



Resources and Governance Scrutiny Committee

Date: Tuesday, 11 October 2022

Time: 2.00 pm

Venue: Council Antechamber, Level 2, Town Hall Extension

There will be a private meeting for Committee Members only at 1:30pm on Tuesday 11 October 2022 in Room 2006, 2nd Floor, Town Hall Extension.

Everyone is welcome to attend this committee meeting.

Access to the Antechamber

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 Resources and Governance Scrutiny Committee 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 Resources and Governance Scrutiny Committee

Councillors - Simcock (Chair), Andrews, Davies, Good, Kirkpatrick, Lanchbury, B Priest, Rowles and Wheeler

Agenda

1. Urgent Business

To consider any items which the Chair has agreed to have submitted as urgent.

2. 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.

3. 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.

4. Minutes

7 - 16

To approve as a correct record the minutes of the meeting held on Tuesday, 6 September 2022.

5. Factory International

17 - 42

Report of the Deputy Chief Executive and City Treasurer.

This report provides an update on progress with the delivery of The Factory Arts Centre, progress with the redevelopment of St John's and the preparations for the opening of the building.

6. Our Town Hall Progress Update

43 - 80

Report of the Deputy Chief Executive and City Treasurer.

This report provides Members with a further update on the progress of the refurbishment and partial restoration of the Town Hall and Albert Square under the Our Town Hall (OTH) project since the last report to Resources and Governance Scrutiny Committee in July 2021.

7. ICT and Digital Strategy

81 - 118

Report of the Deputy Chief Executive and City Treasurer.

This report provides an update on the development of the ICT & Digital Strategy, which has been developed to meet the evolving needs of ICT & Digital.

- 8. Resident and Business Digital Experience Programme (RBDxP)** 119 - 124
Report of the Deputy Chief Executive and City Treasurer.
- This report provides an update on the Resident and Business Digital Experience Programme (RBDxP) which sits under Future Shape: Digital by Default, Customer Access and Front Door.
- Future Shape of the Council is a two-year transformation programme designed to enable Manchester City Council (MCC) to be in the best possible shape to deliver its ambitions as set out in the Our Manchester Strategy whilst meeting the external challenges the council face from budget pressures.
- 9. 2023/24 Budget Process** To Follow
Report of the Deputy Chief Executive and City Treasurer.
- This will set out the proposed budget process for the update of the Medium Term Financial Plan and Capital Strategy and a summary of the latest revenue budget position.
- 10. Overview Report** 125 - 154
Report of the Governance and Scrutiny Support Unit.
- This report provides the Committee with details of key decisions that fall within the Committee's remit and an update on actions resulting from the Committee's recommendations. The report also includes the Committee's work programme, which the Committee is asked to amend as appropriate and agree.

Information about the Committee

Scrutiny Committees represent the interests of local people about important issues that affect them. They look at how the decisions, policies and services of the Council and other key public agencies impact on the city and its residents. Scrutiny Committees do not take decisions but can make recommendations to decision-makers about how they are delivering the Manchester Strategy, an agreed vision for a better Manchester that is shared by public agencies across the city.

The Resources and Governance Scrutiny Committee areas of interest include finances, Council buildings, staffing, corporate and partnership governance as well as Council tax and benefits administration.

The Council wants to consult people as fully as possible before making decisions that affect them. Members of the public do not have a right to speak at meetings but may do so if invited by the Chair. If you have a special interest in an item on the agenda and want to speak, tell the Committee Officer, who will pass on your request to the Chair. Groups of people will usually be asked to nominate a spokesperson. The Council wants its meetings to be as open as possible but occasionally there will be some confidential business. Brief reasons for confidentiality will be shown on the agenda sheet.

The Council welcomes the filming, recording, public broadcast and use of social media to report on the Committee's meetings by members of the public.

Agenda, reports and minutes of all Council Committees can be found on the Council's website www.manchester.gov.uk.

Smoking is not allowed in Council buildings.

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

Further Information

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

Charlotte Lynch
Tel: 0161 219 2119
Email: charlotte.lynch@manchester.gov.uk

This agenda was issued on **Monday, 3 October 2022** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension, Manchester M60 2LA

Resources and Governance Scrutiny Committee

Minutes of the meeting held on Tuesday, 6 September 2022

Present:

Councillor Simcock (Chair) – in the Chair
Councillors Davies, Good, Lanchbury, B Priest and Wheeler

Also present:

Councillor Akbar (Executive Member for Finance and Resources)
Councillor Rahman (Deputy Leader (Statutory))
Councillor White (Executive Member for Housing and Development)

Apologies: Councillor Andrews, Kirkpatrick and Rowles

RGSC/22/31 Interests

Councillor Lanchbury declared a personal interest in item 7 – Property Annual Report.

RGSC/22/32 Minutes

Decision:

That the minutes of the previous meeting be approved as a correct record.

RGSC/22/33 Call In - Capital Expenditure Hough End Master Plan

In line with Council procedures, at the commencement of the meeting, the Chair took as the first item an Executive Decision that had been called in. This had been requested by five members of the Council for the Committee to consider. The Committee would look at whether the decision made complied with the Council's decision-making process. If the Committee believed that this had not been complied with, it could then refer the matter back to the decision-maker for reconsideration.

On behalf of those who had signed the request, Councillor John Leech was invited by the Chair to explain the reasons for calling in the decision to approve capital expenditure of £11,905,000 in relation to the Hough End Masterplan.

Councillor Leech explained that he did not believe there was a demonstrable need to improve sports pitches at Hough End Playing Fields and that no evidence had been provided to show that local schools and sports clubs who had invested in artificial pitches to generate income would not be detrimentally affected by the decision.

Councillor Leech also queried the financial return from the investment and whether the cost of replacing pitch surfaces after 10 years would outweigh the total profit made. He also felt that the works approved in the decision would not contribute to the Council's zero-carbon ambition, contrary to information in the report.

The Deputy Chief Executive and City Treasurer, the Strategic Director of Neighbourhoods and the Capital and Facilities Strategy Manager – MCR Active were in attendance to answer questions of the Committee.

In response to Councillor Leech, the Deputy Chief Executive and City Treasurer advised that the decision constituted the final stage in the decision-making process and was the drawdown of funding to support the scheme approved by Planning Committee, the Executive and Full Council. It was explained that a viable business plan had been created with a financial return, which the Deputy Chief Executive and City Treasurer was satisfied with.

It was stated that a broader environmental impact assessment was not required for a development of this scale and that the scheme had been designed with the needs of two local schools in mind.

The Strategic Director Neighbourhoods explained that stakeholder engagement had taken place with organisations and this had assessed the development and growth of clubs and identified a need for new pitch provisions.

The Deputy Chief Executive and City Treasurer and the Strategic Director Neighbourhoods both expressed their confidence that the correct decision-making processes had been followed.

Decision: (4:1)

That the decision taken by the Deputy Chief Executive and City Treasurer on 3 August 2022 relating to the approval of capital expenditure of £11,905,000 in relation to the Hough End Masterplan, should stand.

RGSC/22/34 Annual Section 106 Monitoring

The Committee considered a report of the Strategic Director Growth and Development, which provided an update on the Council's Section 106 (s106) activity for 2021/22 and to date.

Key themes in the report included:

- Planning application numbers having remained relatively stable over the years but there had been a slight downturn during 2021/22. It remained too early to predict activity for the current financial year;
- 16 S106 agreements were signed during the 2021/22 financial year and a further 7 agreements had been signed to date for the 2022/23 financial year;
- A higher proportion of contributions related to affordable housing and other key areas include leisure and environmental improvements;
- A schedule of completed agreements for 2019/20, 2020/21, 2021/22 and 2022/23 including values and number of units where applicable;
- A working group had been established to ensure that money received is available for spend, that there are no unnecessary delays in the spending of

financial contributions and that project managers are in place to oversee individual projects; and

- The balance of funds in the S106 capital accounts and how this money is split and examples of spend, including affordable housing, highway-related works and tree-planting.

Some of the key points and queries that arose from the committee's discussions included:

- Figures indicated a reduction in the number of major applications, which would impact the amount of S106 contributions received;
- If using the Section 278 process was more sufficient in generating funding for highways-related works than S106;
- Where Members involvement would be on the end-to-end process map for planning applications;
- An update on benchmarking with other Local Planning Authorities was requested;
- Whether S106 monies could be placed into the Council's wholly-owned housing delivery vehicle;
- The possibility of members observing the officer working group which ensures money received is available for spend;
- Request for a record of how many and where trees had been planted;
- What was meant by 'land value' and 'market forces'; and
- Expressed thanks for the ward-by-ward breakdown of applications.

The Section Planning Manager explained that increased construction costs had resulted in a reduction in major applications being received but provided assurances that officers would continue to negotiate section 106 contracts where appropriate.

The Section Planning Manager also explained that off-site highways works were often agreed through a condition and relevant agreement and this helps to embed issues through planning permission.

It was explained that members would be involved in discussions regarding applications as soon as they are registered with the Local Planning Authority (LPA) and that confidentiality between the LPA and developers restricted these conversations from taking place before applications were registered. It was acknowledged, however, that some developers hold pre-application consultations.

The Section Planning Manager acknowledged that difficulties in making contact with other Core Cities to undertake benchmarking had led to a delay but informed members that a meeting had been scheduled for late September.

It was also explained that information on the number of trees planted was difficult to quantify for every approved application. The Section Planning Manager advised that this could be undertaken on individual ward levels.

In response to members' requests, the Section Planning Manager agreed to look into whether S106 monies could be used to fund the Council's wholly-owned housing delivery vehicle and how members could be involved in the officer working group.

Definitions of the terms 'land values' and 'market forces' would also be provided outside of the meeting.

The Executive Member for Housing and Development welcomed the committee's comments and reiterated the importance of engaging with members on planning applications.

Decision:

That

1. the Committee notes the report;
2. the Committee requests that a further update report is provided to the committee in 12 months; and
3. the Committee requests future reports reference the extent to which Section 278 monies can be utilised.

RGSC/22/35 Property Annual Report

The Committee considered a report of the Deputy Chief Executive and City Treasurer and the Director of Strategic Development which provided an update on property activity since the last Annual Property Report to Resources and Governance Scrutiny Committee in May 2021.

Key points and themes of the report included:

- The development of the Strategic Asset Management Plan (SAMP) to set out key priorities for the Council's property and land asset base and the approach to the management of it over a 5 year period;
- An update on the work of the Development team, Estates and Facilities Service and Investment Estate;
- The emergence of the Levelling Up fund, Shared Prosperity Fund and other initiatives had been a focus for the Development Team;
- The creation of a multi-disciplinary team to renew the vision for Wythenshawe Town Centre, with a view to submission of a comprehensive Levelling Up round 2 bid;
- City Centre development and commercial development;
- Housing development and major regeneration projects; and
- Social value work as a result of commitments by the Council's main maintenance contractor, including 755 volunteering hours, 99 hours of school-based support, 76 hours of community support, two energy workshops, five helping hands projects and two charity events.

Some of the key points and queries that arose from the Committee's discussions included:

- How much income had been generated by Central Retail Park being used as a COVID testing site;

-
- Potential issues with attracting investors to Central Retail Park;
 - Commended and recognised work on social value;
 - A need for greater working between corporate property and local councillors to link community groups with available venues and space;
 - A need for the contracted provider of the Council's property management services, asset valuations, landlord and tenant services to recognise the uniqueness and individualism of some of the Council's assets; and
 - How organisations and asset management companies which the Council works with can be 'good neighbours' to residents.

The Head of Development advised members that discussions with a specific party regarding a major opportunity at Central Retail Park had been undertaken and that this remained confidential. It was felt that this opportunity would be appropriate for the development and was progressing positively.

Figures on the income generated from the testing centre at Central Retail Park would be provided outside of the meeting.

The Head of Development acknowledged the Committee's comments on the Council's outsourcing contract and agreed that the scope and provider of the this needed to be appropriate.

Decision:

That the Committee note the report.

RGSC/22/36 Ownership of Assets

The Committee considered a report of the Head of Estates and Facilities and the Head of Development which provided an overview of the Council's Property Asset Database (CPAD), the training available for Councillors on the system, and the role of the Records team in supporting ownership queries.

Key themes and points of the report included:

- CPAD helps Councillors to determine who owns what within their wards;
- Members have been able to access CPAD since January 2017 and training and access has been offered to all new Members, with refresher training available as required. Any Member requiring new or refresher training should contact CPAD@manchester.gov.uk.
- Members who have received training are provided with read-only access to operational, investment and school site records within their wards; and
- Work was underway to update records and develop a strategic asset management plan.

A live demonstration of using CPAD was also provided at the meeting.

Some of the key points and queries that arose from the Committee's discussions included:

- If land is classified by department and if this information is available through CPAD;
- How the Strategic Asset Management Plan (SAMP) would improve the decision-making process around land, property, investment and development decision making;
- Encouraging members to take up the offer of training on CPAD;
- If land disposal is recorded on the system;

The Estates Information Manager (Systems) explained that work was underway as part of the 10-year anniversary of CPAD to update some historic records to ensure relevance. It was also confirmed that the CPAD system provides information as to which council department owns an asset.

It was also explained that enquiries as to ownership of land are primarily received through the Council's CRM system which are then directed to Corporate Estates for triage.

The Deputy Chief Executive and City Treasurer encouraged members and residents to continue to use the CRM system to report issues such as fly tipping and waste.

The Head of Estates and Facilities provided assurances that the SAMP, which was being developed, would provide a clear process for making decisions around ownership of land.

The Director of Development reiterated these comments and explained that the SAMP would be an open and transparent evaluation tool which would bring together the Council's strategic priorities, planning policy and consultation with partners to evaluate the potential of land to provide a supply of homes, work and skills opportunities and community uses. The SAMP would be a public document and engagement would be undertaken with ward members.

The Committee was also advised that officers were working with Members Services to introduce training on CPAD as part of the wider induction programme.

Assurances were provided that records were not deleted from the system and that disposed land would be recorded as an archived site.

The Deputy Leader (Statutory) advised members that work remained underway on the SAMP to ensure robustness and that training could be arranged for after this work is completed.

Decision:

That

1. the Committee notes the report;
2. the Committee recommends increasing efforts to have members of the Council trained on the CPAD system; and

3. the Committee recommends that training on the CPAD system be included as part of the wider induction programme for members.

RGSC/22/37 Global Monitoring and Budget Position

The Committee considered a report of the Deputy Chief Executive and City Treasurer which outlined the projected outturn position for 2022/23, based on the latest expenditure and income activity and future projections, and the updated forecast position for 2023/24 and beyond.

Key themes and points of the report included:

- An overspend of £20.1 million was forecasted for 2022/23;
- The overspend was mainly due to the announcement of a higher than expected one year pay award offer for 2022/23 (£9.5m), additional utilities inflation (£3.9m), higher than expected price inflation (£3.6m) and other pressures, largely relating to income shortfalls (£3.4m);
- The pay offer proposed from the National Employers is a flat £1,925 per employee regardless of where they are on the salary structure;
- The implications of COVID-19 and record levels of inflation on the Council's cost base would have a significant impact on the Council's finances for a number of years;
- The main demand-led services of Adults, Children's and Homelessness were projecting to outturn at or below budget;
- The Council was working to reduce the pressures where possible and mitigate the position by:
 - Daily monitoring of wholesale prices for gas and electricity to inform the best time to take up new contracts
 - Rigorous procurement practices and ongoing discussions with suppliers to contain inflationary increases where possible
 - Review of Sales, Fees and Charges income to reflect increased pay awards and other costs where possible.
 - All directorates to review budgets and identify in year savings and mitigations ;
- Development of a parking strategy was underway to support the overall city centre transport strategy and rebase budgets to reflect the reduced level of off-street parking income; and
- The Medium-Term Financial Statement (MTFS) forecasted the Council's budget gap at £37m in 2023/24, increasing to £58m by 2024/25.

Some of the key points and queries that arose from the Committee's discussions included:

- Acknowledged the rapidly-moving situation within the budget process;
- The increased workload anticipated in Revenues and Benefits this winter;
- Potential difficulties in receiving council tax and business rates as the cost of living crisis escalates;
- Whether any modelling had been undertaken regarding the local government pay offer, which was still under negotiation; and

- Any additional measures the Council could provide to help residents living in socially-rented properties.

The Deputy City Treasurer advised that the current pay offer was a flat-rate £1925 per employee, irrespective of position on the pay scale. This meant that employees on the lowest pay would see the greatest increase in their pay. This constituted an average increase of 7% to the Council's pay bill, amounting to £16.5 million in comparison to £7 million which was budgeted for.

The Deputy City Treasurer also advised members that this figure was still under negotiation and that the pay offer could amount to higher if the flat £1925 increase was rejected.

It was explained that the inflation rate was 3% when the budget was set in February 2022 and was projected to peak at 5%.

The Deputy Chief Executive and City Treasurer explained that a further Household Support Scheme had been announced and further guidance on this was expected. The provisional figure for the scheme was £6.5 million and the Council would work to identify how this funding could be best used.

It was acknowledged that the Council was unable to mitigate every consequence of the cost of living crisis but work was underway to assess how the Council makes best use of its resources and discussions were ongoing between the Council and landlords on how to support residents. Discussions were also taking place regarding housing revenue accounts and the level of rent increases.

The Deputy Chief Executive and City Treasurer also informed members of a reserve which had been set aside and the Council was assessing proposals on how this could be used.

The Executive Member for Finance and Resources commented that the Council was experiencing difficulty in absorbing inflationary pressures given the impact of COVID and the cost of living crisis and called on the government to recognise the severe and unprecedented pressures that local authorities are facing.

The Executive Member encouraged the government to commit additional funding in the fiscal event, which was anticipated in late September, to mitigate against soaring inflation so that essential services provided by local authorities are supported.

Decision:

That

1. the Committee notes the report and
2. the Committee endorses any efforts made by the Council to secure additional funding from the government.

RGSC/22/38 Overview Report

The Committee considered the report by the Governance and Scrutiny Support Unit which provided details of key decisions that fall within the Committee's remit and an update on actions resulting from the Committee's recommendations. The report also included the Committee's work programme, which the Committee was asked to amend as appropriate and agree.

Members reiterated their desire for all reports to be published on time and requested that a response be provided to the outstanding recommendation on the Recommendations Monitor.

Decision:

The Committee note the report and agreed the work programme.

This page is intentionally left blank

Manchester City Council Report for Resolution

Report to: Resources and Governance Scrutiny Committee – 11 October 2022
Executive – 19 October 2022

Subject: Factory International

Report of: Deputy Chief Executive and City Treasurer
Strategic Director, Development

Summary

The purpose of this report is to update Members on progress with the delivery of The Factory Arts Centre, progress with the redevelopment of St John's and the preparations for the opening of the building.

Recommendations

The Resources and Governance Scrutiny Committee is recommended to:

1. note and comment on the report and endorse the recommendations being made to the Executive.

The Executive is recommended to:

1. Note progress with the delivery of Factory International, the wider economic, cultural and social benefits to Manchester and the significant programme of social value commitments.
2. Recommend to Council to approve a Capital Budget increase for Factory International of £25.2m funded by:

£10m from the Council's capital scheme inflation provision

£15.2m to be met from borrowing

This will increase the total capital budget for the construction of Factory International from £185.6m to £210.8m

3. Recommend to the Council to underwrite the £7.8m increased costs of Furniture, Fixtures and Equipment (FFE) of Factory International from capital receipts and note that the venue will not be able to operate without this investment to enable the equipment to be in place.
4. Agree the funding for Furniture, Fixtures and Equipment (FFE) is to be paid to Manchester International Festival (MIF) as a grant that will be drawn down as

costs are incurred. £500k of which will be retained as a contingency to cover any further unforeseen costs.

5. Note the long-term relationship with Factory International and the ability to recover a significant proportion of the borrowing costs from naming rights income.
6. Note the progress made by MIF to prepare the organisation to operate Factory International, including recruitment, business planning, artistic programme development and social value benefits, in the lead up to MIF23.
7. Note progress in the development of employment, training and education opportunities and creative engagement programmes as part of Factory International's skills development programme.

Wards Affected: Deansgate

Our Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	By supporting a diverse and distinctive economy and attracting clusters of related creative industry activities, Factory International will create jobs and opportunities, accelerate economic growth in the region and play an integral part in helping Manchester and the North enhance and diversify its cultural infrastructure and the visitor economy. The Council will develop a Creative Enterprise district proposal (through the Greater Manchester Trailblazer/ Investment Zone) to support and incentivise creative SME co-location and maximise training and educational opportunities in the area. The first phase of Enterprise City has been established, together with the creation of a Tech Hub in the Bonded Warehouse. Enterprise City is an integral element of St. John's, creating a new cluster of innovative city centre workspaces that support the growth of the City's economy. A Levelling Up grant of £17.5m has been awarded, to enable the refurbishment of the Upper and Lower Campfield Markets buildings as an extension of the Bonded Warehouse Tech Hub.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	Through world class and home-grown talent sustaining the city's economic success, The Factory will make a direct contribution to the

	<p>growth of creative industries, improve talent retention in the North, and reduce the dependency on London as the provider of creative industries training and employment. New direct jobs of 168 FTE staff and 176 FTE venue and performance related jobs (344 FTEs in total) will work within the venue each year. Furthermore, Factory will support a clustering impact resulting from the venue accelerating the city's role as a centre for creativity, attracting both producers and specialist supply chain companies keen to locate in the local economy. After year 10, Factory international is expected to support over 1,500 FTE jobs as a result of these clustering effects driven by Factory, and up to £1.1bn will be added to Manchester's economy. Factory International has levered £106.5m new Exchequer investment into Manchester. Factory International is leading on a consortium approach to training and skills, developing partnerships with the city's Cultural, Further and Higher Education (FE/HE) Institutions and will further support the city's drive for high calibre graduate talent retention through job creation programmes. It will act as a UK leader in the creative sector/FE/HE led training to expand access for Manchester's young people into creative jobs.</p>
<p>A progressive and equitable city: making a positive contribution by unlocking the potential of our communities</p>	<p>Making a positive contribution by unlocking the potential of our communities, Factory International and wider St. John's development will create a vibrant new neighbourhood based around the former ITV: Granada Studios site. The intention is to encourage independent, niche and creative uses and businesses with new office, cultural, workspace and leisure development with residential units. The presence of Factory International as a 'cultural anchor' has already had a catalytic effect in terms of reimagining the creative redevelopment of the Science and Industry Museum site and the Upper and Lower Campfield Markets as a creative district. The Factory will build new diverse younger audiences from within</p>

	Manchester and beyond, combined with expanded, more mature established arts audiences.
A liveable and low carbon city: a destination of choice to live, visit, work	As a destination of choice to live, visit and work, The Factory will benefit from excellent public transport connectivity, ensuring the site can be easily accessed by visitors. In a non-festival year, The Factory will attract 850,000 visitors per annum with 650,000 drawn from within the Greater Manchester area. In a festival year the total will increase to 1.15m visitors as additional audiences of 300,000 will attend performances across the city. It is anticipated that 755,000 will be drawn from the Greater Manchester area and 245,000 visitors from elsewhere. Sustainable design and development principles are embedded into the scheme. The benefits of cultural investment are much broader than the direct impact of expenditure by visitors, with cultural activities making an important contribution to community engagement and initiatives targeted at young people, older people, under-represented and disadvantaged groups.
A connected city: world class infrastructure and connectivity to drive growth	Through world class infrastructure and connectivity to drive growth, The Factory will benefit from strong public transport links with both rail and Metrolink stations and with access to a choice of multi-storey car parks for visitors. The development will be well served by new pedestrian walkways and cycle routes. This will include the recently completed replacement Prince's Bridge scheme, improved pedestrian connectivity as part of the St. John's developments, and proposals by the Science and Industry Museum, which will provide residents with improved linkages to surrounding neighbourhoods and city centre districts. New public spaces and connections are proposed, which will significantly improve the environment of this part of the city centre.

Financial Consequences - Revenue

There are no direct revenue consequences arising from this report. The additional regeneration of the St John's area, of which Factory International is a key anchor, will generate an additional £830k per annum in business rates in 2022/23 which is projected to increase and is contributing directly to the Council's revenue budget. The Council will continue to press for a Creative Enterprise Zone as part of the Greater Manchester Trailblazer /Investment Zone discussions to secure these benefits for the longer term and support the funding of Factory International.

Financial Consequences – Capital

The recommendations in this report are to secure the completion of Factory International and its longer-term success. The report outlines the significant direct, economic and social value benefits that are being secured.

Management Contracting has been used for this large-scale specialist project in which the works have been constructed by a number of different works contractors. The report outlines the extremely challenging circumstances that the project is being delivered in with unprecedented levels of inflation, market pressures, workforce shortages and supply chain disruption. This has significantly impacted on the construction timescales costs and fit out costs for the building. It should be noted that the Council is currently engaged in negotiations with the management contractor to conclude the costs of the remaining works. However, in the current climate, total cost surety is only likely to be reached when all the packages are procured, and the project is nearing completion.

The report includes a capital budget increase for Factory International of £25.2m funded by £10m from the Council's capital scheme inflation provision which is already included in the Capital Budget and £15.2m to be underwritten from borrowing.

Underwrite the £7.8m increased costs of the fit out of Factory International from capital receipts to provide the vital equipment required for the venue to successfully open and operate. This revised FFE budget includes an appropriate level of contingency and will be paid to MIF as a grant that will be drawn down at appropriate intervals, as costs are incurred.

The above can be contained within the existing revenue budget for capital financing and is within the planned and authorised borrowing limit for the Council. However, there is an opportunity cost of using the funding for Factory International.

Of particular importance is the long-term relationship with Factory International on the funding raising and naming rights income. The principles of a 70/30 split for naming rights income have been established (net of fulfilment costs) which will both repay the MCC capital investment and also secure the longer-term financial stability of Factory International.

The development of the adjacent Riverside site by Select and Allied London will see the repayment of the temporary £4.3m loan.

Contact Officers:

Name: Pat Bartoli
 Position: Head of City Centre Growth and Regeneration
 Telephone: 0161 234 3329
 E-mail: p.bartoli@manchester.gov.uk

Name: Carol Culley
 Position: Deputy Chief Executive and City Treasurer
 Telephone: 07717 54578
 E-mail: carol.culley@manchester.gov.uk

Name: Jared Allen
 Position: Director of Capital Programmes
 Telephone: 0161 234 5683
 E-mail: jared.allen@manchester.gov.uk

Name: Tom Wilkinson
 Position: Deputy City Treasurer
 Telephone: 07714 769347
 E-mail: tom.wilkinson@manchester.gov.uk

Name: Dave Carty
 Position: Development Manager
 Telephone: 0161 234 5908
 E-mail: d.carty@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.

