



Resources and Governance Scrutiny Committee

Date: Thursday, 20 July 2023

Time: 10.00 am

Venue: Council Antechamber, Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

There will be a private meeting for committee members only from 9:30am on Thursday, 20 July in Room 2006, Level 2, Town Hall Extension.

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, Brickell, Connolly, Davies, Evans, Kilpatrick, Kirkpatrick, Lanchbury, 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 - 18
To approve as a correct record the minutes of the meeting held on Thursday, 22 June 2023.
- 5. Factory International Progress Update (PART A)** To Follow
- 6. Our Town Hall Project - Progress Update** 19 - 36
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 October 2022.
- 7. Review of Development Agreements** 37 - 44
Report of the Director of Strategic Housing and Development and the Head of Development and Investment Estate.

This report outlines the use by the Council of development agreements along with the governance arrangements in relation to the negotiation, management and monitoring of development and associated agreements over Council land and buildings.
- 8. MCC Housing Services and Equans Contract Extension (PART A)** 45 - 50

Report of the Deputy Chief Executive and City Treasurer and the Director of Housing Services.

This report sets out the recommendation to extend the current contract between MCC and Equans up to a maximum of three years, with the addition of break clauses in 2025 and 2026.

9. Overview Report

51 - 82

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.

10. Exclusion of Press and Public

The officers consider that the following item contains exempt information as provided for in the Local Government Access to Information Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The Committee is recommended to agree the necessary resolutions excluding the public from the meeting during consideration of this item.

11. Factory International Progress Update (PART B)

To Follow

12. MCC Housing Services and Equans Contract Extension (PART B)

83 - 100

Report of the Deputy Chief Executive and City Treasurer and the Director of Housing Services.

This report sets out the recommendation to extend the current contract between MCC and Equans up to a maximum of three years, with the addition of break clauses in 2025 and 2026.

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. To help facilitate this, the Council encourages anyone who wishes to speak at the meeting to contact the Committee Officer in advance of the meeting by telephone or email, who will then pass on your request to the Chair for consideration. 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.

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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.

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Further Information

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

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This agenda was issued on **Wednesday, 12 July 2023** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension, Manchester M60 2LA

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Resources and Governance Scrutiny Committee

Minutes of the meeting held on Thursday, 22 June 2023

Present:

Councillor Simcock (Chair) – in the Chair
Councillors Andrews, Brickell, Connolly, Davies, Evans, Kilpatrick, Lanchbury and Wheeler

Also present:

Councillor Rahman, Statutory Deputy Leader
Councillor Akbar, Executive Member for Finance and Resources
Councillor White, Executive Member for Housing and Development
Councillor Moran, Deputy Executive Member for Finance and Resources
Councillor Karney, Chair of the Constitutional and Nomination Committee

Apologies: Councillor Kirkpatrick

In opening the meeting, the Chair reminded members that there would be a site visit to the Town Hall on Monday 10 July at 2pm.

RGSC/23/27 Interests

Councillor Julie Connolly declared a non-pecuniary interest in item 7 and would remain in the meeting for the duration of the discussion.

RGSC/23/28 Minutes

Decision:

That the minutes of the previous meeting, held on 25 May 2023, be approved as a correct record.

RGSC/23/29 Elections Act 2022 and the 4 May 2023 Local Election - Progress Report on its Impacts

The committee considered a report of the Chief Executive which provided a full update on how the new duties of the Elections Act 2022 impacted on the local election on 4 May 2023.

Key points and themes within the report included:

- Providing an introduction and background to the Elections Act 2022;
- Figures on the number of applications for a Voter Authority Certificate (VAC) received by the Council;

- The number of enquiries received by the Contact Centre before and on Polling Day;
- 60, 742 electors voted in person at the election out of a total of 313,519 eligible;
- 1,060 polling station electors were not initially issued with a ballot paper but later returned with accepted ID;
- 589 polling station electors applied for but were not issued with a ballot paper by close of poll;
- The Electoral Commission were collating data from all 230 councils who held elections in May to produce a report evaluating the full impact of the voter ID requirement and a report on the key findings of this would be provided to the Scrutiny Committee when it is published;
- The reasonable equipment provisions that were in place at polling stations;
- The impact of the communications campaign; and
- The changes expected from July 2023 as a result of the second tranche of legislation through the Act.

Key points and queries that arose from the committee's discussions included:

- Thanking the Elections team and all staff who worked on polling stations and the count;
- How many people in Manchester had been charged with voter fraud in the last 10 years;
- The costs incurred by Manchester City Council as a result of involvement in Greater Manchester's communications campaign;
- Requesting further information on the gradual move to online postal voting applications as stipulated in the Elections Act 2022;
- What ongoing communications there would be to encourage electors to apply for VACs; and
- Noting that a new parliamentary boundary map was expected to be released imminently and querying whether discussions with neighbouring authorities regarding cross-boundary constituencies were underway.

In opening the item, the Chair stated that the introduction of voter ID was a wholly unnecessary, politically motivated scheme that had cost millions of pounds, but he congratulated council staff for their efficiency and consideration in dealing with VAC applications. He also paid tribute to the electorate who adhered to the change in requirements.

The City Solicitor also expressed her thanks to staff and acknowledged the challenges that the changes arising from the Elections Act 2022 posed. She stated that representatives from central government, the Electoral Commission, the Association of Electoral Administrators (AEA), a London authority and a Scottish authority observed Manchester on polling day, and all praised the work and good practice within polling stations, with some national organisations noting this work to share across the country. She noted further challenges arising within the coming year, including changes to postal and proxy vote applications which the Council was

awaiting further guidance on. A polling district review would also be undertaken after new parliamentary boundaries came into effect in December 2023. The City Solicitor stated that further engagement would be undertaken with communities to enfranchise more electors.

The Statutory Deputy Leader stated that the introduction of voter ID was an attempt to disenfranchise people, particularly the working class and young people. He stated that the national advertising campaign was poor and that there was little attempt to notify people of the changes. He expressed his belief that one voter turned away from a polling station was one voter too many. He paid tribute to the Elections team for their work in what he stated were difficult circumstances but called on the government to reverse the policy and build trust in politics to encourage more residents to exercise their democratic right.

In response to a member's query regarding how many people in Manchester had been convicted of voter fraud in the last 10 years, the City Solicitor explained that she was not aware of any individuals who had been convicted of voter fraud within the last 10 years, but this would be confirmed to members following the meeting. She stated that the number of people convicted nationally was also very low.

The Head of Strategic Communications explained that there was a cross-Greater Manchester (GM) approach to communications which the Council supplemented with specific activity in Manchester to reach those most likely to be affected by changes imposed by the Act. He stated that the cost of the GM-wide campaign was £93k, to which Manchester City Council contributed £17k. Additional expenditure was also incurred by the Council, including banners for display outside of polling stations and 12 additional translations, to a total £50k. The Head of Strategic Communications explained that this additional expenditure was felt to be necessary and important given that the 2023 local election was the first since the changes had been introduced.

The Electoral Services Corporate Delivery Manager explained that the Council was awaiting further information from the Department for Levelling Up, Housing and Communities (DLUHC), which was currently undertaking beta testing of the online postal vote application portal. Assurances were provided that paper application forms would still be available and further information would be provided once available.

In response to a query regarding what ongoing communications there would be to encourage electors to apply for VACs, the committee was advised that this would continue to be promoted through the annual canvass period. The Elections and Electoral Registration Policy Officer explained that an engagement campaign was being developed to run throughout the summer as part of consultations on the polling district review and the annual canvass. He stated that the Council was working with Macc and the Our Manchester VSCE Fund, universities, Age Friendly Manchester, Breakthrough UK to reach disabled groups, the Council's Neighbourhoods service, homelessness services and the care and veterans' sectors on this to reach a wide

range of communities and groups. Members also requested that further information on this be shared with councillors to distribute at events.

