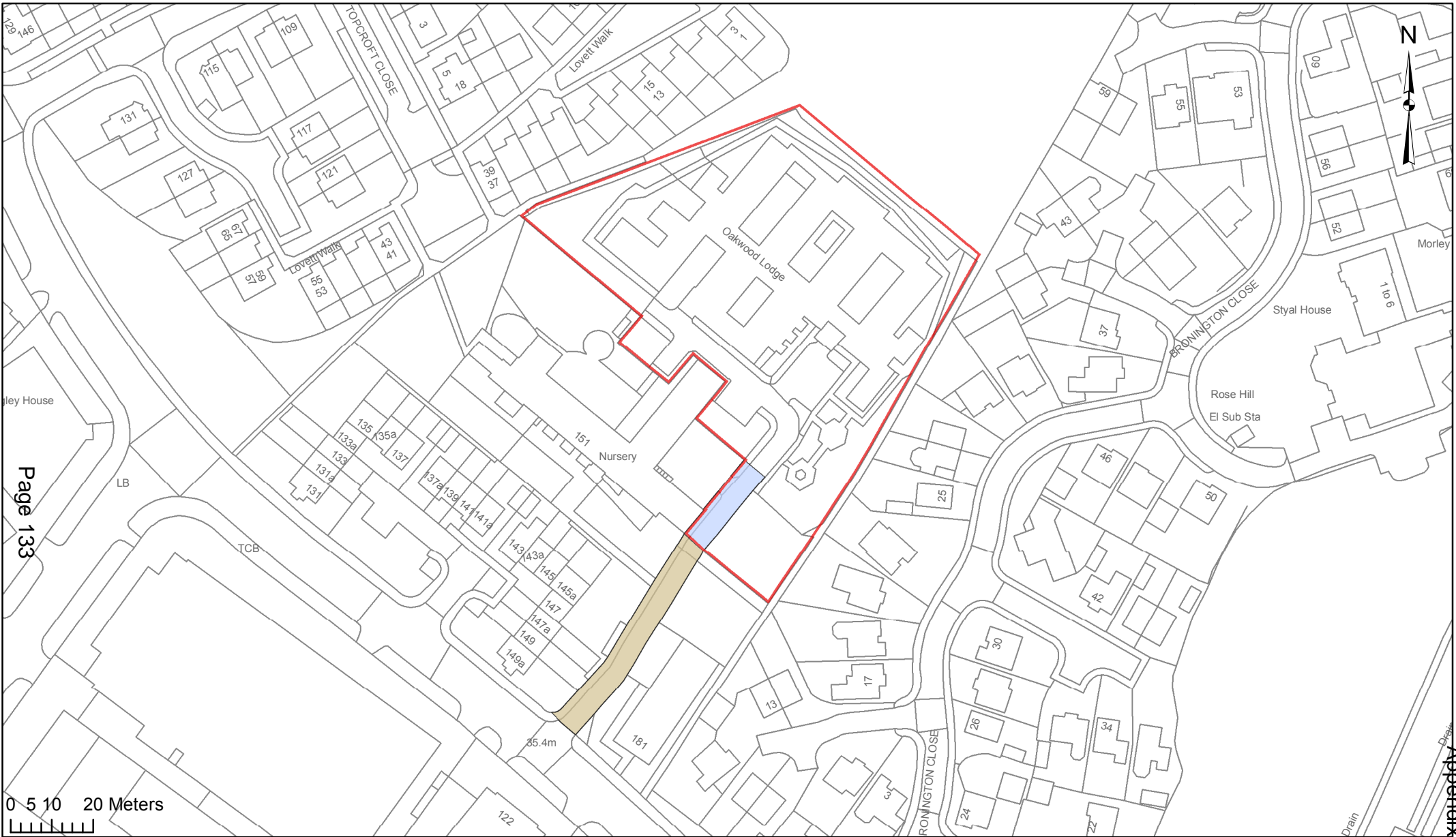
7. Concluding Remarks

7.1 This development will ensure 20 affordable homes are delivered and will contribute to the City Council's housing strategy target whilst promoting sustainable, good quality, family homes.

7.2 The disposal represents a discount to best consideration which might be achieved by an unrestricted disposal in the open market. However, the proposed transaction preserves viability and in particular the delivery of much needed social rent homes.

7.3 The agreement to the proposed premium is on the basis that the affordable tenures are maintained and the site will continue to offer affordable tenures in the future. In a scenario where a social rent tenant triggers Right to Acquire, an additional premium may accrue to the Council to reflect the loss of property from the social housing stock.

7.4 The level of undervalue is considered an acceptable compromise to secure the affordable homes.



A4 Scale 1:1,250

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Growth & Development Directorate
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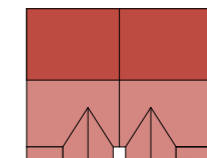
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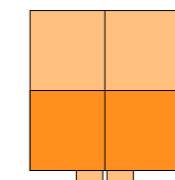
Proposed Site Plan

1:500

- root penetration zone to trees to be removed
- root penetration zone to trees to be retained
- proposed trees
- trees to be retained
- trees to be removed
- SR Social Rent
- SO Shared Ownership
- Refuse bins
- Area overlapping root protection zone
- secure cycle storage
- low level shrub planting
- Drain with 3m easement
- 1.8m high timber fence to all boundaries.
- 2.4m / 3.0m high existing wire mesh fence



House Type One
3b5p house @ 98m²
6No



House Type Two and Three
2b4p house @ 86m²
14No

Rev.	B	30.08.22	Amendments to parking
	A	03.05.22	Additional information added- site levels and bin locations

Client
WCHG

Project
Oakwood Lodge

Title
Proposed Site Plan

Scale	Date	Stage	
1:500	21.12.21		
Job No	Drawing No	Rev.	Drawn
5415	P-01	B	SB



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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