The Factory

- Report to The Executive 29 July 2015 – The Factory Manchester
- Factory Manchester Project Overview 31st May 2016
- Report to The Executive 26 July 2016 – Updated Draft St. John’s Strategic Regeneration Framework and Factory Manchester
- Report to The Executive 11 January 2017 – Updated Draft St. John’s Strategic Regeneration Framework and Factory Manchester
- Report to The Executive 26 July 2017 – Factory Manchester
- Report to The Executive 21 March 2018 – St. John’s Proposals including Factory Manchester
- Report to The Executive 30 May 2018 – Capital Programme – Proposed Increases

- Report to The Resources and Governance Scrutiny Committee 8 November and to The Executive 14 November 2018 - The Factory
- Report to The Resources and Governance Scrutiny Committee 20th July 2021 – The Factory, St. John's – Delivery Update

St John's

- Draft Quay Street and Water Street Development Framework February 2012
- Report to the Executive 14 March 2012 – ITV/Quay Street Regeneration Framework
- Report to the Executive 29 October 2014 – ITV/Quay Street Regeneration Framework
- Draft St Johns, Manchester Strategic Regeneration Framework October 2014
- Report to The Executive 13 February 2015 – ITV/Quay Street (St. John's) Regeneration Framework Consultation
- St Johns Strategic Regeneration Framework February 2015
- St. John's Strategic Regeneration Framework Update November 2016

1.0. Introduction

- 1.1. Factory International is nearing completion, and there is considerable excitement about the venue. The recent launch has further boosted Factory International's profile, with an exciting programme of events planned, building on the international festival in 2021, and placing Factory International firmly on the map at the heart of the St John's regeneration area. The city is already seeing the direct benefits from St John's, with Enterprise City and the cultural activities provided by the studios playing a major part in the area's evolution.
- 1.2. This report provides an update on progress with delivering Factory International, including the capital cost of the building, social value benefits and the role of Manchester International Festival. The report also provides an update on delivering the St John's regeneration area.
- 1.3. Factory International has levered £106.05m of new public funding into Manchester made up of £78.05m HM Treasury investment, and £7m Arts Lottery and £21m Kickstart Capital from the Cultural Recovery Fund, all administered by Arts Council England and money that would not have otherwise been available for the cultural sector or the region.
- 1.4. The creative industries are the fastest growing sector in Manchester and the creation of Factory International will sustain and grow this vital sector even further. Factory International will strengthen Manchester's reputation as a nationally and internationally important centre for culture and creativity – building on a reputation which has seen it recognised as the second largest creative city in Europe after London. Up to £1.1bn will be added to Manchester's economy after 10 years of operation, capturing the benefits associated with direct employment and visitor spend, productivity, dynamic clustering, social value and amenity value.

2.0. The St John's Quarter

- 2.1. Factory International is at the heart of the St. John's Quarter and revives the site of the former Granada TV Studios making a major contribution to the regeneration of this part of the city. The economic benefits of Factory International are broadly measured in three categories
 - audience/visitor economy,
 - clustering and
 - direct employment.
- 2.2. Visitors to Factory International in a non-festival year are anticipated to be on average 850,000 per year, with 650,000 drawn from within the Greater Manchester area and 200,000 visitors from elsewhere. In a festival year, the total will increase to an estimated 1.15m visitors as additional audiences of 300,000 will attend events across the city. It is anticipated that 755,000 visitors will be drawn from the Greater Manchester area and 245,000 from elsewhere. After year

- 10, Factory International is expected to support over 1,500 FTE jobs as a result of these clustering effects, and up to £1.1bn will be added to Manchester's economy.
- 2.3. Factory International has already been the catalyst for a major cultural and creative investment. Set in the heart of a major new mixed development of residential and office /cultural space, a new cluster of innovative city centre workspaces and content production studios are being created. Enterprise City has the potential to accommodate some 17,000 jobs in businesses from new start-ups to corporates. At its heart will be the cultural campus created with the combined attractions of Factory International (850,000 visitors per annum) and the Science and Industry Museum (500,000 visitors) being physically linked together. The wider St. John's area including Enterprise City will attract over 32,000 visitors a day visiting the offices, residential developments, new food and beverage offers and hotels.
 - 2.4. Allied London's long-term partnership with Aviva Investors to create Enterprise City is valued at in excess of £500m and will secure the long-term future for this new city centre neighbourhood. Anchor tenants include global tech company Booking.com (won in competition with other major European Cities) Cloud Imperium Games, the bringing together of the five WPP agencies under one roof together with The Farm, a major postproduction house. The Allied London film studios campus continues to be successful. The Bonded Warehouse, now operating as a new Tech Hub, hosts the northern HQ of Tech Nation, the Government backed network for tech entrepreneurs (establishing its new Northern HQ in the building) as well as other considerable interest in the office and networking space available.
 - 2.5. The wider St. John's will also provide a further 1,000 jobs in retail, leisure and hotel developments together with new homes and 13 acres of new public realm in this new city centre neighbourhood, adjacent to the business-led district of Spinningfields.
 - 2.6. Whilst developments in the area are predominately for commercial purposes the two residential towers now under construction will provide 765 apartments and a total of 1,676 bedspaces and over 21,500 sq feet of co-working space with each tower containing two, three or four bedroomed co-living apartments, 131 affordable tenures, and towers 1 and 2 have 180 studio apartments available on short term lets.
 - 2.7. Factory International itself will create a world-class performance space and provide a permanent home for Manchester International Festival in an all-year-round venue with a rich blend of ticketed and free events inside the building and the surrounding public spaces. At 143,161 square feet, there is no other venue that can deliver the scale and ambition of production possibilities in the UK, and this nationally significant facility will fill a major gap in the city-wide cultural strategy. It has attracted significant government investment, almost unique

outside of London and the Southeast and has been designed by one of the world's leading architects, OMA. It will be their first major public building in the UK, enhancing Manchester as a destination for world class architecture. The MIF Pre Factory Events including the launch of the Virtual Factory attracted considerable excitement and the 2021 festival reached 2,662,244 people (compared with 302,161 in 2019) – 1,462,244 in person and 1,200,000 online. The post MIF21 evaluation indicates that 29% of attendees came from Manchester.

- 2.8. The development of the adjacent Riverside site by Select and Allied London will see the repayment of the temporary £4.3m loan. The new co-living tower development is now under construction and a planning application for a low-rise food and beverage development is expected to be submitted shortly.
- 2.9. The creative industries are the fastest growing sector in Manchester, making an annual contribution to the city's economy of around £1.4bn. The Council is seeking Cultural Enterprise Zone designation for the St Johns creative quarter through the Greater Manchester Trailblazer Investment Zone. This would be centred around Factory International and enable the Council to capture the benefits of its investment into the cultural sector for reinvestment. This would support the ambition to ensure that Factory International is financially sustainable in the longer term and provide an additional guarantee that any additional cash flow support would be repaid. Since 2018 the growth in business rates generated within the zone totals £327k which will grow to £830k in 2022/23. Under the 100% business rates growth retention pilot the additional income has been retained in Manchester and is supporting the Council's revenue budget. Discussions with Government continue as part of the announced devolution acceleration negotiations.

3.0. Work and Skills and Social Value

- 3.1. Central to the vision is a focus on providing training and skills for future generations of creative talent through The Factory Academy (TFA). TFA was launched by MIF in 2018, in partnership with a consortium of cultural organisations in the city. MIF has led on the development of the Greater Manchester Cultural Skills and Training Consortium - a group of 25 employers working collaboratively across the cultural sector on programmes such as Traineeships and Apprenticeships. This has supported the appointment of a cohort of apprentices in technical theatre across Greater Manchester organisations and MIF has ensured the continuation of these apprenticeships through lockdown.
- 3.2. For the Academic year 2021/22 The Factory Academy has:
- Engaged 250+ students through course delivery, The Factory Academy Presents and Managing Creative Projects: Next Level

- Engaged 500+ students with The Factory Academy courses since its inception in October 2018
- Filled 40+ roles at MIF with TFA alumni (comprised of internships, traineeships, apprenticeships, Kickstart roles, FOH, freelance, fixed term roles and performing)

3.3. As a result:

- 50% of Kickstart eligible students who studied with TFA went into Kickstart roles
- 65% of Factory Academy Participants, who provided diversity and inclusion data, report a characteristic which is under-represented and/or being from a low socio-economic background Employment and Further Study
- To date at least 60% of all Factory Academy Alumni are employed or have moved onto higher education.

3.4. Factory International has already begun delivering creative education programmes to hundreds of young people aged 9-14 across Greater Manchester (225 to date) with a focus on social and emotional learning, teamwork, leadership and resilience. These creative programmes will be integrated into the curriculum for future year groups with the learnings and resources made available to schools and youth centers.

3.5. Factory Futures will be launched in Oct 2022, which will see 10,000 young people reached over the next five years with support in accessing careers in the creative industries. Opportunities will range from open days to full apprenticeships. The programme responded directly to the impact of the COVID-19 pandemic on youth unemployment aligning with the Government's Kickstart scheme. It includes a five-year pre-employment training programme for 1,400 young people, who are unemployed or on Universal Credit. Factory Futures 15 is a 15-day Academy linked to an opportunity with DNG Production and Events crew company. The course is aimed at helping people in Manchester to access employment in the city's live events industry. Students will learn about out about key technical skills, gain hands on experience and ultimately paid employment in this industry. New courses that are currently being developed by the team are aligned to developing skills in, freelance work, producing and leadership.

3.6. In line with other key cultural institutions in Manchester, Factory International commits to increasing the positive social impact of culture in the city. A significant strand of creative and community engagement was a key success of MIF21, attracting more diverse participants and broadening the reach of the Festival across Manchester's communities.

3.7. Resources from the City's Work and Skills team have been seconded to support the development of a comprehensive programme of social value benefits from Factory International construction project, working in partnership with agencies

across the city. This involves the design team, the contractor, work package contractors and the Manchester International Festival working together to deliver a package of social value benefits which will continue to be delivered after the opening of Factory International. The collaborative working on social value across all phases of a project is unique and provides an opportunity to ensure outcomes are maximized to benefit Manchester residents.

- 3.8. Analysis by CLES shows that 87% of construction spend is within GM and 23% of that within Manchester. This represents c£100m of investment within GM. Whilst the Manchester figure could appear low it reflects the complex and specialist work required and it is believed the project has done well to secure 87% within GM. The table below summarises the social value achieved on the project to June 2021.

Apprenticeships		Employment & Pre-Employment Opportunities		Education and Career Support Opportunities		Community Activities	
Committed	Achieved	Committed	Achieved	Committed	Achieved	Committed	Achieved
50	39	50	178	60	255	60	48

- 3.9. Significant progress has been made between the start of construction and 2021. As noted in the table above these included:

- 63 education activities, engaging over 5000 local young people: inclusive of collaborative 'STEAM' engagement with MIF and the Science and Industry Museum bespoke to Factory International.
- 56 work experience placements for local people; including 'The Factory Challenge' week, an innovative programme for 25 Manchester pupils providing learning/insight into the project and a work experience week with Manchester Adult Education Learners.
- Over 1000 volunteering hours from LOR and supply chain given to Manchester charities and specialist community investment projects including SIM Station Building project, Castlefield Forum Roman Gardens improvements, Doodle of Ducie Street Homeless Mural and Lifeshare Renovation project.
- 16 new employment opportunities for local people on the construction programme
- 30 local apprentices employed on the construction programme.

- 3.10. From June 2021 the targets for the constructors where refocused, in consultation with the Council's Work and Skills colleagues, to align the project in helping address some of the key initiatives for work and skills in the locality following the pandemic.

- 3.11. To date these have resulted in:

- 11 new apprentices of which 8 are Manchester residents and 3 GM.
- 4 Manchester residents on the Kickstart programme
- 9 new jobs, 7 for Manchester residents and 2 for GM residents.

3.12. These metrics will continue to be monitored throughout construction and into Factory operations.

4.0. Factory International Project Update

4.1. Factory International has attracted significant government investment, almost unique outside of London and the Southeast, including £106.5m of government funding alongside £9m per annum of Arts Council England revenue funding to ensure the success of the facility. It should be noted that the original budget was set in 2015, based on benchmark costs, to secure the government funding package. This was prior to any detailed site investigations or design work and proved to be inadequate to fund a project of this complexity and scale. The original budget was £111.6m, (£114m including the public realm construction costs).

5.0. Land Acquisition

5.1. There is a separate budget to acquire the 999-year lease from the Science and Industry Museum and the freehold interests from Manchester Quays Limited. It also included a loan of £5.1m on market terms to secure the Riverside site for Factory International and the construction compound. £800,000 has been repaid in line with the agreement. The balance of £4.3M is repayable on 10th August 2023. The repayment will be used to support the cashflow for The Factory until it can be released to support capital expenditure on other projects.

6.0. Factory International

6.1. The approved budget for Factory International and associated St Johns public realm works is shown below.

	Costs £m
Pre-construction costs	0.4
Construction	152.3
Professional fees	24.8
Client costs	8.1
Total Construction Costs	185.6
Public Realm	5.6
Total Factory Budget	191.2

	Funding Approved £m
HMT, administered by ACE	78.1
ACE Lottery funding	7.00
ACE Kickstarter	21.00
MCC Capital	55.4
External Funding	24.1
Total	185.6
Public Realm (MCC)	5.6
Total	191.2

6.2. *Public Realm*

6.2.1. The £5.6m for public realm works in the St Johns Quarter includes the undercroft of Factory International, finishes to Water Street within the site boundaries and all works to Factory Square including the river frontage, providing an appropriate setting for Factory International. This is projected to deliver to budget.

6.3. *Construction Project – Background*

6.3.1. The Management Contract with Laing O'Rourke for the construction of Factory International was executed in June 2018 and 'Notice to Proceed' which marks the end of the pre-construction phase and the start of the main works, was issued in December 2018. The Management Contract balances quality, risk management and value for money in the procurement strategy. Under this contract form, the works are tendered in work packages by the Management Contractor.

6.3.2. At Notice to Proceed a further contribution of £18.97m was requested. This was met from capital receipts, bringing the capital budget for the project to £130.6m. At this time consideration was given to reducing the size of the building to achieve the previous budget. However, this would have further delayed the opening date, and would have fundamentally undermined and devalued the integrity and concept of what Factory International will be. It was determined that the loss of benefit would have far outweighed the cost saving.

6.3.3. At this stage the key Steelwork and Mechanical, Electrical and Public Health (MEP) work packages had been tendered, with the design and sequencing of the remaining works sufficiently complete for the cost consultant to apply market rates. The additional £18.97m covered:

- £5.5m for inflation (then running at 3% and forecast to reduce to 2.5% in 2018 and 1.5% in 2019) and Brexit risks.
- £3m to support the outline programme
- £4.5m to meet planning standards for acoustics
- £3.2m for agreed scope changes and abnormals
- £1.15m to strengthen the client-side team.

6.3.4. The Council took responsibility for the project in late summer 2018, moving the majority of project control and management away from Allied London. As the design has been developed, the Council made specific interventions to ensure the project is suitably resourced to deliver the project with a strengthening of the client team and design capabilities. This included a full-time project lead. The budget included a £5.8m contingency which was deemed tight but sufficient if there were no unforeseen events.

6.3.5. A further £10m was approved to meet inflation costs (then running at between 4% and 7% depending on the project) as part of the 3 June 2020 report to the Executive.

6.3.6. On 6 October 2020 a further report was bought to Resources and Governance Scrutiny and Executive. An additional £45m was allocated to the project:

- £23.2m for the impact COVID-19 with unavoidable and irretrievable additional costs linked to the pandemic – circa £11.5m of direct impacts and associated Covid contingency allowances of £2.75m. The indirect impacts of Covid-19 were largely responsible for £8.87m additional prolongation costs.
- £8.6m predominately for acoustic façade protection and changes in fire legislation post Grenfell.
- £3m for additional project management and design co-ordination costs including the detailed architect to support the work of OMA. They have been critical in ensuring the work packages have the level of detail required for the UK construction market.
- £10.1m contingency

6.3.7. The increase was funded from:

- £21m ACE Cultural Capital Kickstart Fund to support capital projects impacted by covid-19
- £19m sponsorship funding (bringing the total target to £24m)
- £5m from MCC who are actively seeking long term funding through an Enterprise Zone.

6.3.8. At that point, of the 39 work packages, six had been completed (£3.9m) and seven were on site to the value of £52.5m. A further 12 work packages (worth c£34m) had been tendered with a further 14 packages, worth £24.1m, at the pre-tender stage. The programme was based on beneficial occupation in October

2022, completion of the building late December 2022 and completion of commissioning in February 2022. The total approved capital budget is currently £185.6m.

7.0. **Construction Project – Position at October 2022**

- 7.1. As at October 2022, very positive progress is being maintained on site. All the detailed design work has been completed and the static completion dates are now instructed. Of the work packages, £50.3m have gone through the final account stage, £58.8m have been procured at fixed lump sum, £16.3m are provisional sums and £3.3m is yet to be procured.
- 7.2. However, the external environment has remained and continues to be extremely challenging, particularly with the conflict in Ukraine which has disrupted the supply chain and contributed to unprecedented levels of inflation. The shortages in the labour market have also had an impact. The latest statistics from the Department for Business, Energy and Industrial Strategy (BEIS) for June 2022 showed an overall increase of 26.4% in prices for 'all work' (new housing, other new work, and repairs and maintenance) compared to June 2021, and a 1.3% increase since the previous month. In particular, the price for concrete reinforcement bars is up 58.2%, fabricated structural steel is up by 46.3% and pre-cast concrete products are up by 28.3% compared to prices seen in June 2021. While material prices continue to increase month on month, the rate of increase of total prices appears to have slowed slightly. Covid-19 restrictions have remained for the construction industry throughout the whole period, which has continued to impact on productivity. It is not yet known what impact the mini budget will have on the construction industry, but it is likely to increase costs further with inflationary pressures and rising costs of finance.
- 7.3. The complexity of the project and the challenges of design co-ordination on the steel structure have also continued to impact on cost, with the most material issue being changes required to accommodate the final requirements for the Mechanical and Electrics work package (MEP) where further work has been required to ensure that the structure and acoustic treatments are aligned to the MEP installations.
- 7.4. The project has been very tightly managed, and it is worth noting the value engineering and strive targets have been exceeded, contributing £2.1m back to the Factory International budget. The project team can also demonstrate a further £5m of cost mitigation or avoidance.
- 7.5. The project team have worked hard to preserve the programme completion dates.
- Beneficial occupation is still enabled for October with the detailed commissioning and fit out plans being finalised.

- The final completion of the building or static completion of the building will now be substantially complete in January rather than December. The remaining works to the foyer, final finishes and seating will then be installed completing in March.
 - The commissioning timescales have now moved from completing in February to March, with planned acceleration works to ensure this date is achieved. The final testing and sign off to conclude in June 2023.
- 7.6. Taking all of the above into account, before the application of contingencies and risk allowances and additional value engineering, the project is facing gross cost pressures of c£38.5m. and a net pressure of £19.7m. Note this does not allow for any acceleration works required.
- 7.7. The cost pressures include:
- £1.5m direct impact of the continued covid-19 restrictions
 - £9.1m (£2.9m inflation + £6.2m) inflation, market and programme pressures to date
 - £16.5m scope gap, design co-ordination and unforeseen events including the requirement for further additional steel and massing to protect the acoustic integrity of the building. Further fire safety measures, additional maintenance access and operator systems support were also introduced to meet performance requirements. Lighting, security and containment had provisional sum allowances in the works package resulting in the final design increasing costs. It is normal for a project of this scale to see a large volume of minor changes, some construction scope gaps and design co-ordination issues, and risk allowances are made to cover these.
 - £8.4m for additional programme costs including prolongation costs, additional storage costs for materials, impact of hyperinflation particularly on steelwork and increases to provisional sum allowances for MEP revised programme and associated inflation and prelims for the movement in static completion dates and extension of the commissioning period.
 - £3m - client-side costs – which largely relate to the need to retain the full detailed design architect team for a longer period.
- 7.8. The above is offset by £16.7m of risk allowances and contingencies and the additional £2.1m strive achieved. However, the budget did not allow for the exceptional levels of inflation and supply chain challenges that are still being experienced. The complexity of the design and residual design co-ordination issues that have been addressed means that there was no scope in the contingencies and risk allowances to absorb the impact of market issues and inflation or the changes to programme dates.
- 7.9. As demonstrated above the client-side team have been successful in achieving value engineering and strive savings in extremely difficult circumstances and the investment in the client-side team has more than paid for itself. The budget

increase allows for the retention of the client-side team including the detailed design architects. This will ensure the continued tight grip on the project and that any residual design issues can be addressed straight away without damaging the critical path.

- 7.10. The total forecast outturn position is a shortfall of £19.7m excluding the acceleration works, additional contingencies and risks.
- 7.11. In order to ensure that the project can complete to programme and to mitigate any other unforeseen discovery issues, a programme of acceleration works will be required which necessitate an increase in resources, including for example to facilitate some Saturday working and double shifts. A further sum of £4m is required to make allowance for any acceleration, contingency and risk costs. This brings the additional budget requirement to £25.2m.
- 7.12. It should be noted that the Council is currently engaged in negotiations with the management contractor to conclude the costs of the remaining works. However, in the current climate, total cost surety is only likely to be reached when all the packages are procured, and the project is nearing completion.

8.0. Fit Out of The Factory

- 8.1. The MIF business plan included £5m to cover the fit-out costs of the project. In 2020 this was increased to £6m to include the rigging, sound system and ICT network, using cost estimates at that time. The cost of these items has increased substantially and stands at £3.6m rather than at the £1m estimated. The final recommended schedule for all of the FFE required has now been completed and subject to considerable due diligence from a range of third-party specialists with a total cost requirement of £13.8m - a combined increase of £7.8m. This includes the impact of inflation, £1m fitting and installation costs and £700k contingency and an allowance for inflation.
- 8.2. The fit out is essential to the opening of the building. The opportunity for MIF to fund the increased costs has been explored. Like all arts organisations MIF are facing significant cost pressures from pay and inflation and there is not scope within the business plan to fund the majority of the additional costs without threatening the viability of MIF and the Council have been asked to underwrite them.
- 8.3. The Council have undertaken a due diligence exercise on the FFE costs with support from an experienced Technical Director. Whilst there could be a couple of minor queries no issues that are material to the specification or scope have been identified. The grid and trussing are essential to the utilisation of the performance space and the scale of the building does require a lot of supporting winches and truss. The sound and lighting scope and room fit out scopes have also been confirmed as reasonable. Options to hire equipment on a show-by-show basis and hence reduce the fit-out costs would significantly impact the business plan

and be difficult to make work in practice. Particularly with the planned use of the space for rehearsals and event creation and music events. Finally, it is worth noting that unlike an arts operator moving to a new building MIF are not moving from an existing venue and hence have less legacy kit to apply which again increases the cost.

- 8.4. With high inflation and longer than usual lead in periods for ordering equipment it is essential that orders can be placed promptly.

9.0. Funding of the capital and FFE cost pressures.

- 9.1. The recommendations in this report are to secure the completion of The Factory project and its longer-term success. The report outlines the significant direct, economic and social value benefits that are being secured. Under the contract and the conditions for the KickStart funding the Council are required to underwrite any further increases in construction costs.
- 9.2. Given the exceptional circumstances and that external factors have driven a significant proportion of the cost increases for the construction project and for the FFE, discussions have been held with government officials at the Factory Oversight Group about potential sources of funding.
- 9.3. The report outlines the extremely challenging circumstances that the project is being delivered in with unprecedented levels of inflation, workforce shortages and supply chain disruption. This has significantly impacted on the construction and fit out costs for the building. In order to ensure successful completion, the increased costs of £25.2m for the construction project will be funded from £10m from the Council's capital scheme inflation provision which is already included in the Capital Budget and £15.2m to be underwritten from borrowing.
- 9.4. The £7.8m increased costs of the fit out of Factory International includes £500k provision for further unforeseen costs and will also be underwritten from capital receipts as the venue will not be able to operate without this investment. It is proposed that the funding is provided to MIF to be drawn down as costs are incurred with £500k of the funding to be retained as a contingency to cover any further unforeseen costs.
- 9.5. The above can be contained from within the planned Council borrowing and will not increase revenue borrowing costs. However, there is an opportunity cost of using the funding for Factory International. Of particular importance is the long-term relationship with Factory International on the funding raising and naming rights income. The principles of a 70/30 split for naming rights income have been established (net of fulfilment costs) as set out below, which will both repay the MCC capital investment and also secure the longer-term financial stability of Factory International.

- 9.6. The additional regeneration of the St John's Quarter, of which Factory International is the anchor, will generate an additional £830k per annum in business rates in 2022/23 which is projected to increase. The Council will continue to press for an Enterprise Zone as part of the Greater Manchester Trailblazer /Investment Zone discussions to secure these benefits for the longer term and support the funding of Factory International.
- 9.7. This is a long-term proposition that will enable the Council to gain the benefits from its investment and ultimately the repayment of the capital expenditure.

10.0. Fundraising Strategy

- 10.1. The existing fundraising and commercial sponsorship target for Factory International is £24.17m.
- 10.2. Considerable work has been carried out to raise the profile of Factory International and develop opportunities to maximise the commercial funding potential. A detailed plan has been developed to secure external funds through a variety of strategic approaches, extending across the breadth of the fundraising landscape. For the fundraising target of £24.17m, MIF originally engaged commercial data scientists Nielsen to undertake a thorough evaluation of the fundraising targets for Factory who then modelled a five-year campaign from 2021 and has evaluated the available inventory to support projected income targets for commercial sponsorship and philanthropic support. Nielsen were confident the income projections are achievable.
- 10.3. The campaign is delivered via three **concurrent strategic principles**, which are fundamental to securing support at the highest levels:
- 1: Creating an integrated and coordinated approach to philanthropic fundraising and commercial naming rights, sponsorship and revenue fundraising;
 - 2: Developing a research informed strategy to target the highest 6 figure and 7 figure philanthropic prospects who combine capacity with propensity for supporting the Arts or a major venue in the Northwest;
 - 3: Implementing an extensive ethics process that will ensure any associated sponsors fully align with the Council and Factory International's brand values. Factory Trust has been established to advance education and the arts for public benefit with a focus on activities taking place within and connected to Factory International. The Factory Trust leads on the fundraising activities which underpin the capital needs of Factory International and wider strategic efforts to ensure it is accessible to all. A fundraising team is in place and to date the team have successfully raised £2m, with a further £150k secured and a further £888k contribution to skills and training. It is understood that there are c20 prioritised prospects of which 11 are capable of securing a seven-figure fit. Phasing of

philanthropic giving will be weighted in advance of opening but will also cascade over a number of years.

- 10.4. For the delivery of the commercial sponsorship and the headline venue naming rights partner, and secondary commercial sponsorships, a specialist agency has been appointed by MIF in consultation with the Council. Overall, there is a minimum £24.17m capital fundraising target.
- 10.5. With regard to the fundraising agreements and the naming rights agreements for Factory International, MIF will act as the Council's agent. The key commercial deal driver is to ensure the brand is delivered well to ensure longevity of partnership and long-term revenue to support the capital funding and the financial sustainability of MIF. An in principal agreement has been reached that there will be a 70/30 split of revenue (net of fulfilment costs) until the capital costs and fit out costs are met. It is recognised that these will be long term relationships and it is important to get the right balance between protecting the Council's interests, ensuring the sponsors receive good value for money from the relationship and that the financial position of MIF is secured.
- 10.6. Active discussions are happening with potential naming rights sponsors and a range of other commercial opportunities are being pursued.
- 10.7. Through the above measures, MIF are confident they will secure the commercial and philanthropic opportunities necessary to support Factory International.

11.0. Operation of The Factory

- 11.1. Critical to the success of the venue will be the readiness of MIF to successfully operate the venue through a sustainable business plan that delivers the project's creative, social and cultural vision.
- 11.2. Factory International is acutely aware of the cost-of-living crisis affecting residents and cultural venues across the UK. This challenge places increased importance on the organisation's strategy to make Factory International truly accessible for all audiences, and Factory International are working hard to develop programmes and initiatives that help to deliver this vision.
- 11.3. To avoid large unbudgeted costs in the future, Factory International will also commit to an annual sinking fund contribution of £253k in order to ensure the venue's critical items are kept in full working order throughout the duration of the lease. The Council will match this contribution. For MIF this will be held as a ringfenced reserve. For the Council this will be held as part of the AMP reserve.
- 11.4. All assumptions within this business plan are based on a timeline of practical completion in June 2023 and opening of the venue to audiences via a soft launch in late June 2023.

- 11.5. To support the opening of Factory International the agreements outlined in the section of the report below are being established.