The City Solicitor confirmed that there would be six different cross-boundary parliamentary constituencies as a result of the boundary review and acknowledged that this would add a complexity to parliamentary elections. The Electoral Services Corporate Delivery Manager explained that regular meetings with neighbouring authorities were held through Greater Manchester Combined Authority (GMCA). She stated that the new boundaries would only come into effect once a parliamentary election was called. A report on how the Council was preparing for these changes would be provided to the next meeting of the Constitutional and Nominations Committee.

The Chair of the Constitutional and Nominations Committee stated that only 10 people in the UK had been taken to court over suspected voted fraud in the last 5 years, none of which were in Manchester. On behalf of the Constitutional and Nominations Committee, he thanked staff who worked on the elections and stated that it would be difficult to fully understand the number of electors who were dissuaded from voting as a result of the requirement to present ID.

Decision:

That the report be noted.

RGSC/23/30 Our New Finance and HR System

The committee considered a report of the Deputy Chief Executive and City Treasurer and the Director of Human Resources, Organisational Development and Transformation (HRODT) which provided an update on the work undertaken so far to replace the SAP HR and Finance system, the procurement approach and timescales, and the risks and opportunities presented by this implementation.

Key points and themes within the report included:

- Providing an introduction and background to SAP, which was implemented in 2006;
- The programme vision and how this project aligned to the Digital Strategy;
- The approach to implementation, including governance and scrutiny processes;
- How the replacement system would be procured, designed, configured, and implemented;
- Lessons learned from other system implementations; and
- Next steps and the timeline for the project.

Key points and queries that arose from the committee's discussions included:

- Whether the Head of Internal Audit would be consulted on the project;

- Requesting that a short note on the controls within the new system be provided to the Audit Committee at the appropriate time;
- Whether a robust testing period would be planned and whether feedback on any issues would be provided to the Audit Committee;
- Acknowledging that the current system had been in place for 17 years;
- Noting that the programme team had engaged with other Local Authorities implementing new Finance and HR systems, and querying what other learning methods were available;
- Seeking clarification on what was meant by '*transformation*' and '*vision*';
- Requesting further information on STAR Procurement, who were commissioned to provide tailored professional advice and support; and
- Noting the procurement timeline and querying whether this was challenging.

The Deputy Chief Executive and City Treasurer stated that the replacement of the HR and Finance system was fundamental in delivering improvements to how the Council worked. She stated that she was responsible for the project overall and would provide visible and proactive leadership. She expressed her thanks to the Deputy City Treasurer and the Director of HRODT and their teams for their work on the project thus far.

The Director of HRODT stated that the project provided a great opportunity for the Council to continue its transformation journey. He stated that there would be an emphasis on supporting staff through this change and ensuring that officers were equipped with the necessary digital skills to use this new technology.

The Deputy City Treasurer explained that the tender was now out to market and requests to participate from a number of suppliers had been received. These were currently being evaluated with an anticipated six suppliers being invited to tender by the Programme Board. The evaluation of this would be undertaken throughout the summer with an appointment anticipated to be made in December 2023. He stated that the transactional aspect of the system was scheduled to go live on 1 April 2025.

In response to a member's query, the Deputy City Treasurer explained that the Head of Internal Audit was aware of the programme and would be responsible for the approval of financial controls within the new system.

The Deputy City Treasurer also confirmed that a 3-month testing period had been factored into the implementation plan.

The Deputy Chief Executive and City Treasurer stated that there had been several major upgrades to the SAP system since its implementation in 2006 and that it was fully Public Services Network (PSN) compliant. The system would become defunct after 2027, which was why work was already underway to implement a new system. She also stated that the Council would not endeavour to make any new system as bespoke as SAP.

Members were also advised that as part of any procurement within ICT, the Council identified lessons learnt from other authorities. There were also Treasurers' and ICT Directors' Networks where good practice and learning was shared.

The Deputy City Treasurer explained to the committee that STAR Procurement was a shared service between Stockport, Trafford, Rochdale, and Tameside authorities and was used by the Council where additional capacity in a procurement process was required.

In response to the Chair's query regarding whether the deadline for implementation was challenging, the Deputy City Treasurer stated that the timescales within the project plan were sufficient and provided some degree of flexibility.

The Executive Member for Finance and Resources concluded by stating that the implementation of the new system was a significant piece of work that would provide a once-in-a-generation change to impact the future shape and work of the Council. He explained that Councillor Rahman and himself would have political oversight for this work.

Decision:

That the report be noted.

RGSC/23/31 Major Contracts

The committee received a report of the Head of Integrated Commissioning and Procurement and the Strategic Lead – Commissioning which provided an update on the Council's key contracts, the approach to procurement of these contracts and assessments of how to source contracts due for renewal and/or extension.

Key points and themes within the report included:

- An introduction to major contracts, how they are classified as major contracts and a summary of oversight arrangements;
- Background to the Major Contracts Board;
- An overview of the procurement pipeline and recommissioning status of the major contracts; and
- Next steps for the work on major contracts and the contract management programme of work more generally.

Key points and queries that arose from the committee's discussions included:

- Noting the brevity of the report;
- Requesting that milestones be built into the Board's work programme to enable the Resources and Governance Scrutiny Committee to comment on the procurement of contracts;
- Whether progress updates on the Housing Repairs Contract could be provided to the Resources and Governance Scrutiny Committee at 12- and 24-month points;

- Requesting that a report on the Housing Repairs Contract be provided to the Scrutiny Committee;
- How many contracts had plans to be insourced;
- Emphasising the democratic will of the Council to insource services, and querying what obstacles there were to this;
- Requesting that a future report includes an appendix with more detailed information on each contract;
- Whether trade union consultation had been considered by the Joint Consultative Committee (JCC); and
- Noting that the implications of the new Procurement Act could fall within the remit of the Audit Committee and requesting that both the Chair of Resources and Governance Scrutiny Committee and the Chair of Audit Committee are kept informed.

In introducing the item, the Deputy Chief Executive and City Treasurer apologised for the lateness of the report, advising that there was currently limited capacity within the Procurement team and that lessons would be learnt. She explained that the work of the Major Contracts Oversight Board work aligned with the developing insourcing policy. It ensured that the Council worked ahead of schedule on the contracts pipeline and had sufficient lead-in time to consider all options and undertake feasibility studies in advance of contracts expiring. It also focused on ensuring that the appropriate contract monitoring mechanisms were in place. She provided assurances that the Biffa waste service contract was within the remit of the board and had been considered recently.

In response to a member's request, the Strategic Lead – Commissioning stated that the Board would meet the week after and would ensure that the work programme aligned with that of the Scrutiny Committee. He also stated that the Board was examining general updates on the performance of major contracts in addition to future procurement.

In response to a request for 12- and 24-month progress updates on the Housing Repairs Contract, the Deputy Chief Executive and City Treasurer stated that she would discuss with the Executive Member what the appropriate mechanism would be for sharing this information with the committee.

The Strategic Lead – Commissioning explained that there were delivery assessment models being progressed or shortly being progressed for all contracts soon to be procured or recommissioned. He recognised that there were time pressures impacting some contracts and that some were unsuitable to be insourced, such as where there are only single providers within the sector.

The Executive Member for Finance and Resources reiterated that the viability of insourcing was a key part of the delivery model assessment of contracts and clarified that there was no resistance to insourcing amongst officers. The Executive Member for Housing and Development stated that the Executive and officers recognised the motion on insourcing passed at Full Council in February 2023 and cited bringing

Northwards housing stock under the Council's control as an example of the commitment to insourcing.

In response to a request for a report on the Housing Repairs Contract, the Strategic Lead – Commissioning stated that he would consult with the Director of Housing Services and the Executive Member for Housing and Development on this.

It was also confirmed that the Joint Consultative Committee had discussed consultation with trade unions and that the draft policy had been shared with them. Further detailed conversations would be held over the summer.

Decision:

That the Committee

1. notes the report, and
2. requests that a more substantial report be provided at the next update and includes an appendix with more detailed information on each major contract and whether insourcing would be viable.