12.0. Contractual Arrangements

- 12.1. To support the opening of Factory International the following key agreements are in place or will be in place (together with other ancillary arrangements) prior to its opening. These include:

Collaboration Agreement between MIF and the Council. This sets out the principles of collaboration in respect of the delivery and operation of Factory International.

Agreement for lease and lease. This sets out the detailed terms of MIFs occupation of Factory for a period of 30 years.

Management Agreement. The Council previously agreed to the payment of £1.5m per annum for a period of 10 years. The payment is in consideration of MIF operating and managing the venue and achieving various cultural KPIs

Funding Agreement between ACE and MIF. This provides for the payment of £9.8m per annum funding from Arts Council England and other government grants.

Sponsorship Agreements between the identified Sponsor(s) and the Council to govern the sponsorship arrangements and payment of fees in consideration of naming rights and other benefits, for example, tickets.

Sponsorship Back to Back Agreements between the Council and MIF. MIF is committed to supporting the Council to meet its obligations under all Sponsorship arrangements and individual funding targets to be achieved.

Agency Agreement between the Council and MIF. This will govern the relationship in respect of identifying a sponsor(s), fundraising arrangements, the initial target to be achieved including providing a net £24.17m of funding towards the project capital costs along with £7.8m for fit out costs and further contributions towards capital. This will be a long term relationship that will enable a significant proportion of the Council's capital to be repaid alongside ensuring financial sustainability for MIF.

- 12.2. Finally, The Factory Trust has been established with a focus on activities taking place within and connected to Factory International and it will support fundraising activities connected to Factory International and will lead on such fundraising activities which underpin the capital needs of Factory International and wider strategic efforts to ensure the venue is accessible to all.

13.0. Manchester International Festival Update

- 13.1. Factory International will provide a permanent home for Manchester International Festival. Building upon their expertise in delivering high profile complex productions, the organisation is expanding to deliver new audiences, community engagement, fundraising, financial management, artistic planning, production and technical capabilities to support the ambitious programme.
- 13.2. Factory International will bring jobs, skills, training and creative opportunities as a major employer for the area. Approximately 142 new permanent jobs have already been created for Factory International since 2018. There will be over 150 permanent roles at Factory International, with more than 300 additional members working across Front of House, Technical, Production and Ticketing teams. Factory International will also continue to provide significant employment opportunities for freelancers - engaging with approximately 2,000 freelancers when running the biennial festival and year-round.

14.0. Factory International Programme

- 14.1. Factory International will be programmed and operated by the team behind the world-famous Manchester International Festival (MIF), commissioning and presenting a year-round programme of original creative work, music and special events by leading artists from across the world. MIF will continue to take place every two years, bringing new work to venues and found spaces across Greater Manchester, working with the region's cultural organisations.
- 14.2. The new venue will offer audiences the opportunity to enjoy the broadest range of art forms and cultural experiences year-round and in a new world-class facility - including dance, theatre, music, visual arts, spoken word, popular culture and innovative contemporary work incorporating multiple media and technologies. It will also add to the city's thriving music scene, presenting over 80 gigs of all genres year-round.
- 14.3. The official opening production will be *Free Your Mind*, a large-scale immersive performance based on The Matrix films presented across the building's ultra-flexible spaces. This dramatic retelling through dance, music and visual effects will bring together the visceral movement of choreographer **Kenrick 'H2O' Sandy MBE** with a powerful score from renowned composer **Michael 'Mikey J' Asante MBE** (co-founders and artistic directors of the Olivier award-winning Boy Blue), world-leading designer **Es Devlin's** immense stage sculptures and the work of the acclaimed writer **Sabrina Mahfouz** – all directed by **Danny Boyle**. Using spectacular visual effects, a cast of professional dancers and hundreds of Manchester participants will recreate some of the film's most iconic scenes, provoking visions of an alternative future. (18 October -5 November 2023)
- 14.4. Before the official opening, the new venue will form the centerpiece of the 2023 Manchester International Festival (which will return across the city from 29 June to 16 July) with a blockbuster art show in its main warehouse space. *You, Me and the Balloons* is a major exhibition celebrating three decades of **Yayoi Kusama's**

spectacular inflatable sculptures, shown together for the first time. Created especially for Factory International, this will be the Japanese artist's largest ever immersive environment, featuring works that are over ten metres tall - including giant dolls, spectacular tendrilled landscapes and a vast constellation of polka-dot spheres. (29 June – 29 August 2023).

- 14.5. Following *Free Your Mind*, a wide range of music, circus, art and fashion will fill the building and its outdoor spaces during *The Welcome*, a nine-day programme developed by Greater Manchester residents. Building on Manchester International Festival's strong history of working with local people to choose and programme artists and events, *The Community* decision making will be at the heart of the organisation from the outset with *The Welcome*, a series of free events entirely chosen and curated by a group of Greater Manchester residents aged 17 to 70, which builds on MIF's substantial history of community co-curation. A mix of music, circus, public art and fashion will take over the building's spaces, introducing audiences to different parts of the building and providing a space for people to meet, experiment and play. (11-19 November 2023).
- 14.6. Reflecting Factory International's commitment to ensuring access to the widest possible audiences, 5000 tickets will be available for Free Your Mind at £10 or less as part of an affordable pricing strategy that will see discounted tickets for Manchester communities across its year-round programme.

15.0. Artist Development

- 15.1. Factory International will be a training ground for the next generation of creators from Manchester, the North of England and around the world. Building on MIF's track record of commissioning artists to be bold, take risks and make new work, Factory International will support hundreds of emerging and mid-career artists each year. The focus will be on creating opportunities for artists from the North of England, particularly those most underrepresented in the sector, to develop work at scale, to be interdisciplinary and support the development of new international networks to export talent from the region.
- 15.2. New programmes of work for artists from Greater Manchester and the North include a new annual Factory International Fellowship (building on the Festival's Creative Fellowship) which will offer six artists from the north within the first ten years of their career the opportunity to shadow the creation of major new work at Factory International and the festival, providing bursaries and dedicated artistic support. Artist Takeover will be a new Factory International programme dedicated to showcasing new and exciting artists from Greater Manchester and the North of England.

16.0. Creative Engagement

16.1. Inspiring local communities is central to the vision for Factory International, and a creative engagement strategy will be delivered that will focus on the following workstreams;

1. **Community building** - pioneering new ways of connecting, building trust and creating life-changing opportunities with communities across Manchester and Greater Manchester.
2. **World Class participatory engagement** - residents across Manchester will be offered the opportunity to work alongside some of the world's leading artists in flagship commissions for both the Festival and The Factory.
3. **Agency** - Factory International will be opened with *The Factory Welcome*, created with, by and for the people of Manchester
4. **Artist Development** - We will grow our links, opportunity and impact for artists from Greater Manchester and the North.
5. **Children and Young People Cultural Enrichment** - relationships with the education and youth sectors will continue to be developed establishing new year-round activity with schools, colleges, the city's three universities and youth support groups
6. **Volunteering** - MIF's commitment to a successful and rewarding volunteer programme will be embraced – scoping out in 2022/23 year-round opportunities at The Factory

16.2. With regards to early years education, Factory International has already begun delivering creative education programmes to hundreds of young people aged 9-14 across Greater Manchester with a focus around social and emotional learning, teamwork, leadership and resilience. These creative programmes will be integrated into the curriculum for future year groups with the learnings and resources made available to schools and youth centres.

16.3. Factory International is a member of MADE, Manchester's Cultural Education Partnership, a collaboration between culture and education organisations from across Manchester, including art galleries, museums, theatres, schools, colleges, which helps deliver a creative curriculum, enhancing learning and developing skills in creativity (engaging over 5000 young people in 2022).

17.0. Environmental sustainability

17.1. Factory International will be on a committed path towards zero-carbon activity by 2025, using operational data from 2023-2024 as a benchmark. Factory International will operate a 'Zero Waste to Landfill' policy, and work towards a circular economy approach to materials – seeking to reuse wherever possible.

17.2. In 2010, MIF helped to set up the Manchester Arts Sustainability Team (MAST), a citywide alliance to tackle sustainability issues in the cultural sector. The network, which Factory International helps facilitate, has expanded across the region as GMAST which provides leadership and guidance to drive collective action to support our region becoming carbon neutral by 2038.

This page is intentionally left blank

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 11 October 2022

Subject: Our Town Hall Project – Progress Update

Report of: Deputy Chief Executive and City Treasurer

Summary

Previous reports to the Executive Committee and Resources and Governance Scrutiny Committee have provided regular progress reports on the refurbishment and partial restoration of the Town Hall and Albert Square under the Our Town Hall (OTH) project. This report provides Members with a further update on the progress with the project since the last report to Resources and Governance Scrutiny Committee in July 2021.

Recommendations

The Committee is recommended to note:

- The project has moved from a position of 74% cost surety in July 2021 (by value of packages procured) to 90% at end June 2022.
 - Following a very challenging period for construction more generally and specifically for a heritage project of this nature, the Date for Completion (25 June 2024) is under review following a series of delay claims from Works Package Contractors.
 - The project cost plan (for Construction) is reporting within budget, but there are significant risk pressures that have continued to build in the period since Notice to Proceed (NTP).
 - Excellent progress is being made with Social Value, with a number of the Project's Social Value KPIs having already been over-delivered.
 - The project has been recognized as an exemplar model of construction industry best practice that is delivering first rate quality, opportunities for the people of Manchester and is respectful of the environmental impact construction can have on neighbouring businesses.
 - Work is under way to develop the operating model for the building, including revenue costs.
-

Wards Affected: All

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

Our Town Hall will significantly increase its energy efficiency through the refurbishment process.

Carbon emissions per person will be reduced through increasing the efficiency of the building services and increasing the use of the building. The operational phase of the project is predicted to emit between 20,223 and 22,303 T CO₂e between 2024 and 2038. The carbon emissions per person are reduced between 17% and 24% when compared to pre-refurbishment CO₂ emissions, and the energy consumption per head is reduced by up to 43%.

The construction phase of the project is forecast to emit 402 tonnes of CO₂. This number is significantly lower than a typical construction project of this scale, through the procurement of renewable electricity for the construction period and limiting the use of diesel powered equipment.

Our Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Manchester Town Hall refurbishment will provide the opportunity for a significant increase in employment within the building.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	The refurbishment will provide new opportunities for young people and graduates, including apprenticeships and work placements.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	<p>The refurbishment will increase the productivity and the efficiency of Council staff and support the development of an equitable city, taking advantage of new opportunities offered by devolution.</p> <p>There is also the opportunity through the co-location of public and private uses and new modern meetings rooms to promote collaboration and networking to strengthen the collaboration between organisations, businesses and residents, including the community and voluntary sector.</p>

A liveable and low carbon city: a destination of choice to live, visit, work	The refurbishment will contribute to sustainable economic growth by retaining employment within a central location. It will significantly enhance the Town Hall's energy efficiency and enable the incorporation of sustainable design features.
A connected city: world class infrastructure and connectivity to drive growth	The refurbishment will retain and improve public uses within an accessible city centre location, connected to residents and visitors by the City's expanding public transport network. The work will reinforce the City's role as the centre of public and private sector networks and meetings in the north, with connections through the Airport to support international events.

Contact Officers:

Name: Carol Culley
Position: City Treasurer
Telephone: 0161 234 3406
E-mail: carol.culley@manchester.gov.uk

Name: Paul Candelent
Position: Project Director
Telephone: 0161 234 1401
E-mail: paul.candelent@manchester.gov.uk

Name: Jared Allen
Position: Director of Capital Programmes
Telephone: 0161 234 5683
E-mail: jared.allen@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.

1. Report to Executive Committee – Town Hall Complex Strategy – 23 July 2008
2. Report to Executive Committee – Town Hall Complex Programme – Transforming Customer Experience – 11 February 2009
3. Report to Executive Committee – Town Hall and Albert Square Maintenance Programme – 1 October 2014
4. Report to Executive Committee – The Refurbishment of Manchester Town Hall and Albert Square: 'Our Town Hall' – 27 July 2016

5. Report to Executive Committee – The Refurbishment of Manchester Town Hall and Albert Square: ‘Our Town Hall’ – 16 November 2016
6. Report to Executive Committee – Capital Programme (Budget 2017/18 – 2021/22) – 11 January 2017
7. Report to Executive Committee – Manchester Town Hall and Albert Square: ‘Our Town Hall’ – 8 March 2017
8. Report to Resources and Governance Scrutiny Committee – Our Town Hall Social Value and Communications – 22 June 2017
9. Report to Resources and Governance Scrutiny Committee – ‘Our Town Hall’ – 7 September 2017
10. Report to Executive Committee – Manchester Town Hall and Albert Square: ‘Our Town Hall’ – 13 September 2017
11. Report to Resources and Governance Scrutiny Committee – Manchester Town Hall and Albert Square ‘Our Town Hall’ – 9 November 2017
12. Report to Resources and Governance Scrutiny Committee - Manchester Town Hall and Albert Square ‘Our Town Hall’ – 1 February 2018
13. Report to Resources and Governance Scrutiny Committee Ethical Procurement Sub Group – 22 February 2018
14. Report to Resources and Governance Scrutiny Committee – Our Town Hall Project – Budget Position Update – 24 May 2018
15. Report to Ethical Procurement and Contract Monitoring Sub-Group - 7 June 2018
16. Report to Council – 11 July 2018 – ‘Our Town Hall update’
17. Report to Resources and Governance Scrutiny Committee- 06 September 2018 - ‘Management Contractor Procurement.’
18. Report to Report to Resources and Governance Scrutiny Committee – 06 December 2018 – ‘Letting of the Management Contract’
19. Report to Executive Committee – 12 December 2018 – ‘Management Contractor Appointment’
20. Report to Ethical Procurement and Contract Monitoring Sub-Group – 31 July 2019
21. Report to Ethical Procurement and Contract Monitoring Sub-Group – 04 October 2019
22. Report to Report to Resources and Governance Scrutiny Committee – 24 February 2020 – ‘Notice to Proceed to into Construction.’
23. Report to Executive Committee – Capital Programme Update-Addendum to Capital Programme Update Report-Our Town Hall Project-Deferred Notice to Proceed into Construction – 03 July 2020.
24. Report to Resources and Governance Scrutiny Committee – 20 July 2021

1.0 Introduction and background

1.1 The report to Resources & Governance Scrutiny Committee in July 2021 reported that:

- Good progress was noted against the project's Social Value objectives. It was noted that the project was forecasting to achieve or exceed all of its objectives, and that the forecast Social Value ROI was £11.5m, which equates to 3.7% of the overall capital budget.
- The project was forecasting to budget on both Capital & Revenue, albeit a potential underspend on revenue exists.
- It was noted that the project was 40% through the construction works, and that the Date for Completion had been adjusted to 25 June 2024.
- Package procurement had delivered cost surety (by value of works packages procured) of 74%.
- The delay to the construction handover date had resulted from the further impact of Covid-19; the nesting falcons; the impact of Discovery on the critical path; delays with the completion of stage 4 design for some work packages; and the challenging market position leading to delays in appointing some Works Package Contractors as the initial tenders have been in excess of budget.

1.2 The current position is that:

- The project is making excellent progress against its Social Value objectives and has already exceeded a number of its KPI objectives. The project is forecast to deliver a Social Value ROI of £13.13m, which equates to 4.25% of the overall capital budget. A significant percentage of the project spend has been delivered in Manchester and opportunities for Manchester residents have been delivered through new jobs, training and development. See section 3 below for further details.
- With two years to operational launch of the building, work is underway to develop the detail of how the building will run, including revenue budgeting.
- Package procurement had advanced to 90% cost surety (by value of works packages procured) by end June 2022. We have 20 works packages still to procure, at a budget value of £28m.
- The project is 50% through the construction works, and the quality of the works is first rate. Albert Square has been opened temporarily to the public in order that the neighbouring hospitality businesses were able to benefit from increased traffic in the Square during the summer period. The response has been very positive. Please see appendix 1 for photographs of the works in progress.

- The project has been recognized by the Monitor for the Considerate Constructor's Scheme (CCS). CCS is a not-for-profit independent organisation founded to raise standards in construction and encourage best practice building. It has become the benchmark standard for the industry. Here is a quote from the Executive Summary of the report:

'The site continues to look exceptional, which is appropriate for a project that is determined to be a showcase for the construction industry in Manchester. The consideration for those affected by the works is exceptional and consultation with some of them has led to a refinement in the timing of the public realm works. Of particular note is the contribution to and engagement with the wider community. Despite the Covid-19 restrictions they have managed to realise a wealth of local employment opportunities and collaboration with colleges, universities and charities/community groups. The project demonstrates how environmental issues can still be a strong focus in the restoration of a listed building. From established safety systems, and those added to address Covid-19, to the ongoing drive to embed a culture of continuous improvement the site seems to be operating to the very highest standards. The standard of the facilities and the care and support for the workforce is also exemplary. The variety of on-site talks are a notable feature covering diversity issues, the appreciation of other people's skills and the promotion of a healthy lifestyle. As a visitor there is a strong sense of this being a team enjoying their involvement in this project.'

- The project has recorded an exceptional 1.6 million person hours without critical injury or incident, and has been the subject of a number of very positive media broadcasts in the period since NTP, all of which has put the project and the City Council in a very positive light. These have included Sky News in August 2021, Granada Reports in August 2021, The Manchester Evening News in July 2021 and June 2022, BBC Northwest Tonight in November 2021, and a TV documentary series entitled *Great British Landmark Fixers* in December 2021.
- The quality of work undertaken is extremely high, and has been recognized by both Historic England and the Victorian Society (both of whom are statutory consultees to the Local Planning Authority). Following visits in February, they recorded:
 - Historic England: *'Thank you so much for a fascinating and inspiring visit to the Town Hall yesterday. My mind is blown by the logistical planning that has gone into the programme.....never mind the skills and detailing of the programme. An exemplar project and great to be able to share....'*
 - The Victorian Society: *'It was a privilege to see the care and thoroughness which you and your colleagues are devoting to the project. Since the repair and restoration was first announced I have*

taken every opportunity to praise the City Council for committing the huge resource necessary to achieve first class conservation and renewal. To see the work under way is very gratifying. I arrived home on a high!

- Despite a very challenging 18-month period, the contract date for completion of the construction works remains 25 June 2024. These challenges have included the further impact of Covid-19; the impact of Discovery on the critical path; delays with the completion of stage 4 design for some work packages; and the ongoing market conditions that have resulted in further delay in appointing Works Package Contractors, both as the result of some tenders exceeding budget and some contractors declining to tender. The impact of these challenges on the date for completion of the construction works is under review.
- The project is still reporting on budget on both Capital & Revenue, but as a result of these challenges, the risk envelope has increased significantly, and were 100% of all risks realized, the project would be likely to overrun budget by £17m. The financial risk is further detailed in section 9 below.
- A summary of the latest approved position, actual spend to date and forecast against the latest budget is illustrated in Table 1.

Table 1 – Current Capital and Revenue Budgets and Forecasts

OTH Budget	Budget	Total Spend to date to March 22	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	Total Forecast Spend
Budget	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Construction (inc Contingency Plan)	258,046	80,552	70,571	79,170	27,753	258,046
MCC -Client & Professional	35,933	23,686	5,068	4,618	2,560	35,933
MCC Direct	1,616	456	-	-	1,160	1,616
Remaining Contingency	10,747				10,747	10,747
Total Capital	306,342	104,695	75,639	83,788	42,220	306,342
Revenue	18,622	11,685	1,623	2,481	2,584	18,372
Total Project Budget	324,964	116,379	77,262	86,269	44,804	324,714

2.0 Update on the Operating Model

2.1 With two years to operational launch of the building, work is underway to develop the detail of how the building will run, including revenue budgeting.

2.2 The following occupants are planned to be in the building when it reopens:

- Lower Ground – Facilities Management team for plant and security spaces. Curatorial space for management and storage of heritage assets. Cycle storage. Activity space for council staff (a facility like “The Garden” in the Town Hall Extension).

- Ground Floor – Visitor Experience team plus retail offer. Event reception spaces including retail café. Support space for the catering offer. Public meeting rooms and public toilet and welfare facilities
 - First Floor – Catering and banqueting and support space. Registrars' ceremony space. Public meeting rooms.
 - Second Floor – Executive members (Lloyd Street elevation) and SMT (Princess St elevation).
 - Third Floor – Coroner's service including the non-jury court. The Lord Mayor and the Civic and Ceremonial Office.
 - Fourth Floor – The Registrars Service (Princess St elevation) and Coroner's Jury Court and number 3 court (Lloyd Street elevation).
 - Fifth Floor – Legal Services, Elections, Governance and Scrutiny.
 - Sixth Floor – Legal Services, Elections, Governance and Scrutiny.
- 2.3 The relocation of Legal Services, Elections, and the Governance and Scrutiny Unit into the Town Hall will release approximately 1,200m² of space in the Town Hall Extension. Discussions are underway with NHS Partners about their future accommodation requirements, in the context of work to dispose of their leased accommodation at Parkway Business Centre, and a review of NHS use at 3 Piccadilly Place. This work is part of the overall asset review being undertaken as part of the Strategic Asset Management Plan.
- 2.4 The Visitor Experience workstream includes the delivery of a Visitor Centre and supplementary services that aims to open up the hidden heritage of the Town Hall, creating a digital archive and interpretation hub for the city's most iconic location. The project will connect with the city's diverse communities, encouraging them to share their stories and images to create a new narrative for the building. The project will address under-representation in the building's existing story and collections, including women and people from diverse ethnic backgrounds. The first stages of public consultation and engagement are underway to inform development of the design for the Visitor Experience.
- 2.5 Work is being carried out to understand the revenue implications. As part of the original Town Hall investment business case, and before closure of the building, revenue budgets were identified as part of the business case for overall investment requirements. These totalled c£800k, allowing for utilities, staffing and preventative and planned maintenance.
- 2.6 It is likely that the actual costs will be considerably higher. Issues being worked through include:
- The original 'front door' access model will be revisited for those visitors to the complex arriving to meet officers and members.
 - The building security arrangements will be very different based on the first point of security being the perimeter to Albert Square rather than the Town Hall building.
 - The fire risk assessment work is currently being undertaken and will inform the required staffing operating model.

- Higher operating costs for the new building management systems and a higher budget requirement (both revenue and AMP) based on the whole life cycle costs for the building.

2.7 The contract has now been let to Manchester Central for the operation of the Food & Beverage offer and use of the civic and event space. This has the potential to deliver additional income for the Council through the Manchester Central Guarantee and Profit Share. The relocation of the Mayoral suite back into the Town Hall will also release space in Central Library for commercial use.

2.8 Work is underway to incorporate operating and revenue costs into the budget process. This report will update the Resource and Governance Scrutiny Committee on the further progress made since our last Social Value update in July 2021.

3.0 Social Value Update

3.1 Achieving economic and social value for Manchester has been a core project objective from the very start. To date there has been excellent progress made against the project KPIs and in the way in which social value has become embedded in the wider project team's day to day work. This report will update the Resource and Governance Scrutiny Committee on the further progress made since our last Social Value update July 2021.

3.2 As noted above, the project is currently forecast to deliver a Social Value ROI of £13.13m, which equates to 4.25% of the overall capital budget.

3.3 Progress against each of the project KPIs is noted below:

- Local Spend – 56.75% of the project spend has been in Manchester against a baseline target of 40%.
- Local Labour – 45% of the current project workforce is made up of Manchester residents against a baseline target of 30%.
- New Jobs Created – 237 jobs have been created across the Project Team of which over 40% have been filled by Manchester residents, against a baseline of 36 new jobs.
- New Apprenticeships – of a base target of 100, 75 apprenticeships have been delivered at level 2 and 3. Of these 68 have been filled by Manchester residents in supply chain roles and heritage trades on the project. Successful partnerships have continued with employment brokers to help fulfil available apprenticeship roles, these brokers include DWP, B2W, and ProcurePlus.
- New Higher-Level Apprenticeships – to date 48 higher level apprenticeships have been delivered on the project of a base target of 50. This includes the first cohort of PlanBEE apprentices from 2021-22,

with an additional 6 PlanBEE apprentices joining the project from September 2022.

- School Engagement – against a project target of 50, 156 sessions have been held in Manchester schools covering careers, employment, and STEM. Project staff have delivered these sessions to schools across the geographical breadth of the city to ensure inclusivity of access to the project.
- Work Experience – against a project target of 100, 110 placements provided for residents, school and college students including T-Level placements and Level 3 Architectural, Construction Engineering (ACE) Scholarship placements with the Manchester College. This includes bespoke work experience delivered to special educational needs students in Manchester schools.
- Higher Education Engagement – 35 research projects have to date been completed (100% of the project base target) including the annual Manchester School of Architecture Events programme.
- Volunteering – against a project target of 10,000 hours, 5,740 hours of voluntary time has been provided to support Manchester projects including Station South (Levenshulme), Longsight Youth Club, and Manchester Youth Zone

3.4 All contractors working on the project are asked to commit to paying the real living wage and avoid employing people on zero-hour contracts. The Council's Ethical Procurement Policy is embedded into the contract with Lendlease and is appropriately reflected throughout the project supply chain.

3.5 The project will continue to align project activity with specific training and skills for priority resident groups whilst continuing to challenge diversity in the construction industry and open up opportunities that are representative of our Manchester communities. Ways in which this is being done include:

- Incentive Opportunities – employers continue to take advantage of financial incentives linked to apprenticeships, allowing them to employ Manchester residents into apprenticeship roles.
- Manchester Adult Education Service – MAES staff now regularly attend monthly employment brokerage sessions on site, linking their clients to project employment opportunities. Employers on the project also regularly support MAES with employment related activity such as mock interviews.
- University Graduate Engagement – work with Manchester universities to maximise graduate retention in the city by offering industry insight and where possible on-site opportunities at a post-graduate level.

- STEM Podcasts Channel – OTH in collaboration with The Manchester STEM Hub has launched a project podcast channel linking career insights and heritage significance on a platform for young people in Manchester.

3.6 With a further £28m of works packages to procure, further opportunities remain to deliver more economic and social legacy for the people and businesses of Manchester.

4.0 Challenges which have emerged since Notice to Proceed (NTP)

4.1 Some of the challenges that have emerged since NTP were already apparent and were reported to Resources and Governance Scrutiny Committee in July 2021. This update report will look back to NTP and cover in greater detail the challenges still faced by the project and the responses taken by the project team to mitigate their impact.

4.2 At Council Executive in July 2020, the Our Town Hall (OTH) project received approval to issue the Notice to Proceed into the Construction stage of the project. It was noted that in the run-in to NTP, the project had incurred additional capital cost of £3.9m and delay from December 2023 to May 2024, as a result of COVID-19 and disruption caused by falcons nesting within the clock tower.

4.3 At NTP the value of the construction works was £214m and the date for completion of the Works was 14 May 2024. The overall budget was £324m. The level of procurement cost surety (by value of works procured) was 68%. The value of contingencies at NTP was £33.4m, and the risk profile was £49m. It was noted that were 100% of all risks were realised, the project would overspend by £4m. Since then there have been a number of additional challenges:

- Successive waves of COVID-19 continued to impact the construction industry and the project. By the end of 2020, this had accounted for an additional £302k of cost. By the end of 2021 this had increased to £866k.
- The project experienced a hardening of the market, characterised by Works Package Contractors that declined to tender, or excessively high tender returns. By the end of 2020, the value of procured Works Packages was already running £10m in excess of budget.
- Delays by the design team in producing the fully coordinated design, tender and construction level information in accordance with the standards set out in the Design Management Plan. By the end of 2020 the project had successfully achieved 70% cost certainty by value of packages procured (5% behind schedule) but was experiencing significant delays to the procurement of Works Packages. For example, by October 2020, 23 design packages were in delay, and the Management Contractor had identified a consequential delay on future Works Package procurement. By the end of 2021 the position had largely

been mitigated (see Section 5 below), but significant levels of discovery on site have interrupted the flow of routine design release as staff have been diverted to address the changes to design required due to the discovery issues.

- The project has experienced significant cost increases on a number of Works Packages that were subject to post-contract scope validation. These are packages, such as the external stone repairs, for which the final scope was dependent on access from the scaffold and opening up by the works package contractor. By the end of June 2022 this had accounted for an additional £4.8m of cost.

4.4 As outlined above, in the period since NTP the project has been beset by a number of challenges to both cost and programme. For 18 months, the project team has been in mitigation mode, dealing with the further impact of the pandemic, market pressures, including inflation, the extent of discovery on site since the commencement of the construction works, and the stacking effect of delays with the production of tender design. The response to these challenges is set out in Section 5 below.

5.0 Response to the Challenges

5.1 A Project Health Check Report in October 2020 noted that the project was at risk of further time and cost overrun at levels beyond that approved at NTP. It was agreed with Strategic Board to set a Recovery Plan to tackle the challenges which had emerged since NTP.

6.0 The Recovery Plan 2020-21

6.1 The outcome of the Recovery Plan (RP) was reported to Strategic Board on 07 April 2021. At that time, the project had procured circa 70% by value of the Contract Works, and was carrying circa £8m of change costs, the majority associated with package interface/scope issues, design errors/delays and the impact of COVID. The extent of client change was nominal, demonstrating that the Council had largely stuck to its Project Brief.

6.2 The RP was the outcome of 6 months of intensive work by the project team. It addressed 4 key workstreams across 13 sub-headings of activity which had the largest potential impact on cost and programme.

6.3 The RP set out to re-boot the project programme, works package procurement strategy and the risk management plan. It set out a risk mitigation plan and updated the 'likely worse-case' risk envelope. Our commercial TAV (Technical Assurance and Validation advisor), Turner and Townsend, reviewed the commercial drivers and their comments and recommendations were aligned to the steps being taken in the Recovery Plan. Those steps included:

6.4 **Programme review:** The key points noted from the programme review were a 4-week delay on the overall completion date (from 14 May 2024 to 25

June 2024), and a 19-week delay to the Sectional Completion of Albert Square (from 20 October to 15 March 2024). In addition, it was noted that:

- The updated programme had 40% less total float built in across the programme than in the contract programme. This reduction on total float had no direct impact on the critical path, but reduced the time available within the programme to respond to unforeseen risks (such as discovery or value engineering that might be required where tenders were returned in excess of budget).
- A number of workshops had taken place to explore potential delay mitigation. Had the team not worked assiduously to mitigate the impact of the fullest extent of delay, the completion date would have been September 2024, three months later than the updated Accepted Programme.
- The ability of the design team to hit design delivery dates had been and remained a significant risk. Additional resource had been engaged within the team, and Mace provided planning resource to assist Purcell (architect and lead designer) with its resource planning and management.

6.5 **Package procurement review:** the project team reviewed opportunities to move packages away from the Critical Path by, for example, breaking tender packages down to feed the procurement process in order to mitigate the risk of further programme delay. At the same time, the procurement strategy was revisited for each of the unbought packages based on risk-criticality (scale, value, complexity and so on). The outcomes of the procurement review were:

- To fast-track packages through procurement where this could be done without introducing additional commercial risk, for example plaster removal.
- To re-sequence the delivery of packages to take pressure off the design release dates by moving the package away from the Critical Path, for example the dry-lining works package.
- To review the packaging strategy where the market was unable to provide a cost-effective offer. For example, the withdrawal of the stone repair bidders from the process and the consequent commercial pressures at tender had presented a potential 40% cost overrun and the need to achieve a saving of £2m. However, limited capacity within the supply chain had constrained the ability to buy best value. The team re-worked the lotting strategy for the package to enable us to push back elements of the package and buy time to either re-tender later lots or enable incumbent contractors to take on additional work.

- It was noted that the team would continue to review the risk-criticality of unbought packages, to optimise the level of design completion pre-tender rather than necessarily waiting for 100% design completion.

- 6.6 **Risk Review:** the conclusion of the RP was an unmitigated risk profile of between £46m and £74m. The risk probability was modelled using Monte Carlo simulation, a powerful computer model that runs 10,000 simulations. When factored for probability, the range was £9m to £36m. To that end, the factored risk profile was broadly similar to that at NTP.
- 6.7 The Recovery Plan was signed off by Strategic Board in April 2021 as the basis for the ongoing management of the project. The Board noted that the work done in developing the Recovery Plan was a robust response to the challenges experienced to date and those anticipated may arise. At that point, the outturn value of the construction works was forecast at £234m and the date for completion of the Works was 25 June 2024. The level of procurement cost surety (by value of works procured) was 70%. It was noted that if 100% of all risks were realised, the project outturn cost would be £333m, an overspend of £9m. When factored using Monte Carlo simulation, this would adjust to an outturn cost at £72k under budget, or £324m.
- 6.8 Strategic Board noted that the project still had 3 years to run and 45 packages to buy. Design risk, scope/interface risk and programme risk were all risks over which the project team had control and influence and would remain the primary focus of the project team. Third party risk comprised COVID-19, potential Planning concerns on any cost reduction initiatives, market volatility and post Brexit inflation.
- 6.9 Strategic Board was updated on progress with the Recovery Plan on a monthly basis throughout 2021. These updates were used as the basis of the report to Resource and Governance Scrutiny Committee in July 2021.
- 6.10 At the Strategic Board in December 2021, it was reported that the date for completion was under further threat, running at potentially 47 days in delay (to August 2024), and the potential forecast outturn cost was £15m (factored) over the outturn cost reported in the Recovery Plan.

7.0 Background to the Mitigation Action Plan (MAP)

- 7.1 During the second half of 2021, the project continued to experience delays with procurement (arising principally from market appetite to tender, design delay and design change made necessary by discovery) and forecast costs continued to rise closer towards the worse-case factored risk.
- 7.2 Throughout this period, the project team engaged in several further initiatives to mitigate challenges to cost and programme. For example:
- Bees roof light: the team worked collaboratively to break out of the programme the critical path elements such that the steel frame could be

progressed in advance of the glazing system which will be affixed to it. This had a programme benefit of 3 weeks.

- The project achieved approval to the spray plaster finish that had been sourced as an alternative to traditional float plaster, with significant cost and time savings of £1.8m, and 6 weeks respectively.

- 7.3 The challenges from market conditions (inflation, capacity and appetite to tender) showed no signs of abating, and the project was experiencing tender declines on a number of critical Works Packages. This adverse commercial outlook was exacerbated throughout 2021 by the instruction issued by the Construction Leadership Council that all Tier 1 construction sites in England should continue to operate within COVID management guidelines. Furthermore, as the construction industry bounced back from the pandemic, and in common with much of the industry, the OTH project suffered from a spate of staff resignations, which exacerbated the pressure on design delivery.
- 7.4 Between March and September 2021, the project had been subject to circa £17m of change from the agreed budget, of which £11m was drawn from project contingencies. The balance comprised the transfer of budget between works packages.
- 7.5 During October 2021, the Quantity Surveyor reported that the project had dipped into a position where there was a £500k over-spend on the construction contingency, assuming that all Early Warnings¹ were to materialise. By December 2021, the team had re-built the contingency pot to £2.7m through a series of reviews to finalise budget instructions and Early Warnings. Nevertheless, it was clear that the project had encountered a degree of unexpected volatility that looked set to continue for the short to medium term.
- 7.6 By December 2021 the project had achieved £5.2m of the potential Route to Affordability Savings, with a remaining £7.8m being explored. However, the savings achieved had been offset by other tender overruns. The position within each of the three tranches was as follows:

RTA	Target	Realised to Date	Remaining Opportunities
RTA 1	6,372,243	4,624,693	1,747,550
RTA 2	2,168,250	575,052	1,593,198
RTA 3	4,500,000	0	4,500,000
Total	13,040,493	5,199,745	7,840,748

- 7.7 In December 2021, it was agreed with Strategic Board to develop a Mitigation Action Plan (MAP) to address the heightened concerns with cost, programme and risk. The MAP was devised as a means of addressing the underlying causes of unexpected change, and where possible, replenishing contingency.

¹ Early Warning Notices (EWNs) are a mechanism within the Management Contract for any party to raise a notice of a potential impact on scope of work, cost or programme.

7.8 The MAP addressed the key drivers of cost and programme, in terms of what we do, how we do it and the capacity within the team to do it successfully. The measures that formed the MAP comprised commercial reviews, programme opportunities and resource capacity reviews. This would build upon the Recovery Plan, updated to take account of the changing circumstances post-pandemic.

8.0 The Mitigation Action Plan 2021-22

8.1 The project re-engaged with Turner & Townsend (the Commercial post-holder on our Technical and Assurance Validation Panel) to work alongside the commercial review in a technical challenge capacity. Part of their brief was to challenge the team to find ways of addressing the market challenges that were likely to face arise in the procurement of the remaining works packages.

8.2 A Commercial Support Group (CSG) was established to lead the MAP reviews. In summary, the focus of the reviews was on the following:

- Cleanse the backlog of early warnings and budget instructions, agree those which can be closed, agree the final accounts for works packages completed, for those which might release monies back into contingency.
- Detailed review of the risk registers, challenging all risk allowances for monies that can be released back into contingency.
- Review Gap and Inflation allowances package by package.
- Test again for further Value Engineering opportunities.
- Review programme opportunities, such as the re-sequencing of fit out works (potential saving on critical time lost of up to 6 weeks) and the resequencing of the Bees Landing rooflight works.
- Better Buying Plan: updating the package procurement strategies developed in early 2019 to reflect the current conditions. All unbought packages were reviewed to consider:
 - Procurement form: single-source, single stage, full or partial design?
 - Procurement timelines: Determining the optimum balance between waiting to tender until the optimum level of design maturity is achieved versus the cost of programme delay.
 - Market engagement on packages not yet bought: for example, consider samples where this can aid levels of quality being bought and tailoring engagement to the characteristics of each individual package (complexity, supply chain capacity and supply chain appetite).

- A series of bandwidth reviews to identify areas where the project team might benefit from additional or in some cases different resource to address the challenges being experienced. This included the Council core project team.

- 8.3 Turner & Townsend were heavily involved in conducting independent reviews with the QS team. Buttress Architects were engaged to do the same for Purcell (architect and lead designer). They found the support already provided by Mace to support Purcell in developing a robust design programme had been effective, and that Purcell was now in a much stronger position to deliver. The recent spate of resignations had been a significant challenge and was the principal reason why design had continued to slip. Buttress felt that there was not much to be gained from further interrogation, providing that Purcell is able to retain its staff.
- 8.4 It was acknowledged that staff flight remained a significant risk to the project given the shortage of technical staff in the industry and that recruiters were paying top salaries for good people. This remains a very real concern, given the demand for highly skilled staff to manage the complexities of OTH during the construction period.

9.0 Progress to date

- 9.1 The outcomes of the Mitigation Action Plan were presented at Strategic Board 05 April 2022. This included the outcomes of the work undertaken to interrogate the risk register and the ways in which the project could procure with better surety of cost for the remaining 26 works packages (which have a value of £37m).
- 9.3 Cost surety is supported by effective procurement approaches, robust management of risk and the use of Budget Instructions to avoid delays to work underway as solutions are developed to discovery. Since January 2022 the following progress on activities to improve cost surety has been made:
- 9.3.1 Budget Instructions: At the start of January 2022 there were 366 budget instructions totalling £6.6m. £3m has been reviewed (£1.6m agreed / £1.4m requiring further information) and the project team is working to close out the £1.4m requiring further information. Close out dates have been confirmed by Lendlease for all other remaining budget instructions.
- 9.3.2 Risk: at the start of January 2022 there was £18m of risk within the Construction Risk Register, which reduced to £14.5m in February following the risk reviews where items over £100k were revisited and action plans put in place. However, during March 2022, construction risk increased to £15m, which is symptomatic of the expected volatility during the current period of intense market instability. The project expects to continue to see movements in risk through 2022 as design, procurement and key building interventions are progressed.

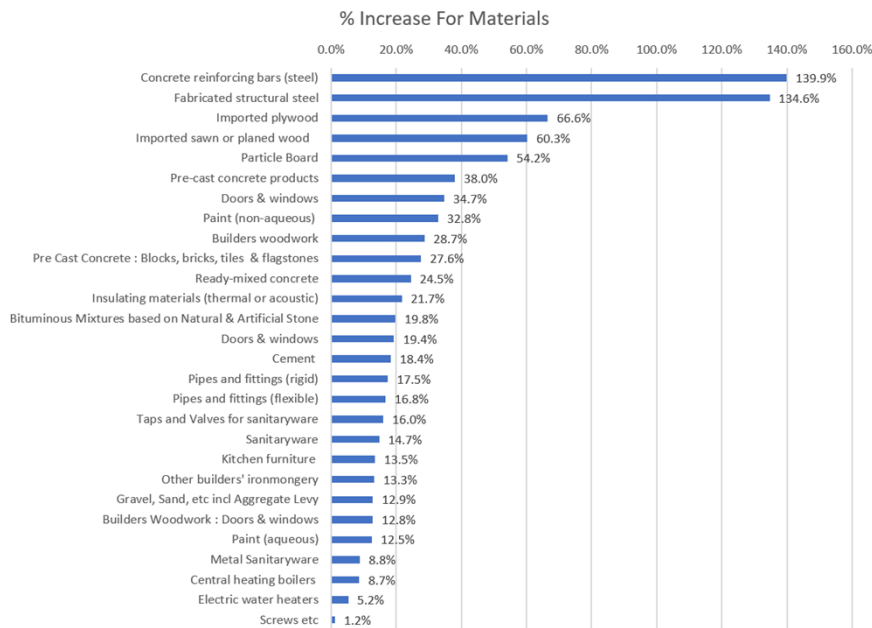
- 9.3.3 Better Buying Plan: the Commercial Support Group have batched all the remaining packages by urgency, value and complexity. These have been through better buying workshops and health checked. The urgent and immediate packages now all have action plans and the remainder are with Lendlease to draft the delivery plan. All plans are signed off at the Executive Procurement Group. Weekly project procurement meetings will monitor and report progress against the buying plans.
- 9.3.4 To illustrate the above, Strategic Board was presented with a case study on Existing Heritage Joinery (EHJ), which faced specific challenges around design, complexity, market appetite and affordability, with tender returns that were £5m over budget. The procurement process was stalled to allow the project team time to develop a Better Buying Plan, which delivered an initial reduction against the overspend of £1.7m. The impact on critical path has been mitigated through re-allocation of some of the early works to incumbent Works Contractors, allowing more time for procurement of less critical elements. Lessons learned from EHJ are being applied across other unbought packages, in particular the way in which large and complex works information is issued to bidders.

Programme position

- 9.4 The current accepted date for completion of the construction works remains 25 June 2024. However, this date will be subject to further delay. The extent of this delay is under review and will be determined following assessment of several delay claims received from contractors and of the opportunities that may exist to further mitigate the impact of delays already incurred. In the meantime, the project team will continue to closely monitor the progress of the critical path activities and continue to seek opportunities to mitigate programme risk through the MAP measures outlined above.

Financial position- Capital Budget

- 9.5 The project is reporting to budget, but the budget is remains under significant pressure. As noted above, the main pressures relate to: pricing pressures. Inflationary pressures show no immediate sign of abating, and the current trends are likely to become exacerbated in the immediate to medium term, with challenges around labour and material shortages for steels/metals, plaster, stone, timber, energy prices driving up costs and future uncertainty in relation to Ukraine and energy prices. For example:
- Steel suppliers are electing to produce only types of steel that carry the highest margins, leading to further pressures the availability of materials. In the period since NTP to June 2022, overall material prices across the construction industry have increased by 44.1% (Department for Business Energy and Industrial Strategy). The graph below shows the percentage increase in material prices in the same period.



- The Construction Products Association published its Construction Industry Forecast in May 2022. This noted that, *'the main immediate impact of the war in Ukraine for construction products will be the knock-on from rising energy prices and commodity shortages. Soaring energy costs will have to be passed on and lead to sharp rises in the cost of energy-intensive products. This will affect both imported products such as aluminium and steel and locally sourced products such as bricks and cement.'*
- The Quantity Surveyor has updated the inflation forecast at £5.6m. This is split between inflation already included in costs (at £3.4m) and further potential inflation captured as risk (at £2.2m). Inflation has impacted the project in a number of ways, from package budgets being outgrown at tender stage, to suppliers uplifting material supply prices.

- 9.6 COVID-19: updated guidance on workplace risk has now been received by Lendlease from the Construction Leadership Council and further details will be confirmed in due course. Monies already secured from the COVID-19 Recovery Fund have not yet been credited to the budget and are not included in any of the numbers reported here. This is likely to be circa £500k.
- 9.7 Further programme risk: the reported costs include a factored risk allowance for further prolongation of £5.2m.
- 9.8 All budget and programme risks are carefully monitored. Risk is reported as unfactored risk (which is the gross risk assuming 100% of all risk is 100% realised) and factored risk (which is all risk weighted for probability). The weighting is applied using a sophisticated computer model known as Monte Carlo Simulation. It is highly unlikely that all of the risks will materialise. The

forecast costs to complete if the unfactored value of 100% of risk is realised, will lead to an overspend of £31.4m. When factored for a more likely position using Monte Carlo Simulation, the overspend reduces to £17m.

- 9.9 A range of potential cost saving opportunities in the order of £3.8m are available through value engineering. If successfully delivered, these would reduce the factored overspend to £13.2m.
- 9.10 The project team is working hard to deliver within budget and it is highly likely that this would be achievable in a stable economic environment. However, given the additional risks of inflation and market volatility more generally, there is a risk that the project will overspend, although work is being carried out to contain this.
- 9.11 As the project team establishes better certainty on the level of any potential overspend, and the extent to which this can be covered within the existing inflation provision, a budget increase will be requested. This may be funded from the inflation contingency budget within the current approved capital programme, provided it has sufficient budget at the time the request is made. In the meantime, whilst the Capital Monitoring Report will continue to show the Our Town Hall project forecasting to spend to budget, the risks and potential overspend position will be detailed within the report.

10.0 Summary and Next Steps:

- 10.1 The Our Town Hall project is continuing to deliver exceptional standards of quality construction and social value for the people and businesses of Manchester.
- 10.2 However, the project has experienced intense pressures on cost and programme, to the extent that the project team has been operating in a constant mode of risk mitigation. These challenges have included significant disruptions from ‘uncontrollable’ elements such as nesting falcons, COVID-19, extraordinary levels of inflation and unprecedented pressure on the supply chain (labour and materials availability). There has not been a single month since NTP in which the project has been in ‘steady state.’
- 10.3 In this environment, the project team has worked tirelessly to mitigate these challenges, with activity which has covered all of the ‘hard’ control metrics (such as programme, procurement cost and risk) in parallel with ‘soft’ issues around resource capacity and performance initiatives. Where appropriate, members of the TAV panel have been engaged to interrogate these challenges and the responses delivered to address them. Without all of this hard work the cost and programme position would be significantly worse.
- 10.4 The budget and programme are under constant review, but it is likely that the project will be subject to further volatility for another several months, notably until we have completed the physical interventions into the building and have procured the remaining 20 works packages. At that point, the

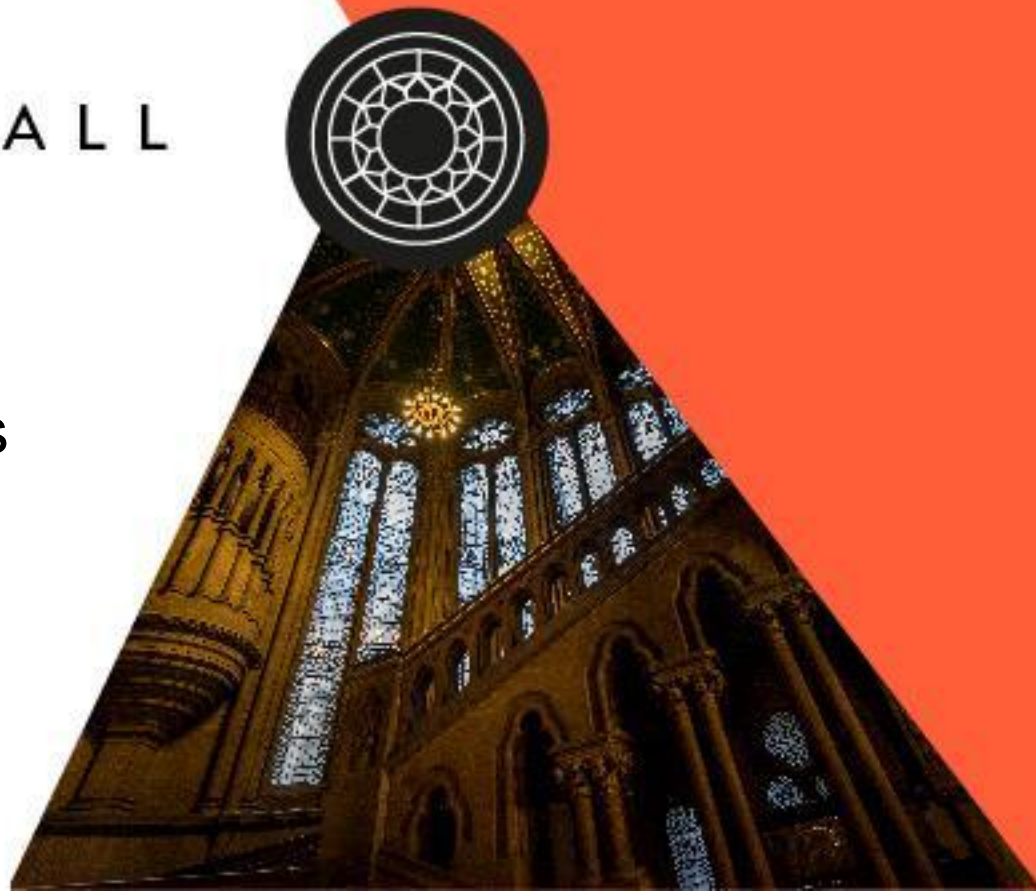
principle drivers of cost and delay (design, procurement and discovery) will be substantially behind us.

- 10.5 Notwithstanding these challenges, the project is delivering a significant Social Value legacy for the city and the team now actively planning for the re-occupation of the building following completion of the construction works. This will include the improved access for Manchester residents.

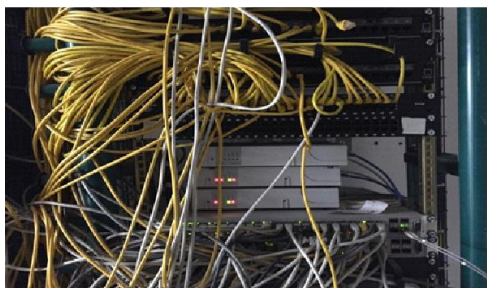
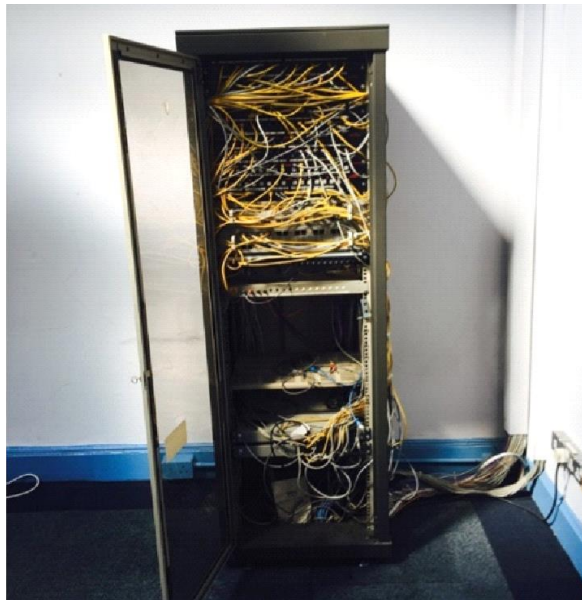
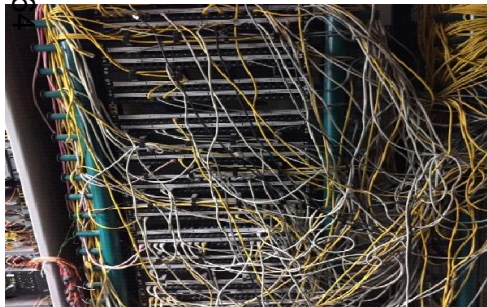
This page is intentionally left blank

OUR TOWN HALL PROJECT

Construction Progress Photographs



Why we are doing this



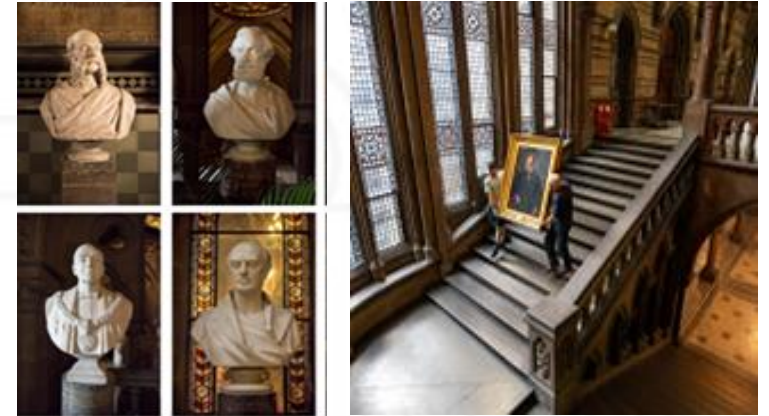
Cumulative remaining life of assets from 2015 - 2045