RGSC/23/32 Ethical Procurement Policy and Fair Tax

The committee received a report of the Head of Integrated Commissioning and Procurement and the Strategic Lead – Commissioning which provided an update on the Council's ethical procurement and fair tax assessments in procurement and development decision-making.

Key points and themes within the report included:

- The purpose and objectives of the Council's Ethical Procurement Policy;
- New national procurement regulations were expected to take effect from October 2024;
- Under current procurement legislation, local authorities are unable to exclude companies from supply chains on the grounds of tax practices unless they have been prosecuted and convicted of a specific offence;
- The advantages and drawbacks of the Council signing up to the Fair Tax Charter; and
- The suggested approach to progressing the Fair Tax agenda.

Key points and queries that arose from the committee's discussions included:

- Whether Fair Tax was classed as a non-commercial matter, which would allow a supplier to challenge a decision to award a contract;
- How regulations prohibiting local authorities from excluding companies from supply chains on the grounds of tax practices unless they have been

prosecuted and convicted of a specific offence impacted current due diligence practices; and

- What powers public sector organisations had to exclude companies from supply chains on the grounds of poor reputation, citing the cladding crisis as an example.

The Executive Member for Finance and Resources stated that the Council's Ethical Procurement Policy had been in place for over 10 years and that the government's new procurement regulations were expected to be announced in July 2023 and implemented in October 2024. He stated that the Ethical Procurement Policy went as far as it could within the current legislation and highlighted how the Council was a Living Wage accredited authority and had signed up to several charters, including Unison's Ethical Care Charter and the Unite Construction Charter. He explained that the Council was focussing on the Fair Tax agenda and due diligence work was currently being undertaken on all Joint Ventures that the Council had entered into, following engagement with the Fair Tax Foundation. He also explained that the Council was exploring the possibility of embedding Fair Tax principles when reviewing procurement processes and that the Labour Group was considering submitting a motion to Full Council that would reinforce the commitment to the Fair Tax agenda.

In response to members' queries, the Strategic Lead – Commissioning stated that Fair Tax was generally a non-commercial consideration but that tax compliance with UK law could be used as grounds to exclude a company from the supply chain. He also explained that there was a standard questionnaire used across the public sector which was set by the government and included questions around tax compliance.

It was acknowledged that ultimate ownership of a company could be challenging to ascertain but this was included in the questionnaire.

The Strategic Lead – Commissioning explained that the standard questionnaire provided more scope to disregard tenders where there have been previous breaches of the law and the new procurement regulations would give more scope to exclude suppliers on ethical grounds and past performance than the current provisions allowed.

Members were advised that reputational issues were classed as non-commercial matters but that the Social Value Policy assisted the Council to work with suppliers who shared similar values and ethics. The Strategic Lead – Commissioning stated that discussions could be held outside of the meeting if members had specific concerns.

Decision:

That the report be noted.

RGSC/23/33 Social Value

The committee received a report of the Head of Integrated Commissioning and Procurement and the Strategic Lead – Commissioning which set out the Council's approach to social value.

Key points and themes within the report included:

- Providing an introduction and background to social value;
- The social value governance and programme;
- An overview of social value in commissioning and procurement;
- Social value key performance indicator (KPIs) targets and actuals to date for the Our Town Hall project;
- Issues and next steps; and
- Case studies of social value within the Highways service.

Key points and queries that arose from the committee's discussions included:

- Welcoming the work, particularly that in North Manchester;
- Why the KPIs around new apprentices up to level 3 and existing apprentices employed were below target, and requesting that this be referenced in the Our Town Hall Project Update report scheduled for July;
- How social value projects can help with community cohesion where new developments are built in existing communities;
- Noting that social value can help to improve contractors and career progression;
- How social value within procurement can be tracked and monitored;
- Whether a communications plan was in place to publicise the good work being driven through social value;
- How information on social value was captured where the Council had worked with the same suppliers as other organisations; and
- How delivery on the KPIs for the Factory International project would compare with those for Our Town Hall.

The Deputy Executive Member for Finance and Resources stated that the Council's commitment to social value began in 2007 and that Manchester had the largest social value and zero carbon weightings in their procurement process than any other local authority in the country, which demonstrated how the Council was a pioneer in social value. She explained that the Council had dedicated policies and governance structures to ensure that social value was embedded into procurement and commissioning processes. She stated that social value had provided an innovative way to support deprived communities against a backdrop of funding cuts.

The Social and Economic Project Manager informed the committee of several projects he had worked on to deliver social value with different contractors, education settings and Council teams.

In response to a member's query regarding the number of apprentices employed on the Our Town Hall project, the Strategic Lead – Commissioning stated that he would confirm this with the project team.

The Social and Economic Project Manager explained that a community group had been established to engage on masterplans and that a review was being undertaken on how to improve community engagement.

The Strategic Lead – Commissioning acknowledged the importance of tracking social value achievements in procurement. He stated that the Council had a dedicated tool for tracking social value on larger contracts such as construction and highways. He recognised that there was a challenge in tracking this across a multitude of contracts, but this was included in the service's programme of work. A new contract management system was being implemented and would have the capability to track KPIs. Officers were also considering a measuring tool for medium-sized contracts and how to collate more case studies.

The committee was also advised that the Social Value Fund consisted of monetary contributions made by suppliers and had been used for a number of projects overseen by the Social Value Governance Board. However, it was noted that some of the biggest contributions to social value were made through the creation of jobs and opportunities.

In response to a query regarding whether a communications plan was available, the Social and Economic Project Manager explained that an annual report was provided to the Regeneration and Economic Board and could be shared with members following this. Organisations that the Council worked with also created their own annual reports, which could be shared. Weekly updates were provided to the Growth and Development team and the communications group met monthly.

The Deputy Chief Executive and City Treasurer stated that achievements of zero carbon work were highlighted by the communications group and the Council's communications team to capture information and produce a newsletter. She noted that this could be implemented for social value achievements.

In response to the Chair's query regarding the KPIs for Factory International, it was advised that a report on this was considered by the Economy and Regeneration Scrutiny Committee in March 2023 and provided further detail.

The Strategic Lead – Commissioning explained that social value was monitored on a project-by-project basis and good practice was shared, particularly in the construction sector, but he noted that it was an area for development.

Decision:

That the report be noted.

RGSC/23/34 Overview Report

The committee received a report of the Governance and Scrutiny Support Unit which provided details of key decisions that fell within the Committee's remit. The report also included the Committee's work programme, which the Committee was asked to amend as appropriate and agree.

The Chair sought assurances that the reports scheduled for the next meeting would be published on time with the exception of The Factory International Project report. The Deputy Chief Executive and City Treasurer confirmed this.

In response to a member's query regarding whether an update on the naming rights for Factory International would be included within the report, the Deputy Chief Executive and City Treasurer confirmed and stated that this information would be provided in a Part B report to be discussed in closed session.

Decision: That the report be noted.

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 20 July 2023
Executive – 26 July 2023

Subject: Our Town Hall Project – Progress Update

Report of: Deputy Chief Executive and City Treasurer

Summary

Previous reports to the Executive and the 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 October 2022.

Recommendations

- (1) The Resources and Governance Scrutiny Committee is recommended to:
 - note the progress made, and
 - endorse the recommendation(s) to the Executive
 - (2) The Executive is requested to recommend to the Council a capital budget increase of £29.0m for the project, funded by borrowing.
-

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.

Financial Consequences – Revenue

The capital financing costs associated with the increased capital budget will be funded from existing capital financing budgets.

Financial Consequences – Capital

The proposals in this report will increase the Council's capital budget by £29.0m, and funding this through borrowing will increase the Council's capital financing requirement by the same amount.

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Background documents (available for public inspection):

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

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
25. Report to Resources and Governance Scrutiny Committee – 11 October 2022

1.0 Introduction and background

1.1 The report to Resources and Governance Scrutiny Committee in October 2022 reported that:

- Excellent progress had been made against the project's Social Value objectives and had already exceeded many of its Social Value KPI Objectives.
- Whilst the project was forecasting to budget on both Capital and Revenue, as the result of significant challenges the risks had increased significantly and the project would be likely to overrun budget by at least £17m.
- The project was 50% through the construction works and it was clear that the project completion date would be delayed as a result of a number of significant challenges including 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 which had impacted the ability to procure work packages. The impact of these challenges was still under review.
- Albert Square had been opened temporarily to the public with a very positive response.
- Package procurement had delivered cost surety (by value of works packages procured) of 90%, with 20 works packages still to procure, at a budget value of £28m.

1.2 The current position is that:

- Excellent progress continues to be made with Social Value, with 57% of the project spend within Manchester (baseline target 40%) and 47% of the workforce being Manchester residents (baseline target 30%) and a social value ROI of £14.6m.
- The work to develop the detail of how the building will run is picking up pace, including revenue planning and operational strategies.
- Package procurement has advanced to 96% cost surety (by value of works packages procured) by end April 2023. The works packages still to procure are budgeted at £17m.
- The project is 60% through the existing programme for the construction works, and the quality of the works continues to exceed expectations.
- The exceptional safety performance of the project has been maintained, with the number of person hours without critical injury or incident now at 2.25 million hours to end April 2023.
- The quality of work undertaken and the project's approach to the planning and execution of the works has been the subject of an extremely complimentary note of thanks from the Palace of Westminster Restoration & Renewal (R&R) team following an engagement visit to the project in March 2023. To quote from the note of thanks:

Palace of Westminster: *'...the project was amazing and the OTH team should be proud, as you are creating a great legacy for the people of Manchester. ...we were all leaving with valuable learning points and finally, the opportunity has been motivational. The R&R programme is lengthy,*

with site work being years away. It was therefore highly beneficial for us to visit a vision of our future, an experience we would share with colleagues.

As you know, such was our interest in OTH, we were determined to overcome two sets of transport strikes to visit. I am aware the interest is shared at the highest governance level of the R&R programme, such that I may be in contact about a very high levelfurther visit to OTH.'

A visit of the Oversight Board for the R&R project took place on 30 June 2023.

- The contract date for completion of the construction works remains 25 June 2024. However, as a result of the ongoing challenges to the programme, the completion date will need to be updated to realistically reflect the latest position. In the meantime, it is now clear that the delays caused by Covid-19 and discovery will be significant and without any mitigation could add two years of delay.
- The cost of delay and hyper-inflation on the project is set out later in the report and the impact is significant.
- There has been significant further discovery since Resource and Governance Scrutiny Committee in October. The risks of further discovery will reduce after January 2024, when the roof works will be complete. For that reason, it is not proposed to fix a completion date until these works are completed. The intention is to seek additional funding for the period until December 2023, at which point the position will be further reviewed.

2.0 Update on the Operating Model

- 2.1 A separate workstream is underway to develop the operating model for the building. The Deputy City Treasurer is leading the work to develop the business plan that sets out the costs to operate the town hall and civic quarter alongside the commercial opportunities. This work will be aligned with the Council's budget process.
- 2.2 Progress has been made with the design of the Visitor Experience (VE), following extensive consultation with Manchester residents and community groups in order that their stories and images can create a new narrative for the building. The project is addressing under-representation in the building's existing story and collections, including women and people from diverse ethnic backgrounds. The procurement of the VE fit out will commence in Summer 2023.

3.0 Social Value Update

- 3.1 The future of cities like Manchester is inextricably tied to being a great place to live. Those cities with a high quality of life will benefit the people already living in them and will attract greater numbers of talented people to be part of their future, which in turn attracts investment and jobs.

3.2 The project brief for OTH recognized the part that could be played by the Town Hall and Albert Square in improving the quality of the City's Civic Quarter: they had the potential to be the most important elements in terms of heritage and symbolic significance. By restoring and celebrating this iconic heritage asset, and significantly improving the quality of the public square at the heart of the city, this project will contribute to the quality of life for all. It will drive footfall into the city centre which in turn will spill out into wider economic benefit for the people and businesses of Manchester.

3.3 Achieving economic and social value for Manchester remains a core project objective and excellent progress has been made. The project is currently forecast to deliver a Social Value ROI of £14.61m, which equates to 4.74% of the overall capital budget. This compares to 4.25% in October 2022.

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

- Local Spend – 57.25% of the project spend has been in Manchester against a baseline target of 40%. This compares to 56.75% in October 2022.
- Local Labour – 47% of the current project workforce is made up of Manchester residents against a baseline target of 30%. This compares to 45% in October 2022.
- New Jobs Created – 254 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. This compares to 237 jobs in October 2022.
- New Apprenticeships – of a base target of 100, 93 apprenticeships have been delivered at level 2 and 3. Of these 86 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. This compares to 75 level 2 and 3 apprentices in October 2022.
- New Higher-Level Apprenticeships – to date 54 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. This compares to 48 higher level apprenticeships in October 2022.
- School Engagement – against a project target of 50, 201 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. This compares to 156 higher level apprenticeships in October 2022.
- Work Experience – against a project target of 100, 304 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. This compares to 110 placements in October 2022.

- Higher Education Engagement – 40 research projects have to date been completed (100% of the project base target) including the annual Manchester School of Architecture Events programme. This compares to 35 research projects in October 2022.
 - Volunteering – against a project target of 10,000 hours, 5,740 hours of voluntary time has been provided to support Manchester. This includes the continued support of 422 Manchester, as well as the support of neighbourhood led community projects including Greek Street Gardens in Ardwick. This compares to 5,740 volunteering hours in October 2022.
- 3.5 All contractors working on the project continue to pay a minimum of the Real Living Wage and avoid offering zero-hour contracts. The Council's Ethical Procurement Policy is embedded into the contract with the Management Contractor and is appropriately reflected throughout the project supply chain.
- 3.6 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 opportunities that are representative of our Manchester communities. Ways in which this is being done include:
- Apprenticeship incentivisation – Employers continue to take advantage of grants and financial incentives linked to apprenticeships, including government grants and additional industry incentives provided by the Construction Industry Training Board.
 - Work Placements – Lendlease and the Design Team consultants continue to offer regular work experience to school aged residents, with a particular focus on students who would otherwise be at risk of having no placement. Employers continue to collaborate with school careers leads as well as engaging with BW3 (Business Working with Wythenshawe) to identify appropriate students to support. To date 304 Work Experience Placements have been provided for residents and school and college students (including T-Level placements). Ways in which this has been achieved include:
 - Virtual Work Experience - during the pandemic, as a result of the many restrictions, the project adapted by delivering virtual work experience sessions to school aged students. Each working group member (employer) contributed to the sessions by hosting the students virtually, providing them with real-world work-related tasks and insight into their area of professionalism and expertise.
 - Work Placements – OTH employers engaged with North Ridge which is a special educational needs & disability school to deliver tailored work experience activities to students. This provided SEND students with the opportunity to experience industry specific challenges through STEM (science, technology, engineering and mathematics) activities, as well as engaging in 'work readiness' activities that were fully aligned to the five 'Skills for Life.'
 - Level 3 Architectural, Construction, Engineering (ACE) Scholarship placements with the Manchester College, creating a pathway to higher level apprenticeships on the project.