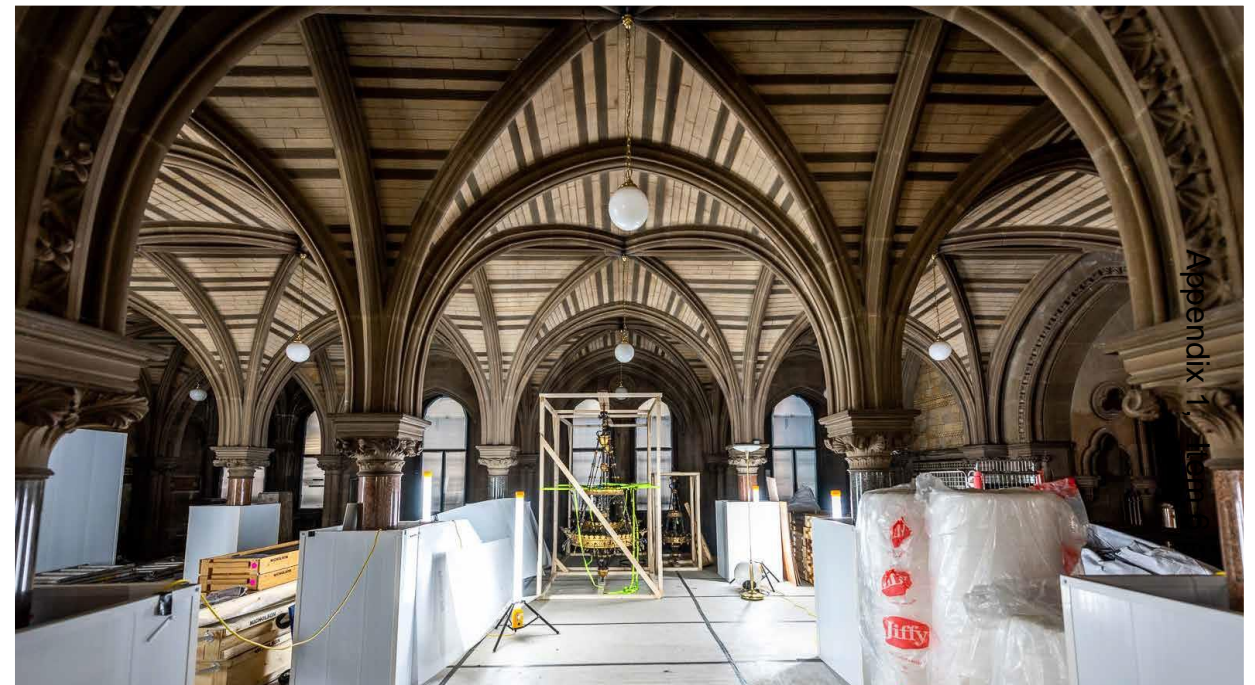
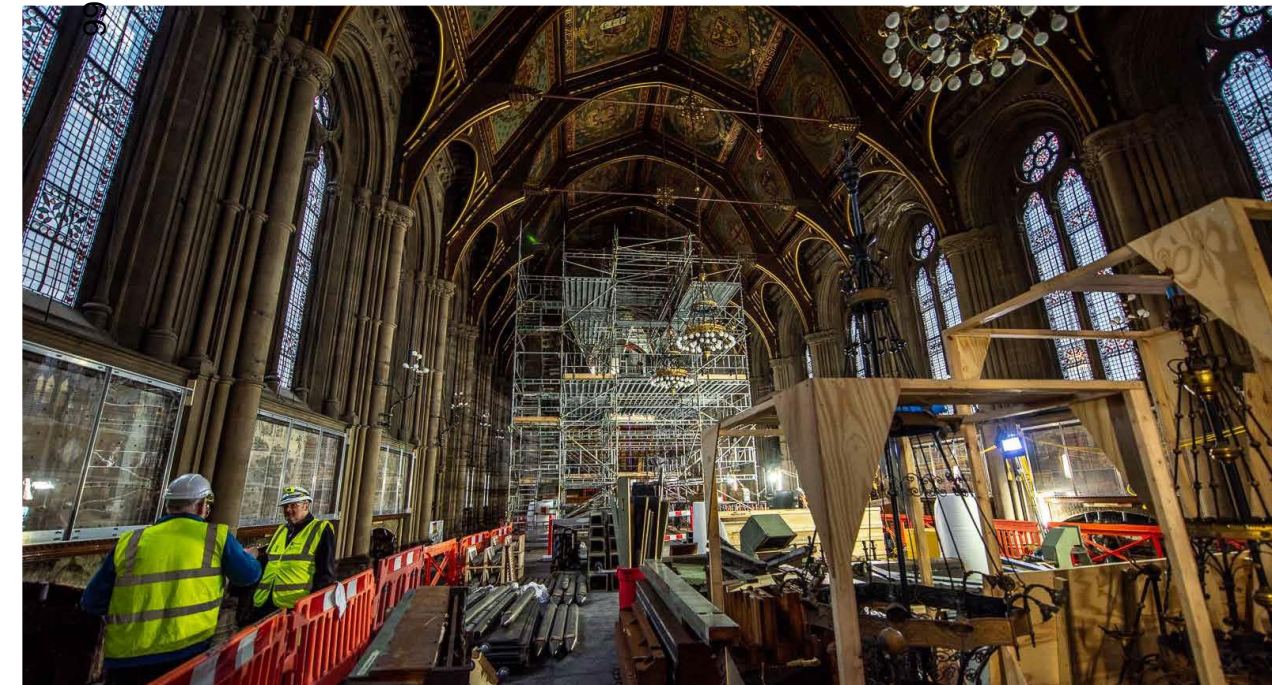
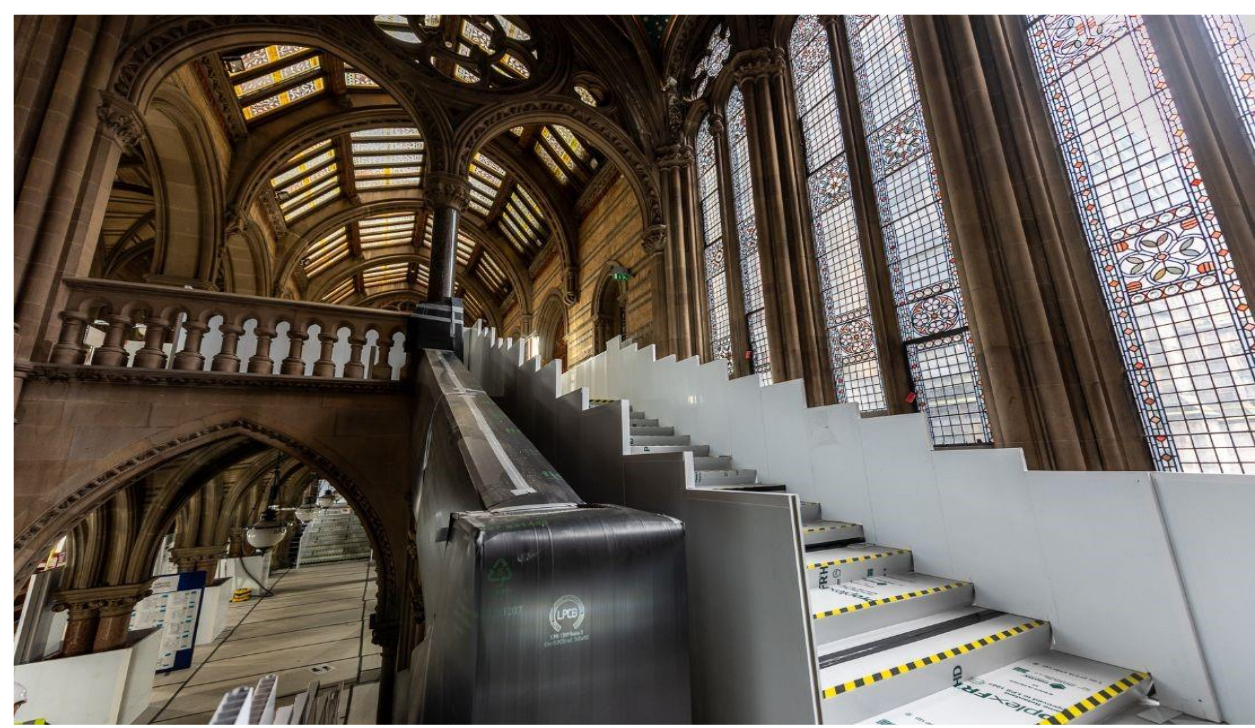
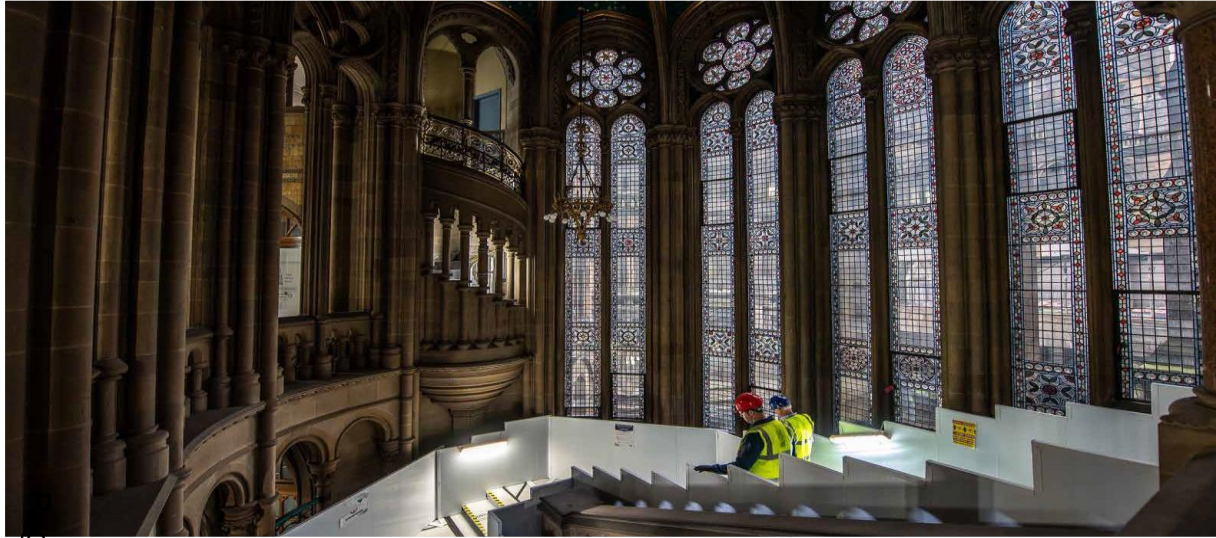
OUR
TOWN
HALL
PROJECT

The Story So Far: 2018 Heritage Assets

- Collectively weighing in at over 10 tonnes, 35 sculptures were moved to temporary homes.
- Almost 90 paintings were taken down, condition-checked, individually boxed and sent to storage.
- The entire collection of historic chairs and other pieces of furniture were removed to storage.
- The immense collection of plans, drawings and designs from the Sewer Plans Room are being documented, cleaned and archived.
- Thousands of glass plate negatives have been digitised for ease of access.



Protection to heritage finishes



New Mechanical and Electrical Services in Lower Ground Floor



Page 67



Appendix 1, Item 6

Complex and substantial structural interventions



5.8 New stair S20 at level 5 Tuesday 26 July 2022



5.11 Steel beams installed on north side of Lloyd Street roof



5.12 New opening on the east side of room 04-024 Tuesday 15 March 2022



5.13 Brick infill installed above steel beams to opening in room 04-024



5.14 Removal of needles and props in progress in room 04-024 Wed 16 March



5.15 Removal of needles and props complete from new opening on the east side of room 04-024 Friday 18 March 2022

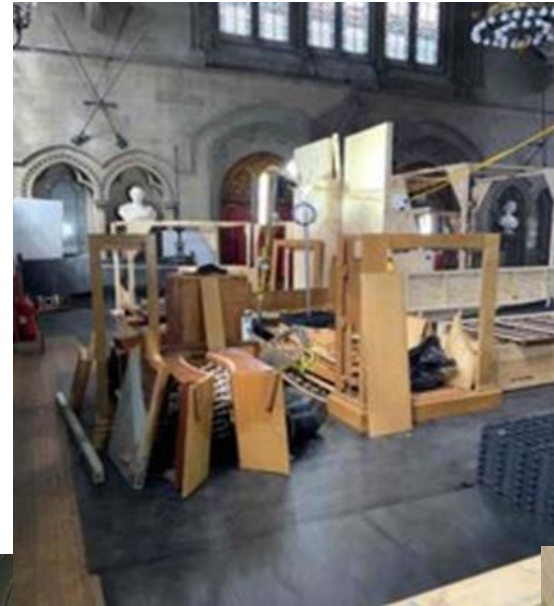


5.16 Overview of room 04-024 from south-east corner

Scaffold and Building Wrap



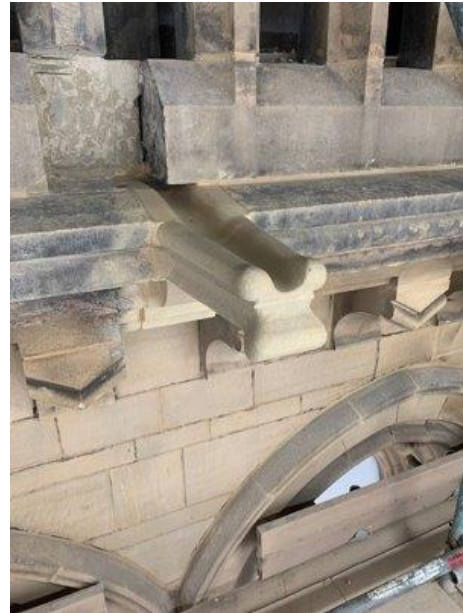
Removal of the Organ for off-site restoration



External stone repairs



Page 71



5.88 Chimney CS21 viewed from south-east Tuesday 7 June 2022



5.87 Chimney CS21 viewed from south-west Tuesday 7 June 2022



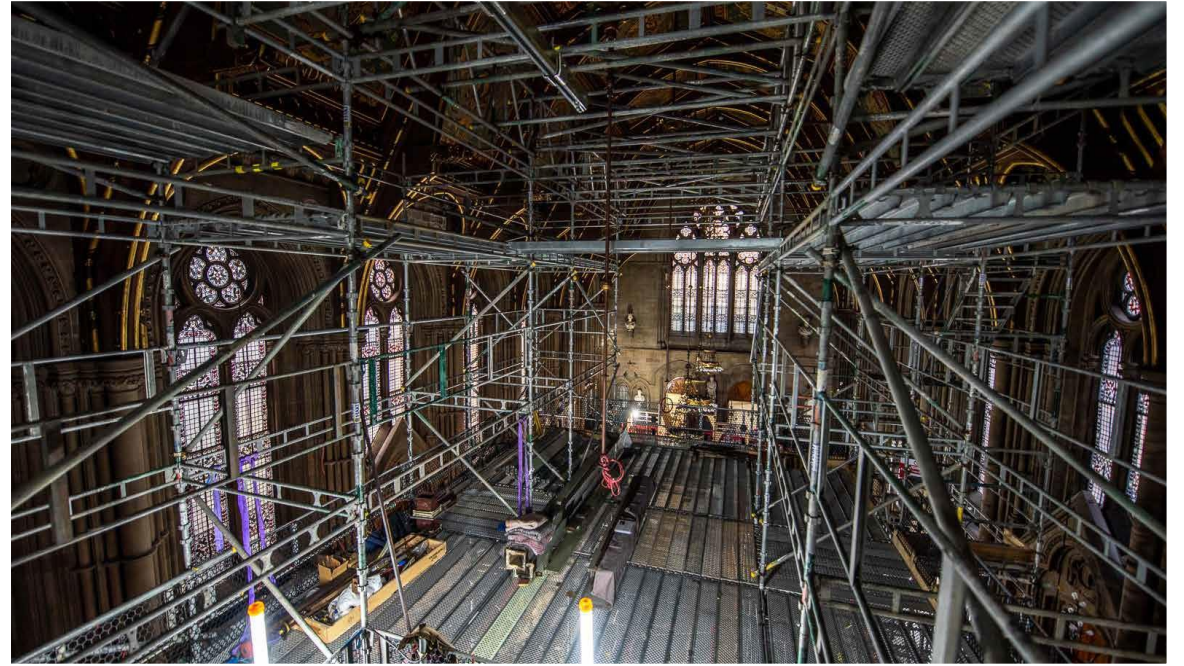
5.89 Top of chimney CS21 viewed from south Tuesday 7 June 2022



5.90 Top of chimney CS21 viewed from north Tuesday 7 June 2022

Appendix 1, Item 6

Cleaning Great Hall ceilings



Roof restoration



5.110 Roof slopes WR19e Thursday 16 June 2022



5.109 Slate and battens removed from roof slope WR18 Thursday 16 June 2022



5.112 Slate and battens removed from top of roof WCR10 Thursday 16 June 2022



5.111 Chimneys CS34, CS09, CS08 and CS09 on north side of clock tower



5.2 Cooper Street temporary roof viewed from inside from south to north

Window restoration



Page 74



5.40 Preparation for painting sash window frames underway in room 01-019



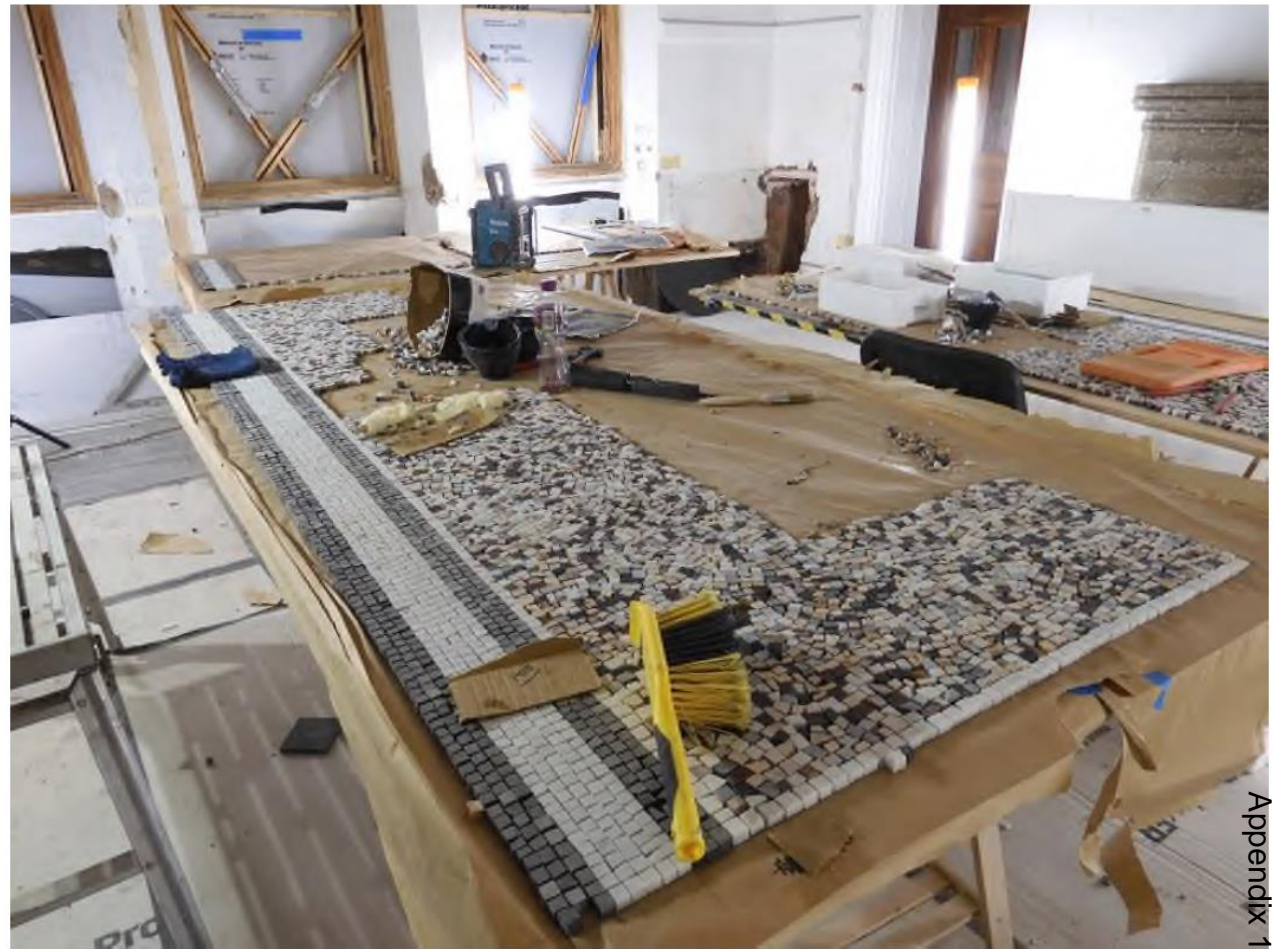
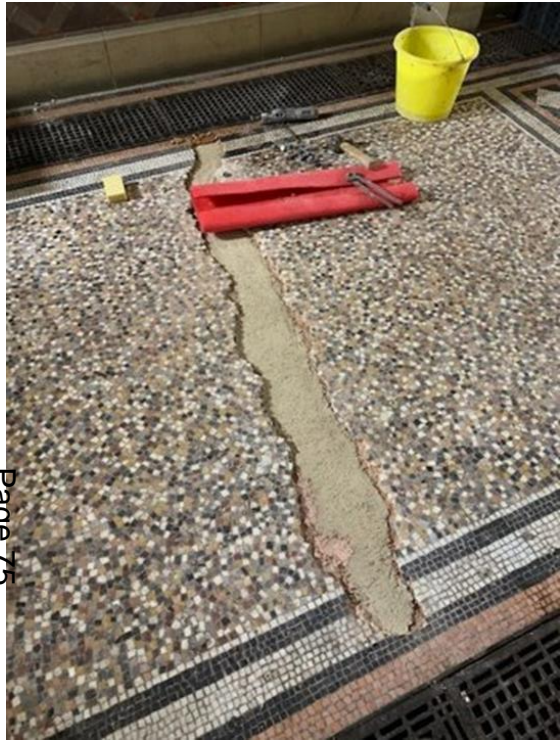
5.39 Sash window repairs and preparation for painting in room 01-019



5.46 View of leaded lights re-fitted in level 2 corridor from Princess St courtyard

Appendix 1, Item 6

Mosaic Restoration



5.36 Preparation of mosaic panel underway in workshop on level 1



Albert Square and the Public Realm

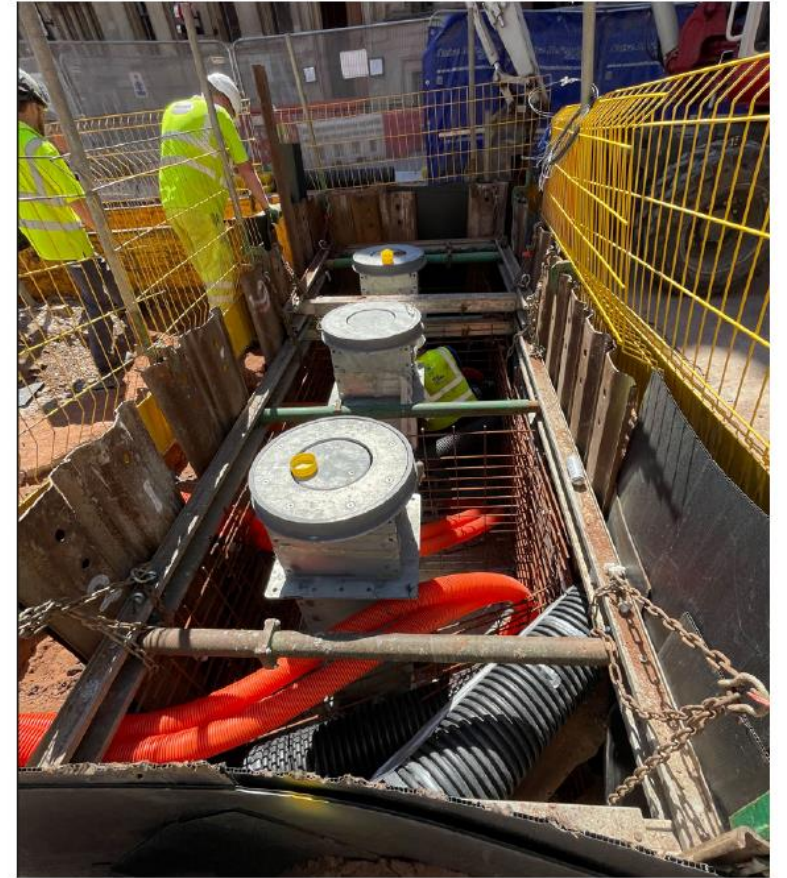


Figure 6 - Bollard installations on Southmill Street area



OUR
TOWN
HALL
PROJECT



This page is intentionally left blank

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 11 October 2022

Subject: Digital and ICT Strategy

Report of: Deputy Chief Executive and City Treasurer

Summary

This report has been written to provide an update on the development of the ICT & Digital Strategy.

The Strategy has been developed to meet the evolving needs of ICT & Digital.

Recommendations

That Scrutiny note the contents of this report and the changes that will be required over the next few years to deliver this important agenda.

Wards Affected: All

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

The ICT & Digital Strategy aims to improve the Council's efficiency and effectiveness in the context of reducing our carbon impact including in areas such as estates, printing, and travel. The successful delivery of the Digital and ICT approach will be integral to this.

Our Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The ICT & Digital Strategy is designed to strengthen the delivery of the priorities in Council's Corporate Plan, and as a result, all the Our Manchester Strategy outcomes. Some of the workstreams will also have a more direct impact as outlined below.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	<p>The strategy aims to put in place a number of developments including public Wi-Fi and upgraded machines in Libraries accessible to all.</p> <p>The WAN Project has supported the roll out of fibre across the City, with 138 of our sites now connected and upgraded a number of exchanges, this is the basis for future development.</p>
A liveable and low carbon city: a destination of choice to live, visit, work	Several the projects in our proposed strategy will see a reduction in our annual carbon output such as the move to the cloud, and new equipment using less resources.
A connected city: world class infrastructure and connectivity to drive growth	The Council adopting technology and delivering digitally makes a positive contribution to Manchester's ambition to be a leading and inclusive Digital City.

Contact Officers:

Name: Carol Culley
 Position: Deputy Chief Executive and City Treasurer
 Telephone: 0161 234 3406
 E-mail: carol.culley@manchester.gov.uk

Name: Chris Wanley
 Position: Director of ICT
 Telephone: 0161 234 5998
 E-mail: chris.wanley@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.

Digital Strategy

1. Introduction

- 1.1. ICT & Digital is critical to the delivery of Council services.
- 1.2. This Report has been written to provide an update on the ICT & Digital Strategy.
- 1.3. This report includes:
 - A copy of the ICT & Digital Strategy (Appendix A)
 - Details on the development & consultation of the strategy to date.
 - Proposed governance model.
 - Work in preparation for the implementation of the strategy

2. Context

- 2.1. ICT & Digital are central to the Council to be able to deliver efficient and effective services.
- 2.2. The strategy and technology road map are important for delivery council priorities to make sure that investment is prioritised in line with the Councils priorities, and that it sits upon robust and secure infrastructure.
- 2.3. The strategy will also underpin the delivery of the next phase of the Future Shape of the Council programme particularly:
 - Delivering an improved service to our residents and businesses through an implementation of a new Customer relationship Management (CRM) system and website through the Resident and Business Digital Experience Programme.
 - The replacement of the council's main Finance, Procurement and Human Resources system (SAP) which will be at end of life in 2027.
 - Moving away from our current data centres to a hybrid cloud approach which will see over 50% of our servers move to the cloud, reduce costs and improve resilience.
 - Further embedding the systems and processes from the old Northwards Housing organisation into Housing Operations.

3. Consultation

- 3.1. There has been wide consultation across service users, Directorates and through member panels as well as with the ICT Service to support the development of the Strategy. The ICT & Digital strategy is due to go to Executive for approval on 11th October.

4. Proposed Governance Model

- 4.1. The implementation of the new ICT and Digital Strategy will be overseen by the ICT and Digital Design Authority Board.

- 4.2 The Board will be responsible for decisions on the use of new systems and technologies – council wide.
- 4.3 It will be led jointly by ICT with the Lead Member for ICT and Digital, and involve other key council stakeholders, who will advise on, commission, and deliver, the most appropriate solutions for the Council. This approach ensures the Design Authority Board can better meet the demands of the Council and will minimise the duplication of technical and digital capabilities.

5.0 Preparation for Implementation

ICT & Digital Strategy and Future Operating Model

- 5.1 The Information and Communications Technology (ICT) service will have a critical role in the delivery of the Strategy. ICT are currently developing an ICT & Digital Future Operating Model with input from external expertise. This is to ensure that ICT continues to support the Council in the right way, as business need and technology evolves over time.
- 5.2 The main objectives are to:
- action the ambition to be a Digital-first and Cloud-first organisation
 - align to the Council's wider Digital Strategy
 - align to other MCC strategies, and policies and developing initiatives e.g., data management policy, carbon reduction ambition
 - move IT provision from traditional transactional service to a more strategic and influencing focused service
 - deliver secure, stable, and compliant operational services
 - innovate and influence new ways of working through exploitation of modern technology
 - establish a customer focused ICT & Digital organisation that offers great customer experience and seamless technology services.
- 5.3 The work is being developed in consultation with our workforce and other key stakeholders. The service itself is currently delivering several major projects to improve resilience, reduce cyber security risks, replace old legacy systems and improve functionality which are supporting the technological and transformation changes the council needs to make.
- 5.4 Work is ongoing to develop a four-year delivery and investment plan, which once this strategy is agreed, will go via the appropriate Council approval and budget setting routes.

6.0 Recommendation

Scrutiny are asked to support the ICT & Digital Strategy

This page is intentionally left blank



**MANCHESTER
CITY COUNCIL**

DRAFT - ICT & Digital Strategy

Version 4 (including feedback from consultation)



ICT & Digital Strategy

2022 - 2026

ICT & Digital Strategy 2022

"A relentless drive towards digitally empowering better outcomes for the Council and it's Communities using inclusive, secure & connected technologies to underpin exemplary ICT and service delivery."

Vision

Develop a deep understanding of council areas and being the council's trusted advisor and partner

Create the right conditions for the protection & best use of data to support improved council decision making

Lead, instigate and manage the use of innovative digital tools and technologies

Be the best of breed technology partner in delivery of Council and City ambitions

Objectives



Digital Themes

Provide a well-managed service

ICT & Digital Governance

Security & Privacy

Strategic Enablers

Page 87



Our Role

The Roadmap

	2022/24 NOW	2024/25 NEXT	2025/26 LATER
Strategy Formulation	Disparate Strategies	Aligning Strategies	Integrated Strategy
Digital Governance	Disparate Governance	Aligning Governance	Integrated Governance
ICT & Digital Core Services	IMPROVE	Get Ready for CHANGE	INNOVATE

Appendix 1, Item 7

Contents

1. Executive Summary

2. Digital Services Vision

3. Business Context

4. ICT Strategic Enablers

5. Digital Approach

6. Our Role & Guiding Principles

7. Strategic Roadmap

1. Executive Summary

This ICT & Digital strategy provides a strategic response and blueprint for the future in which the technology landscape will be a fundamental and essential part of the running of the Council, . ICT will seek to strengthen our digital approach to empowering council services to exploit the transformational opportunities offered by both current and emerging technology and digital tools.

This strategy complements and strengthens the current Digital strategy and the scope of its deliverables. Whilst the current Digital strategy is mainly outward focused to the City, this strategy seeks to provide alignment between the external and internal digital agenda supported by a clear focus on delivery of great technology and services.

Page 89
Within this strategy and wider through the delivery of our services we will take a fresh, digital approach to how we deliver our services to the Council. We consulted widely with services who expressed their challenges and opportunities, and we commissioned external expertise to show us the art of the possible and what is and should be happening within our sector. Because of this, we are resetting our past approaches, behaviours and methods, to form an ICT & Digital service that is fit for purpose now and in the future. While this strategy offers bold ambitions, we will continue to strengthen our core foundations and practices e.g., cyber security, ensuring the council can continue its business in a safe and resilient way.

Through the range of council initiatives e.g. Our Manchester and the Corporate Plan, we will ensure greater connectivity and collaboration with our directorates, suppliers, partners, communities and wider alliances ensuring we drive forward co-creation to increase opportunities for efficiency and transformational capabilities through digitalisation.

2. ICT & Digital Scope and Vision

The purpose of this strategy is to provide an ICT Strategy and an integrated workforce focused Digital approach for Manchester City Council that describes the business context in which this ICT & Digital strategy is positioned, and to set out the strategic drivers, themes and principles required to deliver the strategy.

Page 90

“A relentless drive towards digitally empowering better outcomes for the Council and it's communities using inclusive, secure & connected technologies to underpin exemplary ICT & Digital service delivery.”

OUR VISION

Strategy Objectives:

- Develop a deep understanding of Council business areas and being the Council's trusted advisor and partner
- Lead, instigate and manage the use of innovative digital tools and technologies
- Create the right conditions for the protection and best use of data to support improved Council decision making
- Be the best of breed technology partner in delivery of Council and City ambitions

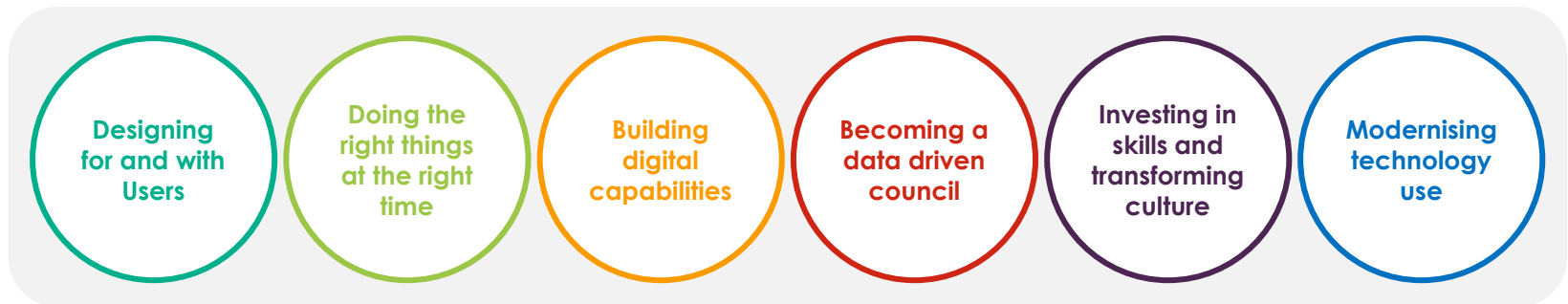
Digital Definition

Our starting point for the definition of digital is:

“a way of thinking, behaving and working that creates better conditions and outcomes, to improve user experiences, that are enabled through the use of state-of-the-art technology, modern capabilities and processes, modern skills and a modern mindset”

Page 91

Our Digital themes



Appendix 1, Item 7

3. Business Context

Manchester the City

Manchester city's growing population was estimated to be just over 575,400 in mid-2019, and by 2025 Manchester is forecast to be home to over 636,000 people. The city's growing economy has been crucial to its overall success and resilience. Manchester is the third most visited city in the UK and is renowned both nationally and internationally as a vibrant, inclusive and outward-looking city. While the city has made great progress, there are significant challenges relating to areas of deprivation, health outcomes for residents, and those residents living in poverty. The Our Manchester Strategy sets out the city's priorities up to 2025 and was developed through extensive consultation with local people, communities, businesses and service providers and shows how the city came together to address its challenges and strive for a place in the topflight of world class cities.

Manchester the Council

The Council's mission is to support the delivery of the vision for the city set out in the Our Manchester Strategy. The Council's Corporate Plan (Our Plan) sets out the Council's priorities for the next 2-3 years for delivering the Our Manchester Strategy for the city. Our Plan was refreshed in February 2020 to emphasise the fundamental importance of the Zero Carbon agenda to the city's future. The Council make decisions affecting Manchester and its residents on a daily basis. The Council is made up of 96 councillors elected by residents across the city's 32 wards. These elected representatives have the authority to make decisions affecting the city. Approximately 7,000 Council staff deliver public services across five directorates; Adult Social Care, Children's Services, Neighbourhoods, Growth and Development and the Corporate Core.

To progress towards the vision described in the Our Manchester Strategy, and to meet the city's challenges, the Council are continuing to embed the Our Manchester approach. This is a radically transformed way of working so that public services are focused around people and communities rather than organisational silos. The Council are working with partners such as health, education and housing providers, the police, the voluntary sector and communities in new innovative ways that target the specific challenges the Council have in Manchester and make Manchester the best it can possibly be.

Business Context

The Pressures and Challenges facing our sector

Fundamental to great local government ICT & Digital services is that council services are designed around User needs first. This design led approach is essential and is coupled with accessibility of services, an open innovative approach to technology, and an agile approach to delivery that recognises ICT & Digital services as constantly evolving in maturity. This new approach for MCC is set against a constantly evolving backdrop of challenges including;

Page 93

Austerity and budget cuts
which have reduced budgets by up to 60% in some councils - more than any other part of the public sector.

Pandemic Impacts
have been rapid and severe, and this is unlikely to be the only emergency to hit the world and more locally Manchester. Future events will likely have severe lockdowns established quickly so the ability to rapidly move to a fully remote work option must exist and the partial remote will be the likely industry norm.

Changing expectations
for services to be more coherent, user friendly and accessible, 'always on' and responsive to individual needs and preferences.

Devolution and new powers
which are creating new opportunities for integration across public service boundaries at a local level, reflecting local needs and population profiles.

Growing demands
from an ageing population, the impact of migration on communities, climate emergency and taking on responsibilities from central government and the NHS, i.e. public health



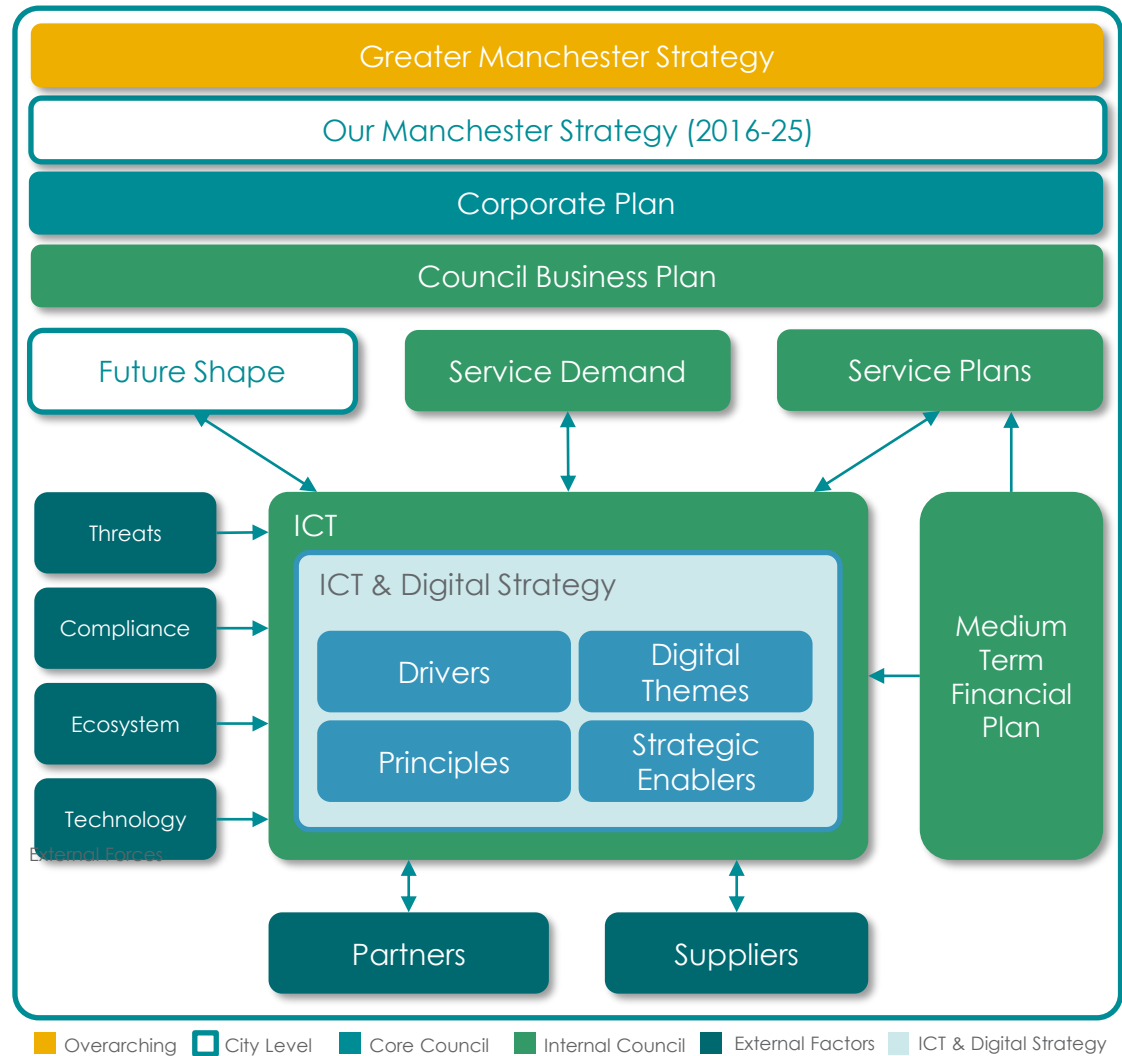
Changing democracy
means more people having a voice, being informed, and having a real influence over local and national policy.

4. Business Context

The ICT Service

ICT sits within a complex business context, starting with the wider city and corporate strategies and plans. ICT is arguably one of the most technically complex council services with many pressures, challenges and demands that bear down upon it.

Managing these complex demands and interactions is challenging at best and there needs to be a clear understanding of where these demands and challenges come from in order to set out a pragmatic and effective strategy. The following visual provides an outline of where ICT will be positioned within this context.



Key Drivers - Primary Mapping around the Business Context

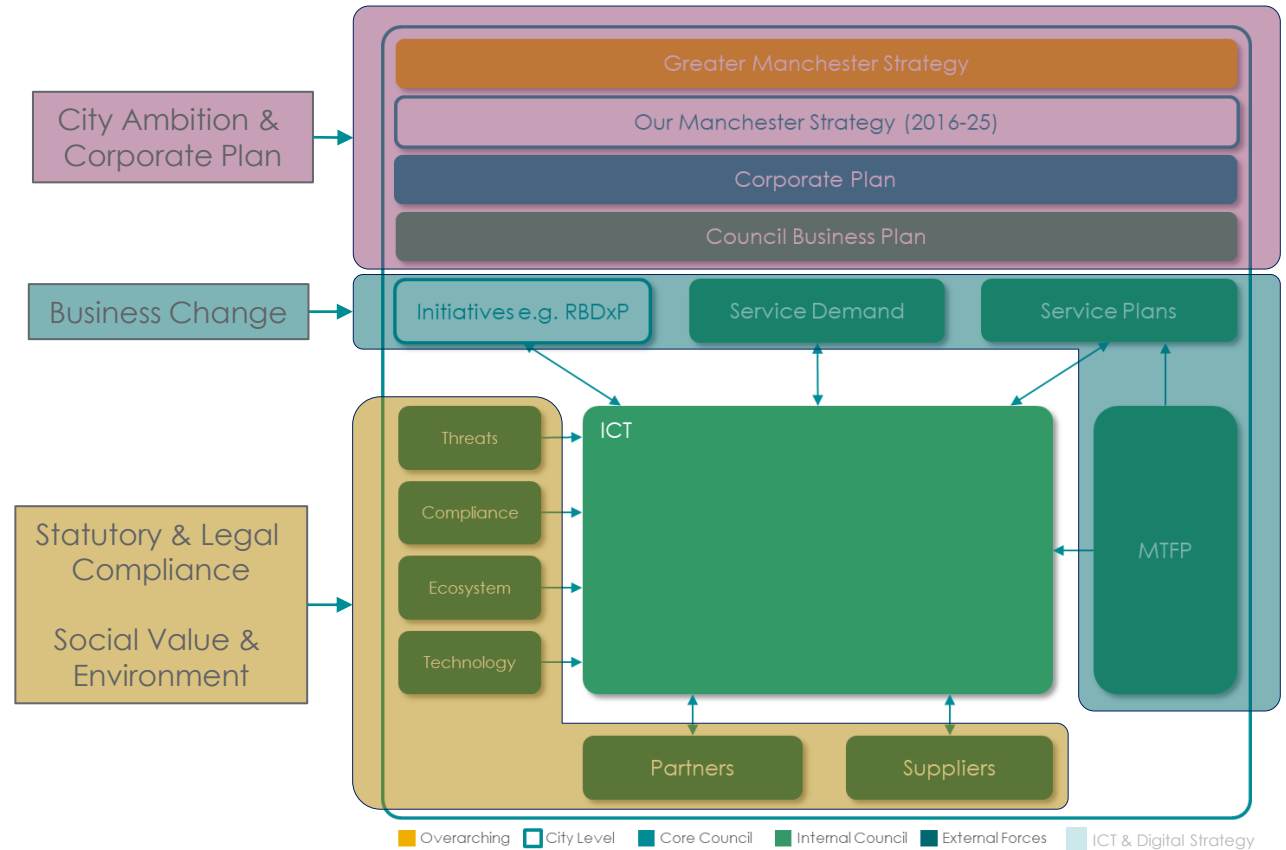
Through a series of internal consultations within the ICT service, SMT and directorate leaders, four key drivers were identified;

Page 95

City Ambition & Corporate Plan

Business Change including Financial pressures

- Statutory & Legal Compliance
- Social Value & Environment (carbon reduction)



4. ICT Strategic Enablers – Key Driver Primary Mapping

This mapping describes how the Key Drivers will be fulfilled by our ICT Strategic Enablers. A further mapping to the digital themes and key factors within PESTLE has also been considered.

Designing for and with Users
 Doing the right things at the right time
 Building digital capabilities
 Becoming a data driven council
 Investing in skills and transforming culture
 Modernising technology use

Key Driver	*PESTLE			Digital Themes					ICT Strategic Enabler
City Ambition & Corporate Plan	PESTLE	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> Provide a well-managed service ICT & Digital Governance 	
Business Change	PESL		✓	✓	✓	✓		<ul style="list-style-type: none"> ICT & Digital Governance 	
Statutory & Legal Compliance	PETL		✓			✓	✓	<ul style="list-style-type: none"> Security & Privacy ICT & Digital Governance 	
Social Value & Environment (carbon reduction)	PESTLE		✓	✓			✓	<ul style="list-style-type: none"> Provide a well-managed service 	

Page 96

Appendix 1, Item 7

*PESTLE: Primary Political, Economic, Social, Technological, Legal and Environmental factors. This tool has been used to understand ICT's external environment to assist the development of the ICT & Digital Strategy.

Three ICT Strategic Enablers - Summary

1 Provide a well-managed service		
Area	How	Detail
Programmes & Investments	Taking a practical and agile approach to funding digital projects	<ul style="list-style-type: none"> Adapt funding approaches to enable more incremental change Consider & leverage the benefits of cloud infrastructure and services and where best value can be gained
People, Process & Culture	Become Digital	<ul style="list-style-type: none"> Set an expectation of ongoing learning, innovation and skills development, digital service-design and delivery
Data	Use the Council's data to provide intelligent insights	<ul style="list-style-type: none"> Ensure the Council's data becomes a valuable asset and is managed & protected correctly Ensure the Council's data is used to provide realistic value
Technology	Modernise technology and become more resilient	<ul style="list-style-type: none"> Transition to common, fit for purpose and connected systems Reduce complexity and unlock productivity
2 ICT & Digital Governance		
	Rethink governance to enable digital operation and transformation	<ul style="list-style-type: none"> Build and run secure digital solutions at lower cost Provide governance to assure council-wide programmes and provide clear policies
3 Security & Privacy		
	Ensure the security of the Council's data, systems and people	<ul style="list-style-type: none"> Provide solutions that are digital and secure by design Protect the Council and systems from misuse Ensure security awareness is embedded and workforce security skills are optimised

Three ICT Strategic Enablers – 1. Provide a Well-Managed Service

Programmes & Investments

Why it Matters	How we will achieve this
<p>Investment decisions will need to deliver business priorities, achieve best value and economies of scale, whilst avoiding duplication. Technology will support the Council in working to address the financial challenges ahead. This will be driven by a new operating model and its key themes, an investment plan, and the identification of enabling projects. An 'invest to save' approach will be one of our key criteria in the review of any proposed spend on technology. This approach is critical to avoid poor decision making around the choice of new systems, whilst supporting the future consolidation and rationalisation of existing technology. Collectively this helps to ensure that any investment made in technology is maximised and aligned with the Council's ambitions.</p>	<ul style="list-style-type: none"> • Monitoring how the Council's technology contracts are run and perform. Our teams will become 'centres of excellence'. We will make sure we get the agreed levels of service from our current and future suppliers. • Adapt funding approaches to enable more incremental change and support the financing of cloud infrastructure and applications • Consider & leverage the benefits of cloud infrastructure and services where best value can be gained

People, Process & Culture

Why it Matters	How we will achieve this
<p>We want everyone to benefit from the 'digital economy'. Smarter use of technology can bring fantastic opportunities for local people, businesses, the Council and partners. New technology has become part of our everyday lives. Many citizens have broadband at home and can access the internet on phones, tablets and laptops for shopping and using social media. For the Council this means using technology to improve the way services are designed and delivered. We have a real opportunity to make a difference, making sure what's on offer is not only up-to-date, but makes the most of the devices and technologies that people enjoy using in their everyday lives.</p>	<ul style="list-style-type: none"> • Set an expectation of ongoing learning, innovation and skills development, digital service-design and delivery • Digital inclusion - work with partners and Council colleagues to make sure as many people as possible get access to digital services. • A digital workforce - our workforce will get the right training to use the right digital tools so that they can provide the right services in a way that we can all be proud of. • Digital Places - we will work with our partners to help equip communities and businesses with the technology they need to enhance their lives. • Digital collaboration - we are working much more closely with partner organisations to deliver joined up services. This means digital systems will change to allow this to happen and we'll continue to talk and work with existing and new partners. • Deliver our on our Digital themes <div data-bbox="857 1176 1721 1329" style="text-align: center;"> </div>

Three ICT Strategic Enablers – 1. Provide a Well-Managed Service

Data

Why it Matters	How we will achieve this
<p>Our future vision is built upon values that demand we lead from the heart, with a desire to know what users want and need, always putting their needs first and being true to our word. So, our future relies on how we use information in the pursuit of knowledge and insight.</p> <p>Insight means understanding behaviours of users, the services they use and how we can meet their needs in the best way. Better insight means better service and better value for money. Using insight capability, we will make the most of our data assets, information and knowledge, enabling us to be more proactive in meeting our user's needs.</p>	<ul style="list-style-type: none">• Ensure data becomes a valuable asset and managed correctly• Ensure data is used to provide realistic value• Enabling Information management - insight will be at the heart of our decisions. This will require an ongoing culture change across Council services, to maximise the value that data provides• Create first-rate data quality standards and rules, making sure they are enforced• Skill-up our workforce using an integrated and intelligence-led approach to support the Council• Analysis of data to inform key decision making• The use of data must be supported by efficient governance processes across the Council.

Three ICT Strategic Enablers – 1. Provide a Well-Managed Service

Technology

Why it Matters

Technology underpins every area of the Council's work and without it we cannot sustain or improve business. We will enhance the efficiency and responsiveness of the Councils operations, supported by a highly skilled workforce that will take advantage of the latest technologies and digital opportunities. The goal is to keep up-to-date and to invest in services that can be scaled up or down as needs change.

Widely regarded as the most important policy issue in today's political, financial and social sphere, the climate emergency is forcing technology services within local authorities to adapt how they operate and contribute towards organisational and national targets to achieve net neutrality. When it comes to cloud computing, data centres, and the wider IT service industry, the environmental impact these are having is complex and, until recently, relatively unknown.

According to Accenture 'migrations to the public cloud can reduce CO2 emissions by 59 million tonnes per year (roughly equivalent to taking 22m cars of the road)' however public cloud isn't right for every organisation.

Whilst cloud technologies are greener than legacy systems it is important to highlight how cloud is powering the development of technologies products and services that local authorities can utilise to address climate change

How we will achieve this

- Transition to common, fit for purpose and connected systems
- Reduce complexity and unlock productivity
- Consolidation and rationalisation – a reduction in the number of systems, balancing the need for agility, value for money, risk and user expectations
- Emerging technologies will be harnessed to provide easily accessible, responsive and cost-effective, council-wide services, that are easy to understand and meet user needs
- Enabling service agility by promoting modern and agile working, and providing using a customer centric design to ensure the right solutions with the right processes
- Continue partnering with a carbon-thoughtful provider who ensures carbon neutrality in their data centres
- Focusing on becoming a cloud native organisation and optimising applications for the cloud, and create plans to replace applications that are not cloud native
- Ensuring ICT have the necessary skills to support a cloud environment
- Using our transitions to the cloud to build and design solutions to help combat the climate emergency
- Reducing energy consumption across our estates (e.g. smart utilities) including reducing the data centre footprint by going cloud where appropriate
- Re-design & digitise paper-based communications
- Enabling remote work, reducing carbon emitting commutes
- Ensuring, where possible systems are accessible
- Enabling digital service delivery across directorates
- Integrating strategies and action plans through cloud technologies
- Adopting community engagement tools and platforms to maximize co-benefits from developing and implementing climate friendly policies
- Determining and publishing our contribution to social value through the delivery of our services, our part in on-boarding and working with suppliers and partners, our social value link to the environmental factors e.g., re-use & donate devices, and our part in any voluntary/work experience activities

Three ICT Strategic Enablers – 2. ICT & Digital Governance

ICT & Digital Governance

Why it Matters

Technology is not just a commodity that we buy in - technology is a key enabler for the Council. Where possible we will seek to introduce and renew new technology, automate business processes, make new efficiencies, lower operating costs and strive for excellence. We will continue work to recognise and ensure that technology supports the Council's needs, helping to identify requirements by working in partnership with services and helping to develop and deliver solutions.

Innovation is crucial to the continuing success of MCC; we must be able to introduce new products or solutions to either address existing business problems more effectively or maximise new opportunities to optimise costs and improve services. Local government is undergoing major changes; money from central government continues to be reduced or removed, whilst local fundraising opportunities are increasing. This has led to a major rethinking of how we can deliver future MCC services. Innovation is about how we look at existing and new challenges and identify how technology can support such major changes in the supply and demand of services. The supply side is about gaining awareness of what local, national and global partners can contribute. The demand side is about closer collaboration with stakeholders (workforce, citizens, businesses and visitors etc.) to understand what they need.

Our future maturity and continual improvement will be based on industry standard assessment frameworks e.g., Gartner ITScore. Using a framework provides evidence and justification. Assessments should be based on two key parts:

- A continuous improvement focused Maturity model
- A benchmarking assessment of current state across a range of disciplines which is then mapped to the Maturity model, and also mapped to like comparators within Local Government.

How we will achieve this

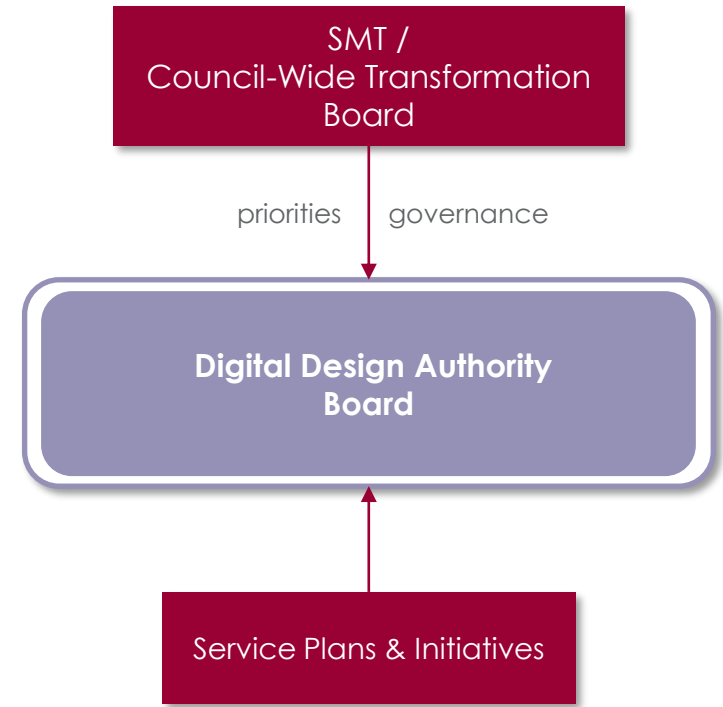
- Aligning business and developing technology strategies - ensuring we provide technology that is innovative, reliable, flexible, integrated, secure, accessible and well managed.
- Robust governance and assurance building on existing governance to ensure everyone, from colleagues to suppliers, comply with corporate policies and standards (detailed in the next slide).
- Create an 'innovation factory' - to inspire and enable people both within and those connected to MCC. It will help us rethink systems, promote new ways of working and encourage new ways of working and innovation. We'll focus on:
 - Creation of future visions of possibilities
 - Idea generation through internal exploration and relationships with outside academic, commercial and government groups
 - Idea development through technical investigations, prototypes, demos and experimentation
 - Feasibility testing and business case analysis through customer or employee pilots or A/B testing for example
 - Transferring promising ideas to other groups or lines of business (LOB) lead to deliver business value
- Create an innovation portal - developed so that our users can put forward innovative business and technological ideas and solutions that meet our key challenges. We'll break down the barriers to putting new ideas in place by focusing on thoughts and inspirations and recognising and rewarding individual or group contributions.
- ICT maturity is more than the sum of individual ICT functions and technical capabilities.
 - ICT maturity goals will be based on business expectations and requirements, and how those are likely to change over time - not on the personal aspirations of ICT or senior leaders.
 - ICT maturity will be influenced by business capabilities and executive behaviours, as well as the ICT leader and ICT organisation's performance, credibility and functional excellence.