- STEM Podcasts Channel – OTH in collaboration with The Manchester STEM Hub continues to deliver podcast episodes that provide residents with insight into industry skills and routes into careers within heritage trades.
- 3.7 Additional social value and local benefit will continue to be delivered through works remaining to be procured, as well as through the continued work with all employers across the project.
- 3.8 See appendix 1 to this paper for case studies demonstrating some of the ways our social value legacy is making a difference in our city.
- 4.0 Update on the challenges which have emerged since Notice to Proceed (NTP)**
- 4.1 Our Town Hall is the largest heritage project on a Grade 1 listed building in living memory and will be surpassed in scale and complexity only by the Palace of Westminster. Lengthy pre-construction periods are typical of heritage projects to allow for the detailed investigative survey work necessary to understand the nature of the original building construction and the condition of the building. This, and the specialist nature of the many artisan trades for which there is no precedent cost data on which to base the budget for those trades, has made it difficult to accurately predict costs and inflation. This is particularly the case since the project has spanned more than one economic cycle.
- 4.2 At Resource and Governance Scrutiny Committee in October 2022, it was noted that whilst still reporting to budget and programme, the OTH project had faced an extremely challenging 18-month period with intense pressures on cost and programme. These challenges 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). When added to the project-specific challenges of design complexity, market appetite and discovery, these contributed to a situation in which there had not been a single month since Notice to Proceed (NTP) in which the project had been in ‘steady state.’
- 4.3 The project team continues to work hard to deliver within budget and in a stable economic environment it is highly likely that the project could have been delivered within budget. However, the project will be delayed due to the combination of the external factors and the extent of discovery uncovered. The biggest risk to the budget is now the cost of delay. For every month of delay, the project incurs additional costs of circa £1m to £1.5m, depending on the point in the programme at which the delay occurs.
- 4.4 At the same time, the hyper-inflation experienced by the project in the post-Pandemic period has been significant and remains a risk to all packages yet to be procured, and to those packages that are subject to changes arising from discovery.

- 4.5 Project procurement is 95% complete as at the end of April 2023, of which 89% has progressed to contract, with 6% in the process of final review or contract execution. This 6% in progress includes £5m of heritage joinery, £3m of new joinery and £1.2m of security screen installations.
- 4.6 The residual 5% of procurement is made up of 13 packages at an NTP value of £17m. There are two packages that make up 47% of the remaining procurement risk, specialist decoration, and decorations. These high value packages are all planned to be procured by end July 2023. The remainder of procurement will be bought progressively to the end of 2023.
- 4.7 There is an improving level of confidence that the residual procurement risk (value still to buy) is less than £10m for the period beyond July 2023.
- 4.8 The main known risks to the programme are the impact of discovery, closing out of the remaining design works and the completion of work package procurement. In order to ensure that design works can be completed there are now 25 Full Time Equivalent design personnel engaged by the architect on the project (March 23), an increase of 16 on the number that the architect originally planned for at construction stage to manage the design risks.
- 4.9 Further discovery will remain a risk until all unexposed workfaces are opened up for inspection. The delays that have been experienced with the works at roof level over the last 6 months (chimneys, guttering, rainwater pipes, asbestos, high level stone validation, rotten timber) are likely to remain a risk until the last section of roof has been closed up. Limitations on the sourcing of cast iron is a real challenge for the guttering and rainwater systems. These works are planned to have been fully exposed by November 2023. Similarly, the last of the Builder's Works penetrations and certification of fire protected elements, will remain a risk until December 2023.
- 4.10 It is therefore difficult to give any degree of confidence on the final cost and programme dates until these higher risk works are completed. Given the risks outlined above, it is proposed to split the request for additional funding into two parts: part one will be additional funding sufficient to cover all financial commitments to the end of 2023. This funding request is set out in this report. Part two will be in January 2024, by which time the project will have much better surety on the risks.

5.0 Current Financial Position

- 5.1 At NTP the total construction budget, including fees and client-side costs was £305.17m. The budget contained £49.2m of project contingencies, split between construction (£21.2m), gap (£8.7m), inflation (£15.1m) and MCC Contingency (£4.1m).
- 5.2 As outlined in section 4 above the pressures on the project, and hence the calls against contingencies, have been significant. The main issues are outlined below:

- 5.2.1 Covid-19 and nesting falcons have added almost £5m to the project by July 2023 due to the resultant impact on productivity. There are also hidden costs through inflated tender prices and market appetite which will have further elevated the true cost of Covid-19. The project has secured £668k from the Covid-19 Recovery Fund which will be added to the project budget as part of the approvals in this report.
- 5.2.2 The impact of the hardening of the market, driven by the impact of Covid-19 and Brexit, rising costs and supply chain challenges has been clearly seen in the number of Works Package Contractors that declined to tender, or excessively high tender returns. It has been difficult to find contractors with both the heritage skills and the capacity to take on a project of this scale. Despite rigorous procurement and cost control processes, to the end of 2022, the value of procured Works Packages is running £22m in excess of budget provision.
- 5.2.3 The historic nature of the building means that significant levels of discovery on site continue to interrupt the flow of routine design release as staff are diverted to address the changes to design required due to the discovery issues. Examples include the installation of the lifts within parts of the building which proved to be out of true (or wonky), huge variations in the design of ducting, voids and flues and significant issues with the stonework, timbers and cast-iron works in the roof. It is estimated the impact is in the region of £7m.
- 5.2.4 There have been 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. To March 2023, this has accounted for an additional £3.2m of cost.
- 5.2.5 The impact of inflation has been significant. At NTP the allowance for inflation was circa £15m. It was reported to Resource and Governance Scrutiny Committee in October 2022 that in the period between NTP and June 2022, material prices had increased by 44.1%. The Quantity Surveyor has assessed the impact of inflation on all categories of change across the project from NTP to July 2025 at £36m.
- 5.3 The project team has worked hard to deliver within budget. The project has been extensively seeking opportunities to reduce pressure on cost, including value engineering, and has delivered £10.241m to date, but at this stage in the project the scope for value engineering has now ended. In addition, the percentage of changes that are due to client scope changes is only 2.74% which is remarkable for a project of this duration and nature. It is highly likely that in a stable economic environment, the project would have delivered within budget. However, for the reasons described above, the project will require additional funding.
- 5.4 The current position is that the NTP contingency allowances of £13m are forecast to be committed by end August 2023, although committed spend

will still be within the NTP budget envelope. Additional funding of £29m is required to maintain progress with the construction works to end December 2023 (part-one funding). This report is therefore seeking approval to increase the budget by that amount to complete this phase of work.

- 5.5 By this time the extent of the main discovery risks will be known and there will be much greater certainty about cost and timescales. The budget risks at this point will largely be influenced by the programme and the planned completion dates for the work. A request for further funding will be made in January 2024 (part-two funding).

6.0 Current programme position

- 6.1 Projecting the impact of Covid-19 and discovery with no mitigation would add 24 months to the programme. However, the team is working hard to mitigate this delay and deliver the project as early as is practical. To that end, Lendlease led the wider professional team through a process of risk assessment which comprised challenging of project activity durations and a review of levels of uncertainty.
- 6.2 The remaining programme risks are largely associated with discovery (particularly in the roof), ensuring fire compliance, MEP services distribution, works contractor performance and stone validation. There is a potential these could further impact on design co-ordination as well as cost and programme. Risks are tracked and reported at monthly progress meetings. These risks are largely associated with the current peak activity period of construction through to December 2023, after which there will be greater surety of cost and programme. For these reasons it is not proposed to confirm the programme end date until January 2024 when the position will be much clearer.

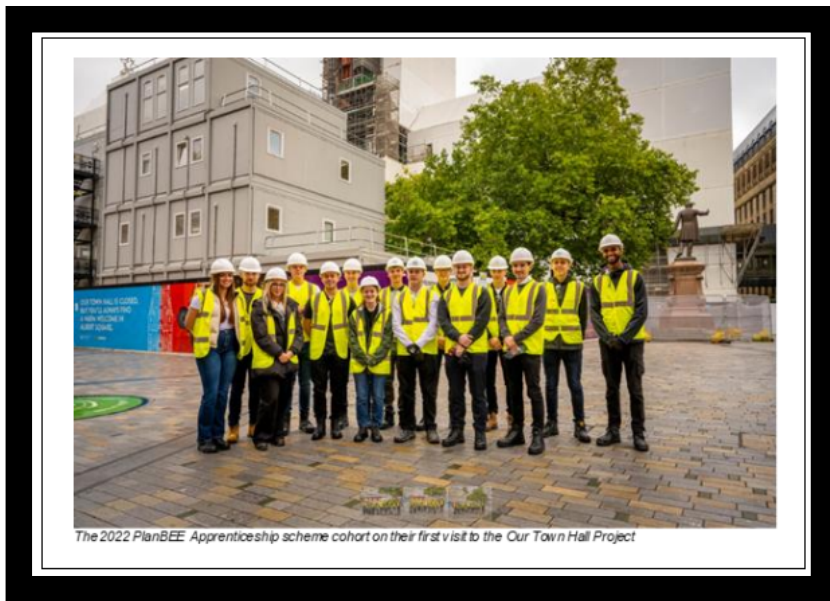
7.0 Summary and Next Steps

- 7.1 It is clear that, were it not for the extraordinary and unpredictable challenges outlined in this report, it is likely that the contingency budgets would have been sufficient to fund the majority of discovery and associated delays.
- 7.2 At this stage, the project is seeking additional funding of £29m to fund the works until the end of December. There is a risk that completion will be significantly delayed and post December the biggest remaining cost pressure on the project is linked to programme delay. The position will be much clearer in January 2024, and it is therefore proposed to review the position on target dates for completion and cost and further budget approvals will also be sought at that stage.