ICT & Digital Governance

In line with the council services' plans and digital initiatives in flight, all capabilities and workstreams will feed into a single approval and prioritisation pipeline and then be delivered through multiple workstreams as appropriate. This ensures consistency of approach and considers the Council's prioritisation of programmes, how they are funded through investment plans and any external funding and describe how and when they will deliver value.

The **Digital Design Authority Board** will be formed and given the right level of membership to agree or veto the use of new systems and technologies – council wide.

This design authority board will be led jointly by ICT plus the lead member for ICT and other key council stakeholders, who will advise on, commission, and deliver, the most appropriate solutions for the Council. This approach ensures the design authority board can better meet the demands of the Council and will minimise the duplication of technical and digital capabilities.



Appendix 1 details the ICT & Digital Governance mapping with current governance forums.

Three ICT Strategic Enablers – 3. Security & Privacy

Security & Privacy

Why it Matters

The Council's dependence on digital technology exposes vulnerabilities that seriously threaten the safety of individuals, communities and businesses and must be met with extensive, intelligent safeguards and improved digital literacy throughout all users of technology. With more personal information shared online and more digital infrastructure than ever before, people are exposed to personal and social vulnerability simply by existing in the digital age.

Today cyber security is fundamental to creating trust in MCCs digital services. The Council must give its users, including its own staff, confidence that their information is protected. While trust in local government is generally high, this has not translated to the digital environment with less users willing to share their information.

MCC needs to better explain the choices users have with respect to data – how it is shared, protected, and for what benefit. This enhanced vigilance must be matched by the right investment and focus as the use of digital services accelerates.

Cyber security is crucial to ensuring services are kept up and running and to ensuring the public's trust in MCC with their information. A cyber-attack could have very serious consequences - disrupting services and damaging The Council's reputation. Healthy cyber security is key to the efficient and productive running of every council

How we will achieve this

- Providing solutions that are digital and secure by design
- Protecting the Council and systems from misuse
- Ensuring security awareness is embedded and workforce security skills are optimised
- Maintaining compliance and security excellence by managing and monitoring compliance across business, systems, technology, data, security.
- Introducing a dedicated focus and management of cyber-security to enable a safe workforce.
- Work with the LGA (Local Government Association) and other agencies in;
 - building capabilities within MCC by coaching and signposting staff to advice and guidance
 - helping MCC to better understand what 'good' looks like without dictating specific outcomes or actions to be taken
 - improving the cultural elements of cyber security throughout MCC, for example, leadership, governance, and awareness
- Ensuring that MCC and its senior management and key stakeholders can answer and mitigate the following LGA questions;
 - How does MCC understand, assess, manage, and remediate cyber-risk and what testing regimes, policies, processes and tools do MCC use?
 - Are staff given training on their role in reducing cyber-risk? Is cyber security understood as a whole workforce issue?
 - How does MCC use the National Cyber Security Centre's tools and services?
 - What are the response, recovery and continuity plans for cyber incidents? Are they exercised and tested?
 - How would MCC deliver services if, following a cyber-incident, MCC had no access to IT?
 - What are MCC doing to understand and manage cyber security risk within the supply chain?
 - How well connected is MCC with others who it may learn from, or may support it in the result of an attack?

Define C

The
Optimizer
The Planner

groups of
friends
travelling
together

Understand RC

2. PROBLEMS / PAINS

Which problems do you
There could be more than
eg. existing solution
a good investment (1)

5. Digital Approach

on PR, tap into

X
TOO MANY
POINTS FOR
COMPARISON
(FI)

Hard to
coordinate
booking for
a group.

TOO MANY
TABS

Too much
info in SL
cards

Digital Agenda

City-wide Digital

The Manchester Digital Strategy focuses on creating an inclusive, sustainable and resilient Digital City over the next five years (starting Jan 21).

The strategy is provided for the city as a whole and is based on four key elements

- a) Digital places,
- b) Smart people,
- c) Future prosperity,
- d) Sustainable resilience.

The strategy further introduces new initiatives and projects through a Manchester Digital Places Action Plan, which will enable digital inclusion and skills, smart neighbourhoods, digital innovation for business and jobs and digital resilience to support zero carbon aspirations.

Council Workforce Digital

This ICT and Digital Strategy sets out the digital agenda for the Council and its workforce. It describes the key driving principles of Digital Council and Digital Service, and how these will make the most of digital, data and technology to ensure the right outcomes are delivered in support of the Manchester Digital Strategy.

Digital Council – using digital, data and technology to ensure the Council works effectively in a collaborative way and is able to adapt and innovate.

Digital Service – using digital, data and technology to ensure council services provide more modern services that council service users will want to use.

These key principles will be driven through a key set of themes and action plans, including;

- Designing for and with Users
- Doing the right things at the right time
- Building digital capabilities
- Becoming a data driven council
- Investing in skills and transforming culture
- Modernising technology use

There will be instances where pieces of work will straddle across both the internal and external strategies.e.g RBDxP

Digital Themes

1. Designing for and with Users

A

Providing Council services that our users want to use, and when they do, so they receive consistent and well managed end-to-end services

B

Providing digital, data and technology solutions that are modern and keep pace with what users use elsewhere

C

Ensuring user needs are identified before solutions

D

Ensuring that the practice of understanding user needs starts with user feedback and consultation

E

Digital, data and technology solutions are tested with users and refined in an iterative and structured agile process (alpha, beta, live, retire)

Page 106

2. Do the right things at the right time

A

Setting out the financial position for digital; what is required and why, and how and when will it be implemented, and at what cost

B

Providing Council services that are process-optimised and give positive experiences throughout

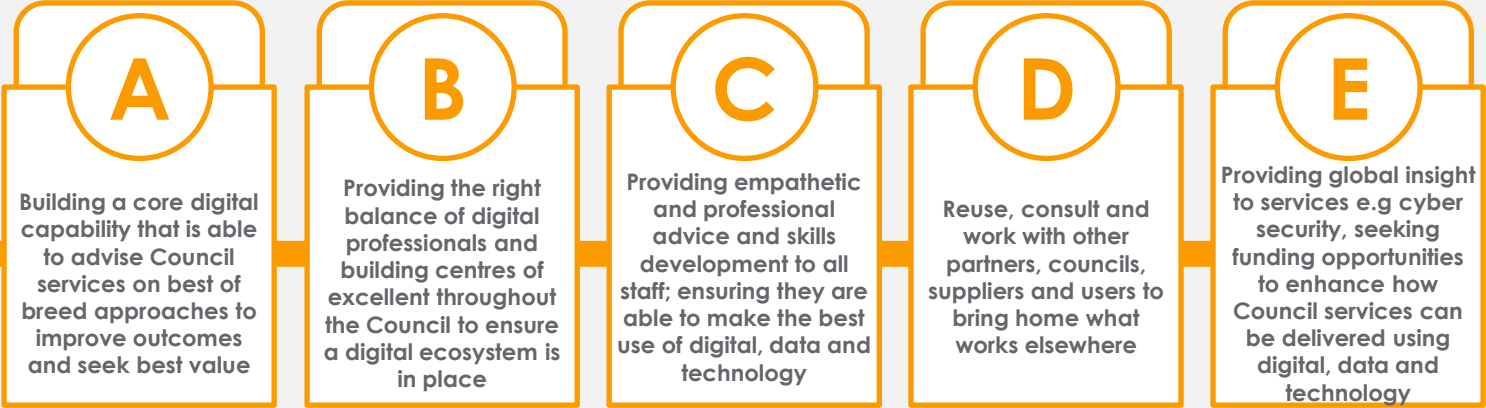
C

Providing seamless Council services where cross Council processes and procedure are invisible to the user and make the best use of digital, data and technology

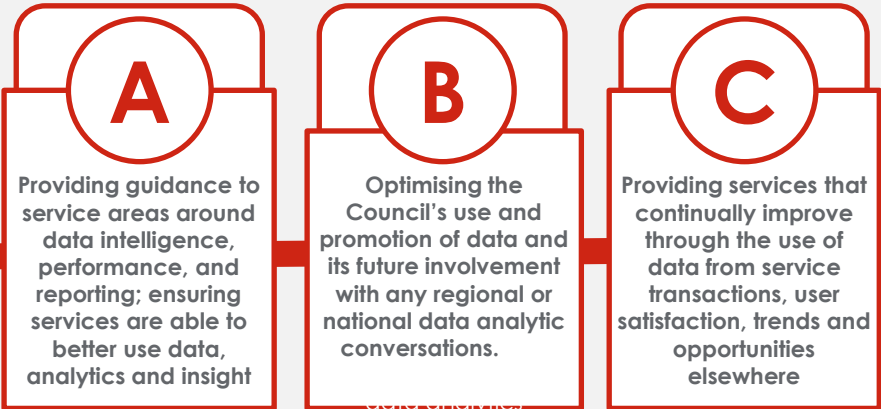
Appendix 1, Item 7

Digital Themes

3. Building Digital Capabilities

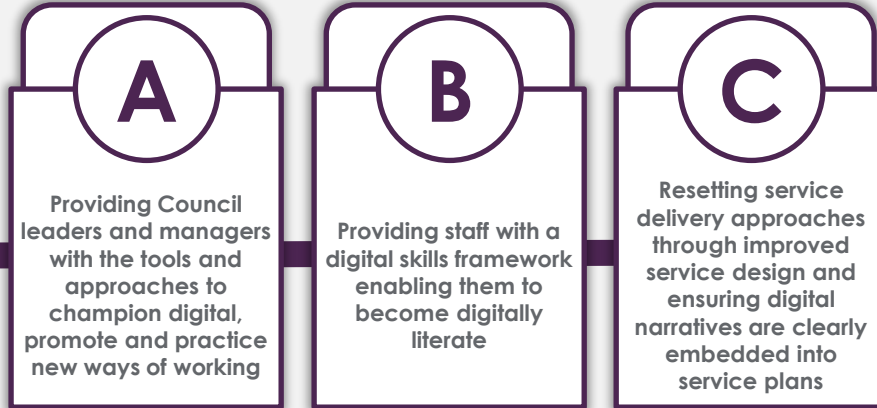


4. Becoming a data driven Council



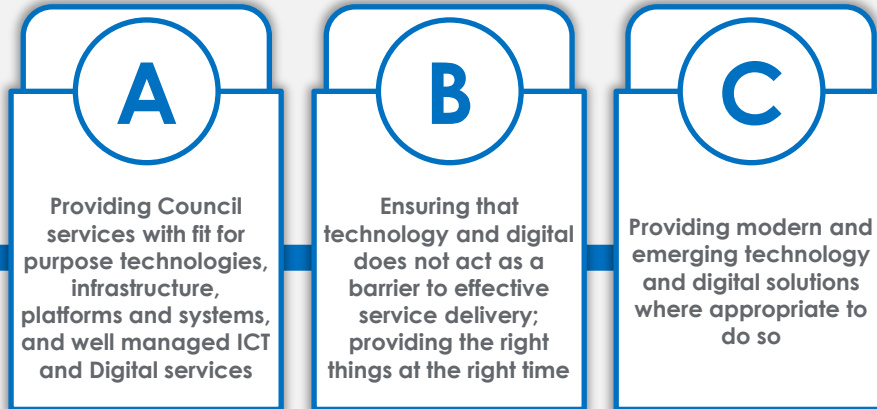
Digital Themes

5. Investing in Skills & transforming Culture



Page 108

6. Modernising Technology use



6. ICT & Digital's Role & Guiding Principles



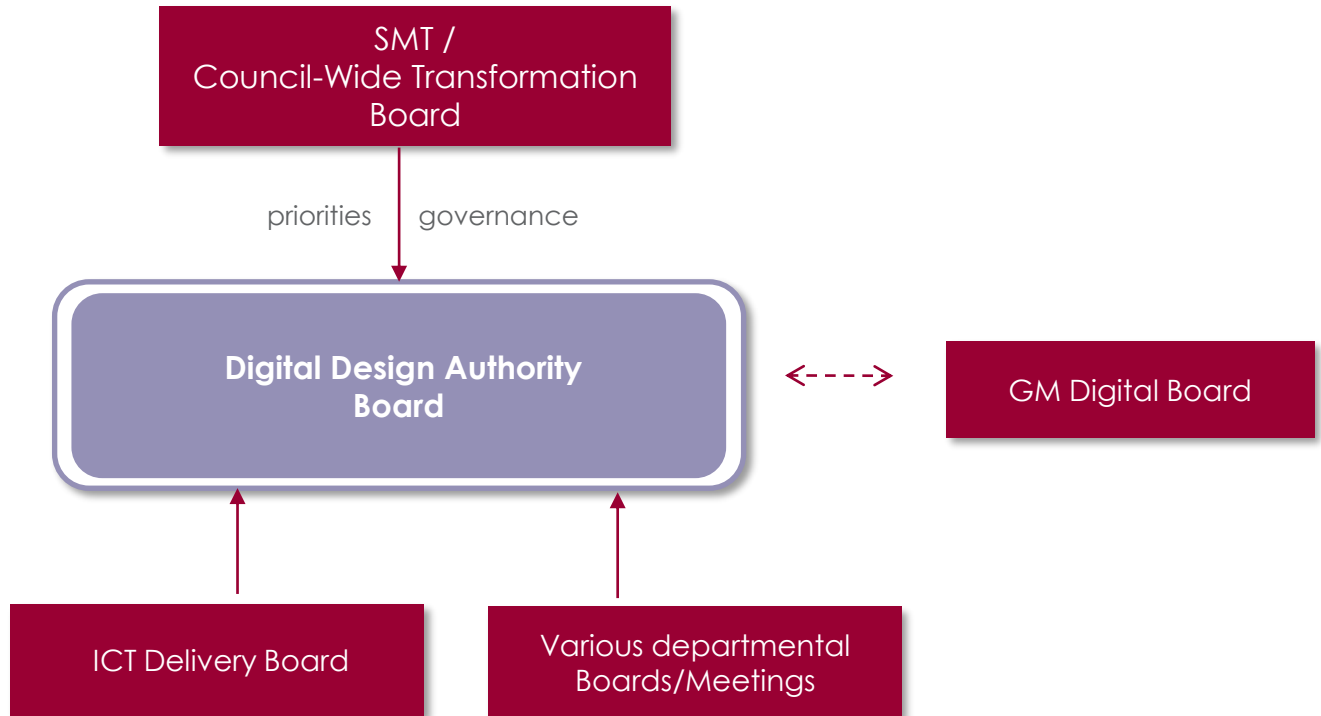
7. ICT & Digital Strategic Roadmap

By 2026 we will have reduced silo ICT & Digital Strategies to form a combined Digital, Data and Technology (DDaT) approach. The ICT & Digital governance arrangements will be aligned and be more integrated across the council. Our internal reset will bring about improvements to our service delivery getting us ready and able to cope with change and allowing us to innovate.



Appendix 1 – ICT & Digital Governance Mapping

This diagram sets out the ICT & Digital mapping and the relationship between various governance forums.



This page is intentionally left blank

Manchester City Council
ICT & Digital Design Authority Board
Terms of Reference

Purpose of the Board

The ICT and Digital Design Authority Board is responsible for governance, direction and technical decisions and project authorisation to progress through to the next stage of the corporate governance process/structure.

The work of the Design Authority incorporates ICT & Digital systems relevant to the delivery of all services across the Council including those ICT systems that are used by our partner organisations and work that links to our “external” Digital Strategy.

Principles

- Review of all Council ICT & Digital business cases
 - Ensure alignment with ICT Digital Strategy, the Council’s Digital Strategy and the Council’s priorities
 - Challenge Social Value, Climate Change statement and Benefits.
 - Will mean not all business cases are supported – (avoids who shouts the loudest)
 - Take into account invest to save or income generation approaches aligned to our priorities that will help the budget position
- Prioritise New ICT and Digital Projects across all Directorates
- Make recommendations to existing governance structures (Strategic Capital Board, Executive, SMT etc.)
- Technology road map alignment
- High level updates from ongoing projects
- Monitoring Carbon, Social Value & Benefits

Meeting Frequency & Protocols

The Design Authority Board will meet monthly, but exception reports will be provided as necessary and there will potentially be a need for ad hoc meetings and consultation of the Board by email.

Papers, agenda and minutes of the previous Board will be circulated by email to Board members two days ahead of each meeting.

If a standing member is unable to attend a board meeting, they are requested to send a deputy who can act on their behalf.

The Chair will be considered the final decision-maker in terms of governance-related issues.

The Design Authority Board will report to SMT & Executive.

Papers presented by project SRO and appropriate Strategic Business Partner.

Outputs

- Minutes, Actions, Risk Log, Decision Log, list of approved changes to be progressed
- Clear programme priority workload for ICT supporting the business needs, risk reduction and financial control
- Assurance of timely delivery of programme activities to support operational service delivery aligned to Council priorities
- A clear, effective communications with the wider organisation and any impacted partners in respect of programme activities
- Invocation of business continuity plans as appropriate
- Support benefits realisation brought by the implementation of ICT activities

Membership

Councillor Greg Stanton, Deputy Executive Member for ICT & Digital (Chair)

Chris Wanley, Director of ICT & Digital (Deputy Chair)

Mary Lynch, Head of PMO (Secretariat)

Jon Burt, Head of Enterprise Architecture

Tom Wilkinson, Deputy City Treasurer (chair of Corporate Core ICT Board)

Angela Harrington, Director of Inclusive Economy Work & Skills

Representation from Adults, Children's, Neighbourhoods - TBC

Craig Watts – Programme Lead

Governance Review

This document will be reviewed every 12 months

ICT Delivery Board

Purpose

Acts as the portfolio board for all ICT & Digital Projects and Programmes across the Council

Triages all new requests

Escalation point for issues from Projects & Programmes

Make recommendations to ICT & Digital Technical Design Authority Board

Review risks across the project portfolio

Make recommendation on Prioritisation to ICT & Digital Technical Design Authority Board

Frequency

This is anticipated to be monthly but will meet more frequency or virtually if required.

In cases of urgency or emergency the Director of ICT will direct.

Membership

Director of ICT (Chair)

ICT DMT

HR Business Partner - Paula Tighe

Finance Business Partner – Paul Hindle

Information Governance Lead – Michael Seal

Risk and Audit Manager – Richard Thomas

Document History

Author: ICT DMT

Approved by: ICT and Digital Design Authority

Last updated: 22nd September 2022

This page is intentionally left blank

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 11 October 2022

Subject: Resident and Business Digital Experience Programme (RBDxP)

Report of: Deputy Chief Executive and City Treasurer

Summary

This report has been written to provide an update on the Resident and Business Digital Experience Programme (RBDxP) which sits under Future Shape: Digital by Default, Customer Access and Front Door.

Future Shape of the Council is a two-year transformation programme designed to enable Manchester City Council (MCC) to be in the best possible shape to deliver its ambitions as set out in the Our Manchester Strategy whilst meeting the external challenges the council face from budget pressures.

A previous report was brought to this committee in February 2022 outlining the work in this area.

Recommendations

That Scrutiny note the contents of this report and the changes that will be required over the next few years to deliver this important agenda.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city	
The Future Shape of the Council aims to improve the Council's efficiency and effectiveness in the context of reducing our carbon impact including in areas such as estates, printing, and travel. The successful delivery of the digital and ICT approach will be integral to this.	
Our Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The Future Shape of the Council Programme is designed to strengthen the delivery of the priorities in Council's Corporate Plan, and as a result, all the Our Manchester Strategy outcomes. Some of the workstreams will also have a more direct impact as outlined below.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	

A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	There are circa 27,000 residents in the City who are digitally excluded, with a significant correlation with social inclusion. As part of its response to Covid MCC has supported 800 residents with a combination of devices, data & skills support to help them get online. This work is being continued in the current financial year. The Joined-Up Health and Social Care workstream will support the successful implementation of integrated Health and Social Care improving health outcomes for residents
A liveable and low carbon city: a destination of choice to live, visit, work	The Place Based and New Approach for Housing workstreams will support improved services in neighbourhoods
A connected city: world class infrastructure and connectivity to drive growth	The Council adopting technology and delivering digitally makes a positive contribution to Manchester's ambition to be a leading and inclusive Digital City.

Contact Officers:

Name: Carol Culley
Position: Deputy Chief Executive and City Treasurer
Telephone: 0161 234 3406
E-mail: carol.culley@manchester.gov.uk

Name: Chris Wanley
Position: Director of ICT
Telephone: 0161 234 5998
E-mail: chris.wanley@manchester.gov.uk

Name: Lee Owen
Position: Head of Revenues, Benefits and Customer Services
Telephone: 0161 245 7525
E-mail: lee.owen@manchester.gov.uk

Background documents (available for public inspection): None

1.0 Digital by Default Customer Access and Front Door

Resident and Business Digital Experience Programme (RBDxP) - Replacement of the existing customer relationship management system, content management system (website) and integration layer in one single integrated platform so that council front-facing systems interact to the benefit of our residents and businesses.

1.1 Programme Objectives

Manchester City Council's aim is to implement digital improvements for residents and businesses in order to make it easy to interact with the Council's services online, for those who want to and can do so. The successful delivery of the Resident and Business Digital Experience Programme (RBDxP) will:

- Make Manchester City Council a leading digital public services organisation by replacing legacy systems with modern technologies.
- Provide our residents and businesses with a simple, fully integrated, single way of getting the services they want.
- Support and encourage residents to become and remain, regular and confident online users.
- Connect our key Council services together so that we are a joined-up organisation for our residents and businesses.
- Allow us to work more effectively with Council partners.
- Improve the Council's proactivity when delivering key services and value-add activities to our residents and businesses.
- Make our digital services quick and easy to use, which will increase digital take up and release efficiency savings for the Council.

1.2 Programme Improvements

The successful delivery of the Resident and Business Digital Experience Programme (RBDxP) is a priority for Manchester City Council because it will deliver the following improvements:

- Move to modern technologies, and away from aging systems, so that we can offer the best customer experience.
- Allow us to adapt Council systems quickly as the needs of our residents and businesses change.
- Build digital skills within the Council to improve the service for residents and businesses, without the cost associated with third parties.
- Provide a new, user-friendly, accessible website that can be viewed regardless of which device is used.
- Provide a consistent and joined up experience for our residents and businesses, regardless of the service or channel they want to access.
- Building accessibility and inclusivity into the programme from the start.

1.3 Engaging with Residents and Businesses

For this programme to succeed, the Council will need to ensure that we engage with resident and business groups across Manchester to understand how the Council's digital services and offer will work best for them.

The programme is in the process of creating 3 core user groups to help design digital services and support implementation. This will ensure that the solution meets user requirements, and that accessibility needs are met throughout the lifecycle of the programme. The 3 user groups are:

1. Group 1 - Service User Group
2. Group 2 - Resident User Group
3. Group 3 - Business User Group

During this engagement the programme will:

- Actively seek the guidance of Members on key groups that we should engage with.
- Continue to work with our colleagues in Service areas, in particular our Neighbourhood teams, to identify key community and business groups.
- Engage directly with residents, businesses and community groups through a number of different channels such as focus group sessions, our website and surveys.
- Contact a wide range of community groups to take part in focus groups sessions to reflect the diversity of the City, these will be held at a number of locations.
- Continue to work with the Council's Equality, Diversity and Inclusion Team following their support in the creation and development of the programme's Equalities Impact Assessment (EIA) and support in selecting suppliers that place accessibility and inclusivity at the heart of their solutions. The programme will continue to work closely with this team to identify and engage with resident and community groups in the design and testing of the new integrated digital platform to ensure that our services provide the highest standards of accessibility and inclusivity.
- Acknowledge the diversity of our City and language barriers that some of our residents face, this will be explored as part of the development of the new integrated digital platform.
- Work closely with the Council's Digital Inclusion Team to align on objectives and to ensure comprehensive digital support is provided to our residents. The Digital Inclusion Team work with Voluntary, Community, and Social Enterprise organisations across the City to deliver appropriate digital inclusion interventions across geographies and demographics in Manchester to support residents.
These interventions include delivering devices, data, digital support and engagement activities directly to residents to promote Digital Inclusion.

Further information on the Council's Digital Inclusion Work will be reported on separately as part of a future report to the appropriate scrutiny committee.

1.4 Key Progress Update

The Resident and Business Digital Experience Programme's (RBDxP) key progress to date includes the following activities:

- The programme is coming to the end of our procurement activities, and has awarded contracts to two suppliers to support the programme:
 - **Technology and Implementation Partner**
Awarded to IEG4 Limited:
The Council will work alongside this Partner to implement the new integrated digital platform. This will replace the existing Customer Relationship Management System, website and integration layer.
 - **Digital Transformation Consultancy**
Awarded to Methods Business and Digital Technology Ltd:
This Partner will provide the Council with guidance and best practices when designing and implementing new digital ways of working. They will also support the development of the Council's Digital Team to support the integrated digital platform on an ongoing basis.
- The programme is progressing with the recruitment to the Council's new Digital Team that will support the delivery of this programme. This team will ensure the Council have the capacity and skills to support and continuously improve Digital services in the future.
- The Digital Team have defined the programme's scope, design principles, user research strategy and baselined current processes and systems.
- An initial Data Protection Impact Assessment (DPIA) has been undertaken which will be updated as the new digital platform is developed.
- The Equality, Diversity and Inclusion team have advised us on the creation of an initial Equalities Impact Assessment (EIA) which will continue to be developed and refined throughout the programme.
- Ensuring our digital services are fully accessible has been a core principle from the start, to make sure the right suppliers were selected.
- The Digital Team are analysing the order that Services should be brought onto the new integrated digital platform so that it reflects a number of criteria such as resident and business engagement, number of transactions, Service delivery impact and complexity, and technology requirements.

1.5 Programme Priorities and Next Steps

The Resident and Business Digital Experience Programme's (RBDxP) current priorities and next steps are:

- Finalising the contracts with awarded suppliers.
- Onboarding those suppliers into the Council and programme.
- Finalising the user groups across Council Services, Residents and Businesses.

- Starting engagement with user groups.
- Finalising the implementation plan and Service order. The indicative plan, subject to detailed analysis, is as follows:
 - Summer 2023 – We will start migrating those Services identified as priority services, to the new integrated digital platform.
 - April 2024 - We will begin to bring the next group of prioritised services onto the new integrated digital platform.
 - Nov 2024 - This will be the start of the final group of in scope services being migrated on the new integrated platform.
 - Sept 2025 – The integrated Digital Platform (replacing CRM, website and Integration Layer) is available for all Phase 1 Service areas. By this point, confirmation will be given to the Council’s ICT Service Operations team that the decommissioning of legacy systems can commence. Digital skills will have been transferred to the Digital Team and the business-as-usual processes and continuous improvement are structured within this team.

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 11 October 2022

Subject: Overview Report

Report of: Governance and Scrutiny Support Unit

Summary

This report provides the following information:

- Recommendations Monitor
- Key Decisions
- Work Programme
- Items for information

Recommendation

The Committee is invited to discuss and note the information provided and agree the work programme.

Wards Affected: All

Contact Officer:

Name: Charlotte Lynch
Position: Governance and Scrutiny Team Leader
Telephone: 0161 219 2119
E-mail: charlotte.lynch@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.

None

1. Monitoring Previous Recommendations

This section of the report contains recommendations made by the Committee and responses to them indicating whether the recommendation will be implemented, and if it will be, how this will be done.

Items highlighted in grey have been actioned and will be removed from future reports.

Date	Item	Recommendation	Action	Contact Officer
8 February 2022	RGSC/22/11	Recommends that a briefing note be circulated to members of the Committee that describes the discussions and agreements reached regarding staff health and safety considerations and mobile working.	A response to this recommendation is provided under section 4 of this paper.	Chris Wanley
19 July 2022	RGSC/21/29	Recommends the creation of a Major Contracts Oversight Board to be made up of officers and chaired by the Executive Member for Finance. The proposed purpose of this Board would be to evaluate all major contracts with the potential to co-opt other Executive Members to chair the board where a contract falls within their portfolio.	Proposals are being finalised to agree with the lead Executive Member, ready to go live in November.	Fiona Ledden
6 September 2022	RGSC/22/34	The committee requests that a further update report on Section 106 monitoring is provided in 12 months.	This will be added to the committee's work programme and scheduled for 2023.	Des Jones/Charlotte Lynch
6 September 2022	RGSC/22/34	The Committee requests that future Annual Section 106 Monitoring reports reference the extent to which Section 278 monies can be utilised.	The S278 agreement is not the mechanism for identifying what highway mitigation measures are deemed necessary but is the mechanism for managing the	Des Jones

Date	Item	Recommendation	Action	Contact Officer
			<p>delivery of those identified works captured through a condition of planning permission. In the past the works had been incorporated into the planning legal agreements.</p> <p>The highway works required must be necessary to mitigate specific harm caused by the development proposed and cannot include work which interested parties would like to see happen in the locality. Specific off-site highways work required through S278 agreements could be tracked in the future and captured within the Microsoft Team that has been created for each ward in a</p>	

Date	Item	Recommendation	Action	Contact Officer
			similar way to the 106 Workbook. This could include work required, a potential cost of the work and work completed. Further work will be undertaken to explore whether requirements through other conditions can be captured in a similar way.	
6 September 2022	RGSC/22/35	Recommends increasing efforts to have members of the Council trained on the CPAD system.	This will be raised with the Exec Member responsible for member training to try and schedule training either before December or early next year. It is envisaged that sessions will be offered either face to face (as previously) or via Teams, and times will be flexible.	Deborah Archer-Reeves/Jonathan Kershner
6 September	RGSC/22/35	Recommends that training on the CPAD system be included as part of the wider induction programme for	This recommendation has been accepted	Deborah Archer-Reeves/Jonathan

Date	Item	Recommendation	Action	Contact Officer
2022		members.	and will be incorporated into the induction programme.	Kershner

2. Key Decisions

The Council is required to publish details of key decisions that will be taken at least 28 days before the decision is due to be taken. Details of key decisions that are due to be taken are published on a monthly basis in the Register of Key Decisions.

A key decision, as defined in the Council's Constitution is an executive decision, which is likely:

- To result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, or
- To be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the city.

The Council Constitution defines 'significant' as being expenditure or savings (including the loss of income or capital receipts) in excess of £500k, providing that is not more than 10% of the gross operating expenditure for any budget heading in the in the Council's Revenue Budget Book, and subject to other defined exceptions.

An extract of the most recent Register of Key Decisions, published on **3 October 2022**, containing details of the decisions under the Committee's remit is included below. This is to keep members informed of what decisions are being taken and, where appropriate, include in the work programme of the Committee.

Corporate Core					
Manchester City Centre Triangle (2021/01/14A) The approval of capital expenditure for the construction of a scheme to connect travel hubs in the city centre	City Treasurer (Deputy Chief Executive)	Not before 31st Aug 2022		Checkpoint 4 Business Case	Steve Robinson, Director of Operations (Highways) steve.robinson@manchester.gov.uk
Early Years - Tendered	City Treasurer	Not before		Checkpoint 4	Amanda Corcoran, Director of

<p>Daycare Settings (2021/07/16B)</p> <p>The approval of capital expenditure to support the continued provision of high-quality Early Years settings across the City.</p>	<p>(Deputy Chief Executive)</p>	<p>16th Aug 2021</p>		<p>Business Case</p>	<p>Education a.corcoran@manchester.gov.uk</p>
<p>Contract for Provision of ICT and Digital resources to Manchester City Council (2022/01/31A)</p> <p>The appointment ICT and Digital resources to Manchester City Council.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 28th Feb 2022</p>		<p>Report & Recommendation</p>	<p>Joanna Thorne joanna.thorne@manchester.gov.uk</p>
<p>Framework Provision for Travel Services (2022/02/14A)</p> <p>The appointment of a provider to deliver Travel Services for MCC employees and Members.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 14th May 2022</p>		<p>Report & Recommendation</p>	
<p>Write off of EoN Reality loan (2022/03/01B)</p> <p>Under the delegation agreed at February 2022's Executive, write off of existing £1.1m loan to EoN</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 1st Apr 2022</p>		<p>Companies House – liquidation progress report</p>	<p>Tim Seagrave T.Seagrave@manchester.gov.uk</p>

Reality Ltd and outstanding interest, following confirmation that the company has been liquidated.					
<p>Framework Agreement for Senior Permanent and Interim Executive Search (2022/06/09A)</p> <p>The appointment of Agencies to deliver Permanent and Interim Senior Recruitment Services.</p>	City Treasurer (Deputy Chief Executive)	Not before 9th Jul 2022		Report & Recommendation	Mike Worsley mike.worsley@manchester.gov.uk
<p>Contract for the provision of a Contract Management System (2022/06/15B)</p> <p>To contract with a software supplier to provide MCC with a new Contract Management System.</p>	City Treasurer (Deputy Chief Executive)	Not before 15th Jul 2022		Report and recommendation	
<p>The Provision, Erecting, Maintaining & Storage of Christmas Wooden Houses (2022/06/15C)</p> <p>To seek approval to appoint a company/s to a</p>	City Treasurer (Deputy Chief Executive)	Not before 15th Jul 2022		Contract report	

framework for the provision, delivery, maintenance and storage of Wooden Houses for the Manchester Christmas Markets. The framework will be for a 4 year period, commencing September 2022.					
<p>Elizabeth Tower GP Surgery grant (2022/06/20A)</p> <p>To provide a £2.6m capital grant to the GP surgery at Elizabeth Tower, Great Jackson street to fund the fit out of the shell to allow the opening and operating of the new GP surgery facility.</p>	City Treasurer (Deputy Chief Executive)	Not before 20th Jul 2022		Checkpoint 4 Business Case	Tom Wilkinson, Deputy City Treasurer tom.wilkinson@manchester.gov.uk
<p>Framework Agreement for the Provision of Commercial Office Furniture and Furniture Services (2022/08/04A)</p> <p>The appointment of Provider to deliver Commercial Office Furniture and Furniture Services.</p>	City Treasurer (Deputy Chief Executive)	Not before 4th Sep 2022		Report and recommendations	Mike Worsley mike.worsley@manchester.gov.uk
<p>Award new Case Management System</p>	City Treasurer (Deputy Chief	Not before 8th Sep 2022		Briefing Document	

<p>replacement (2022/08/08A)</p> <p>To award the bid to a new supplier for the Neighbourhoods and Licensing including Taxi Licensing Case Management System.</p>	Executive)				
<p>TC520 - Provision of Parking Enforcement Services (2022/08/19A)</p> <p>To appoint a single provider for parking enforcement services.</p>	City Treasurer (Deputy Chief Executive)	Not before 19th Sep 2022		Report and Recommendation	
<p>Hybrid Cloud Programme (2022/08/19B)</p> <p>To approve capital expenditure to allow Manchester City Council ICT to create a Hybrid Cloud Programme that will refresh aging infrastructure and support its strategy to move to cloud-based technology solutions.</p>	City Treasurer (Deputy Chief Executive)	Not before 19th Sep 2022		Checkpoint 4 Business Case	Chris Wanley, Director of ICT chris.wanley@manchester.gov.uk
Award of Electricity	City Treasurer	Before 30		Award Report	Walter Dooley

<p>Supply contracts from existing Framework Agreements (2022/08/22A)</p> <p>To award a contract for the supply of Electricity from the Council's existing HH (large sites) and NHH (smaller sites) frameworks via direct award to the incumbent suppliers.</p>	<p>(Deputy Chief Executive)</p>	<p>Sep 2022</p>			<p>w.dooley@manchester.gov.uk, Peter Schofield peter.schofield@manchester.gov.uk</p>
<p>Framework Agreement for the Provision of Specialist and Hard to Fill Agency Roles (2022/08/26B)</p> <p>The appointment of Agencies to provide Specialist and Hard to Fill Agency Roles</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 26th Sep 2022</p>		<p>Report and recommendations</p>	<p>Mike Worsley mike.worsley@manchester.gov.uk</p>
<p>Development and Growth</p>					
<p>Strategic land and buildings acquisition 2019/06/03C</p> <p>The approval of capital expenditure for the purpose of the strategic acquisition of land and buildings to</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 1st Dec 2022</p>		<p>Checkpoint 4 Business Case & Briefing Note</p>	<p>Richard Cohen r.cohen@manchester.gov.uk</p>

support the Eastlands Regeneration Framework					
<p>Disposal of site of former Chorlton Leisure Centre for residential development (21/05/13A)</p> <p>Approval to the terms for the leasehold disposal of the site of the former Chorlton Leisure Centre for residential development.</p>	Strategic Director - (Growth and Development)	Not before 13th Jun 2021		Report to the Strategic Director of Growth and Development	Mike Robertson m.robertson@manchester.gov.uk
<p>Restructure of existing multiple ground leases at Manchester Science Park into a new overriding single head lease (2021/07/16A)</p> <p>Restructure of existing multiple ground leases at Manchester Science Park into a new overriding single head lease.</p>	Strategic Director - (Growth and Development)	Not before 16th Aug 2021		Report and recommendations	Mike Robertson m.robertson@manchester.gov.uk
<p>Strategic approach to developments of social homes via a city-wide New Build Local Lettings Policy (LLP) (2021/08/10A)</p> <p>Executive adopts the New</p>	Executive	16 Nov 2022		Report and recommendations	Martin Oldfield m.oldfield@manchester.gov.uk

Build LLP for immediate implementation.					
<p>Land at Downley Drive, New Islington/Ancoats (2022/02/18B)</p> <p>Land disposal by way of lease for residential development at Downley Drive, New Islington/Ancoats.</p>	Strategic Director - (Growth and Development)	Not before 18th Mar 2022		Report and recommendations	
<p>Asset Management Programme 2022/23 Budget (2022/04/26C)</p> <p>To approve capital expenditure for the Council's citywide assets.</p>	City Treasurer (Deputy Chief Executive)	Not before 26th May 2022		Checkpoint 4 business case	Richard Munns r.munns@manchester.gov.uk
<p>Disposal of the former Gala Bingo, Rowlandsway, Manchester, M22 5RS (2022/05/19A)</p> <p>Approval to the terms for the leasehold disposal of the former Gala Bingo, Rowlandsway, Manchester, M22 5RS.</p>	Strategic Director - (Growth and Development)	Not before 19th Jun 2022		Report to the Strategic Director of Growth and Development	Joe Martin, Development Surveyor joe.martin@manchester.gov.uk
Acquisition of strategic	City Treasurer	Not before		Report to	Mike Robertson

<p>asset in Wythenshawe (2022/06/10B)</p> <p>Approval of the capital expenditure required for the acquisition of the asset.</p>	<p>(Deputy Chief Executive)</p>	<p>7th Jul 2022</p>		<p>Executive on 29/06/2022 and Delegated approval report to the Strategic Director of Growth and Development and City Treasurer</p>	<p>m.robertson@manchester.gov.uk</p>
<p>This City - new scheme development (2022/06/17B)</p> <p>To give capital expenditure approval to build a mixed development of market and accessible rent properties, initially through the Council before transferring to a Council-owned company during the build.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 17th Jul 2022</p>		<p>Report and recommendation</p>	<p>Alan Caddick, Interim Director of Housing and Residential Growth Alan.Caddick@manchester.gov.uk</p>
<p>Housing Affordability Fund Budget (2022/06/28B)</p> <p>The approval of capital expenditure for affordable housing via a dedicated HAF budget.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 28th Jul 2022</p>		<p>Checkpoint 4 Business Case</p>	<p>Yvette Ryle, Project Manager Yvette.ryle@manchester.gov.uk</p>
<p>Large Scale Renewable Energy Project</p>	<p>City Treasurer (Deputy Chief</p>	<p>Not before 13th Aug</p>		<p>Executive Report</p>	<p>Leader</p>

<p>(2022/07/13B)</p> <p>To purchase a large scale solar farm, associated storage and maintenance arrangements.</p>	Executive)	2022			
<p>King Street Multistory Car Park & King Street West Shops 35-47 (22/07/18A)</p> <p>Approval to the surrender of the City Councils Leasehold interested to support the redevelopment of the site, as consented under planning application 129251/FO/2021</p>	Strategic Director - (Growth and Development)	Not before 18th Aug 2022		Confidential report and recommendations	Lousie Hargan l.hargan@manchester.gov.uk
<p>The Northern Gateway HIF Infrastructure Programme (2022/07/26A)</p> <p>To approve capital expenditure of up to £33.7m, the balance of the available allocation of £51.6m Housing Infrastructure Fund Government grant, following the approval of an initial tranche of £17.9m.</p>	City Treasurer (Deputy Chief Executive)	Not before 26th Aug 2022		Checkpoint 4 Business Case	Ian Slater i.slater@manchester.gov.uk

<p>This will cover the construction period for the delivery of flood mitigation works, infrastructure and utilities provision in the Red Bank Neighbourhood.</p>					
<p>Hammerstone Road Depot Additional Funding (2022/08/01A)</p> <p>To approve Capital Expenditure for further works which include, but are not limited to, scope changes for improved low carbon specifications, works to the façade, roof and drainage and inflationary cost pressures.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 1st Sep 2022</p>		<p>Checkpoint 4 Business Case</p>	<p>Richard Munns r.munns@manchester.gov.uk</p>
<p>Lower Campfield and Upper Campfield - granting of new ground leases (2022/09/07A)</p> <p>Approval to the granting of new ground leases to allow the repair and refurbishment of both buildings by the lessee.</p>	<p>Chief Executive</p>	<p>Not before 6th Oct 2022</p>		<p>Report to the Chief Executive and Strategic Director of Growth and Development</p>	<p>David Norbury david.norbury@manchester.gov.uk</p>
<p>This City: Contractor and Design Team Fees</p>	<p>City Treasurer (Deputy Chief</p>	<p>Not before 10th Sep</p>		<p>Checkpoint 4 Business Case</p>	<p>Sarah Narici sarah.narici@manchester.gov.u</p>

<p>(2022/08/10A)</p> <p>To approve capital expenditure for the delivery of This City: Norther Quarter (Postal Street) in order to appoint a contractor under a Pre-Construction Services Agreement to progress work on a mixed development of market and Manchester Living Rent properties until planning permission has been granted.</p>	Executive)	2022			k
<p>Woodward Court External Concrete Repairs & Enveloping (09/09/2022A)</p> <p>To approve capital expenditure for full enveloping scheme inclusive of concrete repairs to Woodward Court</p>	City Treasurer (Deputy Chief Executive)	Not before 9th Oct 2022		Checkpoint 4 Business Case	Martin Oldfield m.oldfield@manchester.gov.uk
<p>Electric Vehicle Charging Strategy (2022/09/12A)</p> <p>The approval of the Draft Strategy and agreement to its publication.</p>	Executive	14 Dec 2022		Report and recommendations	Phil Havenhand, Interim Head of Infrastructure & Environment Phil.Havenhand@manchester.gov.uk

<p>Fire Risk Assessments Additional Work (2022/09/13A)</p> <p>To approve Capital Expenditure of £4.885m to carry out specific further fire protection/prevention related work identified on properties within Housing Operations managed area.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 11th Oct 2022</p>		<p>Checkpoint 4</p>	<p>Martin Oldfield m.oldfield@manchester.gov.uk</p>
<p>Biodiversity Strategy (2022/09/21A)</p> <p>To endorse the Manchester Biodiversity Strategy</p>	<p>Executive</p>	<p>19 Oct 2022</p>		<p>report and recommendations</p>	<p>Duncan McCorquodale duncan.mccorquodale@manchester.gov.uk</p>
<p>Neighbourhoods</p>					
<p>Parks Development Programme Team Funding (2022/03/10B)</p> <p>To approve capital expenditure to continue the Parks Development Programme team.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 10th Apr 2022</p>		<p>Checkpoint 4</p>	<p>Neil Fairlamb N.Fairlamb@manchester.gov.uk</p>
<p>Extension of the waste & street cleansing contract (2022/03/30B)</p>	<p>Executive</p>	<p>1 Jun 2022</p>		<p>Waste Report to Environment & Climate Change Scrutiny</p>	<p>Matthew Bennett matthew.bennett@manchester.gov.uk</p>

To fund the increase in contract fee from 2023 for the remainder of the contract period - £7.95m.				Committee (10 March 2022)	
<p>TC927 On Street Environmental Enforcement (2022/07/14A)</p> <p>To seek approval to award a contract to suppliers who can deliver On Street Environmental Enforcement.</p>	City Treasurer (Deputy Chief Executive)	Not before 30th Nov 2022		Confidential contract report with recommendations	Mark Warmisham mark.warmisham@manchester.gov.uk
<p>Environmental Health, Trading Standards and Housing Compliance and Enforcement Fees (2022/08/24A)</p> <p>To increase fees associated with chargeable work in Environmental Health, Trading Standards and Housing Compliance</p>	Strategic Director (Neighbourhoods)	Not before 24th Sep 2022		Report requesting approval for setting fees and new fee and charge levels	Tim Birch, Neighbourhood Manager tim.birch@manchester.gov.uk
<p>Indoor Leisure - Abraham Moss (2022/09/13B)</p> <p>To approve capital expenditure of £1.4 million to fund additional</p>	City Treasurer (Deputy Chief Executive)	Not before 11th Oct 2022		Checkpoint 4 Business Case	Neil Fairlamb N.Fairlamb@manchester.gov.uk

inflationary labour and material costs following a delay to the project after the discovery of piles under the site.					
<p>Manchester Aquatic Centre (MAC) (2022/09/13C)</p> <p>To approve capital expenditure of £2.3 million to fund inflationary cost increases across the project including increases in the MEP (Mechanical / Electrical / Plumbing) package and across internal finishes.</p>	City Treasurer (Deputy Chief Executive)	Not before 11th Oct 2022		Checkpoint 4 Business Case	Neil Fairlamb N.Fairlamb@manchester.gov.uk
<p>House of Sport Fire Mitigation and Roof Additional Works (2022/09/13D)</p> <p>To approve Capital Expenditure of over £2 million to address health and safety issues that need to be actioned following surveys.</p>	City Treasurer (Deputy Chief Executive)	Not before 11th Oct 2022		Checkpoint 4 Business Case	Neil Fairlamb N.Fairlamb@manchester.gov.uk
Highways					

<p>Public Realm Improvements 2022/23 (2022/06/15A)</p> <p>To approve the capital expenditure for a number of essential Public Realm improvements.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 15th Jul 2022</p>		<p>Checkpoint 4 Business Case</p>	<p>Steve Robinson, Director of Operations (Highways) steve.robinson@manchester.gov.uk</p>
<p>City Centre Active Travel Fund scheme (2022/07/08A)</p> <p>The approval of capital expenditure to develop the detailed design of the city centre active travel project</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 8th Aug 2022</p>		<p>Checkpoint 4 Business Case</p>	<p>Steve Robinson, Director of Operations (Highways) steve.robinson@manchester.gov.uk</p>
<p>TC056 - Highways Support (2022/07/25A)</p> <p>Renewal of the Highway support framework. The framework is to support Highways Maintenance Service with Major & Minor Civil Engineering projects.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 25th Aug 2022</p>		<p>Confidential Contract Report with Recommendations</p>	
<p>TC013 - Supply of Concrete and Bedding (2022/08/26A)</p> <p>Renewal of the Supply of concrete and bedding</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 26th Sep 2022</p>		<p>Confidential Contract Report with Recommendations</p>	

<p>framework to supersede the existing framework where one of the two providers has ceased trading and the new bedding requirement cannot be met.</p> <p>The purpose of the framework is to supply volumetric concrete & bedding to support Civil Engineering projects in the Highways Directorate</p>					
<p>Q20499 - Chorlton Area 3b (2022/09/27A)</p> <p>The works will provide a segregated cycle facility on both sides along Manchester Road from the Metrolink bridge south to the junction with Wilbraham Road (Four Banks) & Barlow Moor Road from Four Banks to Sandy Lane junction.</p>	Deputy City Treasurer	Not before 27th Oct 2022		Confidential Contract Report with Recommendations	
<p>Q20494 - Victoria Norther Eastern Gateway Phase 1b</p>	Deputy City Treasurer	Not before 27th Oct 2022		Confidential Contract Report with	

<p>(2022/09/27B)</p> <p>Cycling Route, Phase 1B comprises of two separate locations Pollard Street / Great Ancoats Street Junction and Old Mill Street, the scheme identified as Victoria North / Eastern Walking and Cycling Scheme Phase 1B.</p>				Recommendations	
Education and Skills					
<p>School Admission Arrangements 2024/25 (2022/09/22A)</p> <p>To agree that the council undertakes consultation to gather views on its arrangements and the change in back office process from the current 3, to 1 time per year for the removal of details from schools waiting lists</p>	Executive	19 Oct 2022		Report to Executive D2 - Changes to School Admissions Policy	Amanda Corcoran, Director of Education a.corcoran@manchester.gov.uk
<p>Proposal for a new secondary special school (2022/09/22B)</p>	Executive	19 Oct 2022		Report to Executive D2 - Development of a new special	Amanda Corcoran, Director of Education a.corcoran@manchester.gov.uk

To agree that the Council undertakes consultation to gather views on the plans to develop a new special high school as a first step towards identifying a provider for the new school.

To delegate responsibility to the Director of Education in consultation with the Executive Member for Children's Services to progress the publication of a specification for the new school and invitations to sponsor based on the outcomes of the consultation; and identify a preferred sponsor for the new school to be recommended to the DfE.

high school

3. Resources and Governance Scrutiny Committee - Work Programme – October 2022

TBC

Items to be Scheduled

(Items highlighted in grey indicate that these have been included in the work plan of one of the above meetings).

(New items added are highlighted in blue)

Item	Purpose	Executive Member	Strategic Director / Lead Officer	Comments
Commercial activity	Precise Details to be confirmed	Councillor Akbar	Carol Culley	
Contract Monitoring	Precise Details to be confirmed	Councillor Akbar	Carol Culley	
Review of investments being made by the Council into its Capital Strategy in terms of delivering future VFM post COVID19	Precise scope to be determined	Councillor Akbar	TBC	
GMCA Governance and Public Sector Reform	To receive an update on what is being delivered for the City through these arrangements	Councillor Craig	TBC	
Revenue and Benefits	Themed meeting to include activity around position of Business Rates and Council Tax and impact on residents and how to target support most effectively	TBC	TBC	
Annual Section 106 Monitoring	To receive a report on the Governance arrangements relating to Section 106.	Councillor White	Julie Roscoe/Des Jones	Report to be considered around Sept 2023

4. Items for information

Report: End User Device Programme – Health and Safety

For: Resources and Governance Scrutiny Committee

From: Chris Wanley, Director of ICT and Tom Powell, Head of Internal Audit and Risk Management

Date: 24 March 2022

Summary

To provide assurance regarding the assessment and management of health and safety risks arising from the End User Project. Throughout the project Health and Safety colleagues have been working with the End User Project team to support the health and safety of the team members and end users of newly deployed devices.

Key themes supported:

- COVID-19 secure measures for the project team for the organisation and deployment of devices
- Transportation of devices by end users
- Support for disabled staff

COVID-19 secure measures for the project team for the organisation and deployment of devices through local hubs

ICT have completed a service COVID-19 risk assessment supported by the Health and Safety Team. This specifically looked at the practical arrangements for the handling, distribution, and provision of support for end users. Arrangements included: Social distancing, enhanced cleaning, provision of personal protective equipment, hand sanitiser, signage, ventilation, and strict booking arrangements. Once available regular lateral flow device testing was undertaken. Adherence to COVID-19 controls were monitored by colleagues within the Health and Safety Team. There have been no COVID-19 outbreaks associated with the roll out of end user devices.

Transportation of devices by end users

The selection of devices sought to balance size, weight, and performance. Health and Safety assessed a range of bags and rucksacks to identify ones which provided good ergonomic support and provided a discrete presentation (i.e., were not overtly clear they could be laptop bags). Staff are offered a range of carrying bags / rucksacks and some colleagues choose to use their own bags. All devices are encrypted and if staff are threatened, they should hand the device over and not place themselves at additional risk. It is now common practice for individuals to carry portable computer devices.

Support for disabled staff

The use of computer devices can present a range of challenges for disabled colleagues. This can include difficulties in carrying / transporting devices, screen size where the person has a visual impairment, engaging in video / 8x8 calls where they have a hearing impairment, use of small laptop keyboard / trackpad where they have musculoskeletal difficulties.

We have taken an individualised approach to supporting each disabled colleague. Health and Safety colleagues work with the individual and their manager to recommend a solution. Solving one issue can create additional difficulties so it is important to take a holistic approach. Solutions have included:

- Difficulties carrying the device – provision of roller bag through to provision of multiple devices for individuals assessed as being unable to transport the device
- Difficulties seeing the screen – larger screen laptops (though this has increased handling / ergonomic issues and have been very difficult to source), provision of assistive software, provision of larger screens for use at home, provision of high visibility keyboards, larger screen mobile phones and currently evaluating mobile screens for use in other settings.
- Difficulties hearing / participating in teams meetings / use of 8x8 – Use of assistive features within MS365 (captions, recorded narration), sourcing mobile phones which link to the latest hearing aid streaming features, headsets with built in induction loops.

Information requested from Annual S106 Monitoring report

Could S106 monies be used to partially fund the Council's wholly-owned housing delivery model?

It is acknowledged that this matter was raised at the meeting and a reference was made that Salford take this approach. This is a matter that will be looked into further. However, the view remains at the present time that this would not meet the necessary legal tests.

How can members be involved in the officer S106 working group?

This is a working group made up of officers from across the Council dealing with legal and financial matters arising from 106 agreements. The purpose is to ensure that spend is progressing in accordance with the specific requirements of the signed legal agreements. Although it would not be appropriate for Members to attend s106 working group meetings, a progress note on spend can be made available within the Microsoft Team that has been created for each ward, which ward councillors and ward coordinators have access to.

A definition of 'land values' and 'market forces'

Market Forces – these are economic factors affecting the price of, demand for and availability of a commodity. Putting this in the context of S.106 the viability of a scheme will fluctuate depending on the cost of construction which is on the rise and values that can be achieved depending on the location, supply of and demand for units.

Land Value – Land value in relation to viability and whether a contribution can be made to mitigate harm, is the value which is derived at the end of a residual valuation which is basically the gross development value of a scheme less the development costs (including developer return). The values within the residual valuation are influenced by the Market Forces. This Residual Land Value is then compared with the Benchmark Land Value, which is the existing use value with an uplift to reflect alternative use at a level that will incentivise the landowner to sell.

Both land values and market forces are all part of the assessment into viability and as such has to be assessed in accordance with the Royal Institute of Chartered Surveyors guidance.

This page is intentionally left blank