Appendix 1 - OTH delivering for Manchester

Case Study 1 - PlanBee

Since the launch of PlanBEE in 2021 the project has supported 2 cohorts and with a 3rd cohort due to commence in September 23. The success of the scheme has seen employees from other major construction projects in the city join the scheme, securing its long-term sustainability and creating more opportunities for residents.

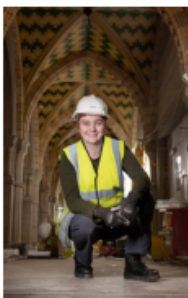


Case Study 2 - Tracey Cartledge

Since joining the project Tracey has been a great advocate for Social Value rising to the challenges of maximising opportunities by creating bespoke apprenticeships in a construction niche role.

Tracey Cartledge

Social Value Lead - Mosaic Restoration Company




I joined the project in June 2022 to work with the Mosaic Restoration Company on the restoration of the many marble mosaic corridors in Our Town Hall, as well as the Jesse Rust glass mosaic ceiling in the main Albert Square entrance hall. Part of my role also is to ensure that – as a team – we achieve our social value targets.

Taking up the role of Social Value Lead has been a great way to facilitate training and education opportunities for the people of Manchester within our remit as well as being a chance for me to learn more about social value and improve my own skills and knowledge. Mosaic restoration is a particularly niche area of construction but, despite the challenges, we were able to create bespoke apprenticeships for local people to benefit from and that has been both rewarding and encouraging for the future of the craft.

Case Study 3 - Abdul Tahir

Since joining the project Abdul has progressed from apprentice, through Technician and is now a Project Manager with Mace, a part of the team helping to deliver the OTH project. In addition to his project management duties, Abdul strives to set an example and help to mentor the other apprentices joining the project in his wake.

	<p>Abdul Tahir Degree Level Apprentice Project Manager, Mace</p>
<p>In 2019, Abdul won the Greater Manchester Chamber of Commerce Apprentice of the year. Following this and the completion of his level 4 apprenticeship at Mace, Abdul remained on the Our Town Hall project whilst studying a degree level apprenticeship.</p>	
<p>Still employed by Mace, in position as a degree level Assistant Project Manager, Abdul has been coordinating the efforts of the design team in streamlining the social value processes of all project consultants. Further to this Abdul has been collaborating with multiple employers on the project to deliver activity in Manchester schools, including careers fairs and STEM sessions.</p>	
<p><i>"Due to the scope of social value on this project, it provided me with an opportunity to start the practical element of my apprenticeship whilst ensuring I complete my degree on the side.</i></p> <p><i>To start my career on such a prestigious project was not an easy task, but the strong foundation it has built for me is unparalleled. I was also provided with the opportunity of creating a large network due to the rotation programme I had in my first 2 years. The level 4 apprenticeship programme helped me decide the career path I wanted to follow, as did the advice from professional colleagues who were always a call away.</i></p>	

Case Study 4 - MSA Live

The Project has supported Manchester School of Architecture's Annual programme of student-led live projects.



Case Study 5 - Our Town Hall Podcasts

The launch of the Our Town Hall Manchester Careers Podcast has helped broaden the opportunities for under-represented groups in STEM careers pathways. In June 23 a special edition podcast was created to support GM Good Employment Week, the podcast was hugely popular with over 3,000 views.



[Link to podcast here](#)

Case Study 6 – Artisan Studio and Heritage Lectures

The OTH Artisan Studio and Heritage Lectures aim to shine a light for the people of Manchester on some of the painstaking artisan work going on behind the scenes. Both have proven extremely popular and each of the lectures held to date (which are ticketed events) has been over-subscribed.

The Artisan Studio on Albert Square is a window into OTH and the artisan trades that play such an important role in the project. It is intended to inform and inspire. It is a space where artisan craftspeople take turns to demonstrate their work in a viewable and accessible setting, with presentation both by the artisans themselves and the specialist consultants also working on the project. A live commentary is provided and questions are encouraged, including about routes into these specialist craft skills. Demonstrations to date have included stone carving, mosaic cutting and setting and specialist plaster moulding.

Heritage Lectures featured to date include paintings conservation, the restoration of more than 4,000m² of mosaics and the works which are currently underway to the Town Hall clock and carillon.

Artisan Studio Demonstrations take place on Wednesdays at 12.30pm-1.30pm and Heritage Lectures are free ticketed events held in Central Library.



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**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 20 July 2023

Subject: Review of Development Agreements

Report of: Director of Strategic Housing and Development
Head of Development and Investment Estate

Summary

In response to the Committee's request to receive a report on the Council's development agreements, monitoring arrangements and overages secured, this report outlines the use by the Council of development agreements along with the governance arrangements in relation to the negotiation, management and monitoring of development and associated agreements over Council land and buildings.

Recommendations

The Committee is recommended to:

- (1) Note the contents of the report.
-

Wards Affected:

All

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

None

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments
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Major development agreements or similar contractual arrangements require an Equality Impact Assessment prior to finalising the commercial terms and seeking relevant Council approval. Where the Council's land or property interests are located within an area subject to a Strategic Regeneration Frameworks, or similar, a further EqIA may have been undertaken through the adoption process.
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Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	N/A
A highly skilled city: world class and home grown talent sustaining the city's economic success	N/A
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	N/A
A liveable and low carbon city: a destination of choice to live, visit, work	N/A
A connected city: world class infrastructure and connectivity to drive growth	N/A

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

N/A

Financial Consequences – Capital

A robust and transparent process governing the negotiation, management and monitoring of the obligations within development agreements is key to achieving delivery outcomes including overage or performance related development payments.

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1.0 Introduction

- 1.1 Development of real estate is a key facilitator of delivering the Council's growth ambitions. The Council has a long and successful history of promoting regeneration across all parts of the city and the use of its land and building resources is key in achieving that success.
- 1.2 This report looks at the mechanisms the Council uses to support this activity and the governance in relation to development agreements and agreements for lease where the Council agrees to sell or lease assets. It will also set out the steps taken to align this process with the Council's due diligence framework and best practice.

2.0 Background

- 2.1 Where the Council is promoting land for development or regeneration schemes development agreements and agreements for lease have been used extensively as a [contractual] mechanism to leverage inward investment and retain control for the Council over and above that as Local Planning Authority. In addition, a number of corporate Joint Venture companies have been created to cover larger multi-phase regeneration schemes, such as Manchester Life in Eastern Gateway or Mayfield Partnership at Mayfield. Often the JV Company is not directly contracting for the construction of the development, but these arrangements contain profit sharing arrangements, akin to an overage.
- 2.2 Development agreements will contain a contractual framework setting out the parties' obligations in relation to delivering the development or investment contemplated under those arrangements, which generally culminates in a series of conditions that need to be met before a lease or transfer of land will be completed.
- 2.3 On drawdown of the interest in land, there will generally be a further set of development or delivery milestones covering the construction activity. Typically, such agreements will also contain overage or profit related payments on conclusion of the development obligations, along with provisions to terminate arrangements early if the milestones are not achieved by the relevant dates.
- 2.4 Whilst there are a number of common factors in these types of agreements, they are by their nature bespoke, and relate to the investment and development of unique plots of land in areas that require particular solutions to deliver the outcomes the Council wishes to achieve, in line with the Council's strategic aims and objectives.
- 2.5 Procurement of the partner must be undertaken in line with the relevant statutory and legislative frameworks including Public Contract Regulations, subsidy control rules, as applicable, and must satisfy the Council's obligations to secure Best Value for its land

3.0 Main issues

3.1 Non-Standardisation of Approach

- 3.1.1 This number and variety of contractual relations results in a lack of standardisation within the agreements the Council has in place. The often-long term and bespoke nature of these agreements means that they will need to contain specific conditionality and milestones to be achieved.
- 3.1.2 This section of the report sets out some of the examples that are in place. Governance arrangements will vary depending on the size and scale of the agreements. The larger, more complex matters, often have a Joint Board arrangement and often it is the Joint Board that takes on the responsibility for requesting and recommending for approval the information required to satisfy the conditionality (for example commercial plans) or signing off milestones. The termination provisions or process to conclude and close out these agreements is also often bespoke to the nature of the underlying development.
- 3.1.3 There are a number of historic agreements, particularly related to activity in and around East Manchester which were entered into as part of the NEM Urban Regeneration Company activity. Most of these have formally concluded or terminated, but there are a small number that remain extant with legacy issues to resolve, such as Beswick and New Islington Waterfront.
- 3.1.4 In addition, there are a number of long-term contractual agreements governing major regeneration schemes in the City Centre, such as Spinningfields, NOMA, Smithfield, First Street, St Michaels that are in various stages of their life cycle.
- 3.1.5 The Council also has formal corporate Joint Venture arrangements with parties to oversee development such as Airport City, Mayfield, Victoria North, Manchester Life, Eastlands Development Company and Manchester Science Parks.
- 3.1.6 There are a number of site-specific development agreements, which take the form of Agreements for Lease and Lease across the City, notable ones include the redevelopment of the Ramada site on Deansgate, Crown Street developments by Renaker, Chester Road agreements with De Trafford and Central Park with TfGM.
- 3.1.7 The above are all forms of agreement between the Council and other parties governing the development of land and/or buildings where the Council has some form of ownership. A number of these relate to schemes where the Council has limited or partial ownership and therefore has to strike a balance in respect of the commercial considerations alongside achieving other corporate objectives.

3.1.8 Whilst there will always be a negotiation to be had with development partners, their funders and investors in relation to the detailed terms and conditions for these agreements, we recognise that simplifying and standardising the main heads of terms would assist in providing a transparent and more efficient approach going forward. A streamlined approach to these agreements with conditionality limited to key issues and development milestones linked to key events will assist in the active management and monitoring of development agreements. These principles form the basis of a template heads of terms for Development Agreements/Agreements for Lease which are a starting point for negotiations. The final terms will be subject to negotiation and will reflect the level of control the Council has over the subject site(s).

3.2 Overage and Performance Related Profit

3.2.1 Development agreements often include a standard clause for the Council where the final scheme is not yet known, or where there are a number of unknowns or variables that would impact the site valuation. This is essentially a way for the vendor of land to protect itself financially should the developer secure a better outcome through planning or achieve a greater level of profitability from the scheme than initially forecast. Whilst a simple concept, contractual arrangements for documenting overage are generally complicated as it relates to future scenarios. The negotiation of overage when triggered becomes even more onerous as it generally requires an open book approach to analysis of development accounts, often multi-phased.

3.2.2 The Development Team appointed PWC to undertake a peer review of overage arrangements, in line with best practice and arising out of recommendations from various public interest tests. This checklist will be used to form the basis of standard overage arrangements. This will simplify the complicated monitoring and management from that which subsists with the historic portfolio of agreements.

3.3 Due Diligence

3.3.1 With the implementation of improved commercial governance, new due diligence principles have been adopted. These are:

3.3.2 A tailored due diligence checklist and form has been developed for development JVs and agreements. This has been adopted by the service when entering into new agreements. The relevant due diligence information is provided to the decision maker, at the point the decision is made to provide an auditable assurance trail.

3.3.3 Adopting these revised arrangements, along with closer working arrangements with colleagues in City Solicitors and Finance will give a greater

level or assurance at the point of entry into the agreements and transparency through the life of the agreement.

- 3.3.4 The information stored in the Council's property database, CPAD, including diarising of condition precedent and development milestone dates to provide an automated tracker for officers on key contractual events.
- 3.3.5 The due diligence framework and adoption of best practice provides assurance for new agreements. Work is also underway to apply these standards to existing arrangements to regularise the assurance, management and monitoring and ensure a robust approach is in place. A prioritised approach has been adopted with the top 20 of the Council's major development joint ventures and development agreements prioritised for review.
- 3.3.6 The review will include undertaking a due diligence analysis of the Council's development partner(s) including where appropriate, investigating the status of the parent company and any other party where guarantees exist/are proposed. There will also be a comprehensive review of the relevant contractual documentation, including any variations of the original agreements, detailing party's obligations, project governance arrangements, conditionality and development milestones. This will be subject to a health check with colleagues from the Commercial Governance and Finance teams to ensure scheme and portfolio level risks are documented and managed and monitored. This is an ongoing process and work will be concluded in the Autumn.
- 3.3.7 The enhanced governance approach proposed will ensure best practice is consistently applied and documented to support the corporate risk management and business continuity frameworks. It will also encompass existing project governance arrangements and the efficacy of these in line with best practice.

4.0 Recommendations

- 4.1 It is recommended that the Committee note the contents of the report.

5.0 Appendices

Appendix 1 - Overage Best Practice Principles.

Appendix 1 – Overage Best Practice

Business Case Development – informing the nature of the commercial deal

- For all Commercial ventures, a Business Case should be developed detailing among other things the Commercial arrangements that will be put in place for all involved parties. This should include an options analysis of the contracting routes available to ensure that the Council secure an arrangement that is likely to secure the best outcomes, both in terms of delivery but also value for money.
- The Benefits of the arrangement should also be stated at the outset and then subsequently assessed as to whether the project has delivered the expected aims.

Due Diligence

- Due diligence should be carried out for all Commercial ventures of this nature. Specifically, due diligence should consider risks within these areas:
 - Financial
 - Economic
 - Regulatory
 - Operational
 - Reputational
- This review should be carried out with input from the Development Team and the Commercial Governance teams that will ultimately own the contracting arrangements. A record of the due diligence should be stored to act as an audit trail of the risks considered and any mitigations devised on a Shared Drive with the contractual agreements.
- The Council should develop a framework for ongoing due diligence to ensure that the risk assessments are refreshed on an ongoing basis, such as annually, to ensure that the assumptions and conclusions remain relevant.

Information Storage

- Key documentation including all contractual agreements, financial models, appraisals should be stored in a central location such as a Network Drive/Sharepoint site, ideally an area where the development team and Commercial Governance/Finance can review.
- Access to any financial model should be restricted to those that need it to prevent accidental data change, while also ensuring that management of the model is not exclusive to one person to avoid a single point of failure risk.
- In addition, it is good practice for any complex financial models to be independently assessed to give assurance that they work correctly and accurately reflect the terms of the agreement.

Management and Risk Management

- The Council should consider the benefits of developing a RACI matrix for management of commercial agreements and models such so that ownership of tasks such as maintaining and updating models/agreements are clearly laid out and understood, as well as those who are ultimately responsible for the agreement.

- For all contracts or Commercial agreements, the Council should allocate a Contract/Agreement Manager to oversee the contract that has the right level of skills/experience to manage the agreement and engage with counterparties.
- Good practice would have all agreements of this nature managed/maintained in a central area and a RACI chart outlining who is responsible for what in managing the arrangement and who is ultimately accountable for the project at Exec/Directorate level.
- Contract Management Plans should be created for all complex commercial agreements/contracts to act as a useful summary of all key requirements.
- At the minimum, there should be a schedule of the trigger points which the Council need to be aware of which will require testing/validation so these can be appropriately planned for.

Commercial Governance and assurance

- The Commercial Governance function should ensure there is a governance and assurance framework for future agreements of a similar nature which sets out the expected level of assurance which is required/will be carried out as part of the management of the commercial arrangements.
- There should be an appropriate forum within the Council where all progress under development agreements are reviewed, at least quarterly (monthly is good practice). Ideally this would be chaired/led by Commercial Governance with input from development and associated directorates within the Council.
- There should be established an expected standard of reporting for all projects in terms of frequency and templates so that partners and JVs are clear what they need to provide to validate claims on property costs/disposals etc and the financial model can therefore be reliably updated.
- It is good practice for the Council to carry out relevant audits of the control environment of Partners and JVs to give assurance that the information being provided is reliable and the conditions of the contract are being met.
- Given the association and therefore reputational risk associated with Joint Ventures and business relationships, the Council should gain assurance that property development is being carried out in such a way that it is not to the detriment of the Council in the local area.

Portfolio Level Review

- The Council should carry out a portfolio review to understand which contracts/agreements have the right to audit and where this has been enforced and where it has not.
- The Council should explore what systems are available to bring together all contracts/commercial arrangements into a central repository to support consistent management. Management of a system of this type should be owned by Commercial governance.

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 20 July 2023

Subject: MCC Housing Services & Equans contract extension (Part A)

Report of: Deputy Chief Executive & City Treasurer
Director Housing Services

Summary

The delivery of a good quality housing repairs and maintenance service to our local residents is one of the primary functions of MCC Housing Services, in its role as a social landlord.

EQUANS successfully bid for the contract in 2020 and the service went live in April 2021, following a short transition from Mears (the previous repairs and maintenance contractor). The initial contract was let for a period of 3 years, with an option to extend for a further and maximum of three years, up to March 2027.

As part of the commissioning cycle and best value approach, the Council has reviewed the priorities for the next period and recommends the extension of the current contract, albeit with the introduction of yearly break clauses in 2025 and 2026 so the council can ensure maximum flexibility and quality of delivery. A delivery model assessment is currently in progress and this extension will allow for detailed implementation planning under different delivery model options.

Recommendations

The Committee is recommended to endorse the recommendation of the report to extend the MCC Housing Services contract up to a maximum of three years, noting the annual break clause and review of future delivery models.

Wards Affected: Ancoats & Beswick, Charlestown, Cheetham, Crumpsall, Gorton and Abbey Hey, Harphurhey, Higher Blackley, Moston, Ardwick, Clayton & Openshaw, Miles Platting & Newton Heath and Piccadilly

<p>Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>
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<p>The Housing Service is a key deliverer of the City's Net Zero 2038 ambitions through the housing retrofit programme (SHDF) and energy efficiency works.</p>
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Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Good quality housing is at the heart of the Making Manchester Fairer programme and tackling inequalities in the city.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	As the largest single landlord in the City, MCC Housing Services is a major source of contracts and supplies that ideally are sourced locally
A highly skilled city: world class and home-grown talent sustaining the city's economic success	Access to appropriate affordable housing and services will support residents to achieve and contribute to the city's ambitions.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The council's housing service is resident led and includes tenants directly in the provision of the social landlord function
A liveable and low carbon city: a destination of choice to live, visit, work	The housing service is pioneering the retrofit existing social housing homes in order to achieve Manchester's zero housing ambitions
A connected city: world class infrastructure and connectivity to drive growth	The housing service is a major contributor to the North Manchester infrastructure and regeneration.

Contact Officers:

Name: Carol Culley
 Position: Deputy CEO & City Treasurer
 E-mail: carol.culley@manchester.gov.uk

Name: Dave Ashmore
 Position: Director Housing Services
 E-mail: david.ashmore@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.

A Place Called Home: A vision for the management of our social housing

1.0 Introduction

- 1.1 The council's vision for the management of its social housing, is set out in A Place Called Home and centres on three strategic priorities
- 1.2 These are:
1. Resident-led services, putting you at the heart of everything we do
 2. High-quality housing services and home improvements for secure, warm, sustainable homes
 3. Welcoming, safe, and vibrant neighbourhoods
- 1.3 At the centre of this vision is the provision of a good quality and responsive housing repairs and maintenance service. In the context of increased regulation through the incoming social housing act, the building safety act, the consumer regulations, including Awaab's Law, it is essential that the council discharge its statutory duties efficiently, effectively and with residents' safety and wellbeing at its core.
- 1.4 In light of these ambitions, the current context and the improving delivery of the repairs and maintenance service, this report sets out the recommendation to extend the current contract between MCC and EQUANS up to a maximum of three years, with the addition of break clauses in 2025 and 2026.

2.0 Background

- 2.1 The initial repairs and maintenance contract was awarded by the former ALMO (Northwards Housing) to ENGIE in 2020, and the contract commenced April 2021 with an initial contract value of c.£11.1m for a period of three years up to April 2024, as part of the initial contract there is an option to extend for up to a further three years.
- 2.2 The contract is subject to an annual inflationary increase, and in 2022/23 the contract was uplifted by CPI +1% which was 9.9% at that time. Similar indexation will see the contract costs increase to a budget of c£17.5m for 2023/24. Officers are currently in discussions with the contractor to agree the workload for 2023/24. As part of the HRA business plan a 5% per annum budget reduction has been built into the budget for the repairs and maintenance service. The delivery model assessment that is currently in train (and described further below) will be analysing costs associated with different delivery models to identify options that deliver good value for money for the council.
- 2.3 As part of bringing Northwards Housing back in house the contract was novated to the City Council in July 2021. During the lifetime of the contract, Engie have changed their name to Equans and were purchased by Bouygues in October 2022. The contract terms, however, remain unchanged throughout.
- 2.4 The fundamental deliverables of the contract are

- Responsive Repairs
- Inspections
- Planned and Preventative Maintenance (PPM)
- Building Safety Compliance
- Adaptations
- Void Property Work

2.5 Following a short and challenging mobilisation period, during the Covid pandemic, the repairs and maintenance contract is performing well, with the majority of performance indicators being met across repairs and compliance. Performance has also improved in relation to voids turnaround times and resident satisfaction with repairs is at 85%.

2.6 Over the last two years Equans have steadily made progress and KPI's are now beginning to reach the targets set. In continuing the service's improvement journey, there is still much work to do, and the focus on improving responsive repairs and relet times will remain top priorities.

3.0 Assessing future delivery model options

3.1 As highlighted to the Resources and Governance Scrutiny Committee in June 2023, officers are undertaking a delivery model assessment for future delivery options - principally whether to continue to outsource in the longer-term or to bring the service in-house.

3.2 The initial feasibility assessment has to date included consideration of:

- the wider context in which this contract operates. The landscape has changed, for example, since the current contract was originally let, most notably with the housing service being brought in-house, and there have also been wider market developments;
- the key elements involved in the service delivery including the different work processes involved, the management oversight arrangements (e.g. quality management processes, the planning processes), and the subcontracting arrangements (noting that subcontractors are used to complement Equans operatives)
- the workforce requirements for delivering the service (e.g. staffing levels, qualifications and expertise required), the physical assets required including the depot, the technology and ICT systems requirements; and the current subcontractor network that is used on the contract.
- how insourcing and continued outsourcing models compare in the context of five evaluation criteria: strategic fit, people and assets, service delivery, transition and implementation, and risk.

3.3 The early considerations from this initial feasibility study were shared with the June Major Contracts Board. To summarise, the potential to insource the service should not be ruled out and both options (insourcing and outsourcing) have pros and cons. Strategically, a high performing repairs and maintenance service is core to the council's strategic ambition; it's not an ancillary service.

In that context, an insourced service has the potential to offer the council the greatest leverage over the performance and future direction of the service. Market research too suggests that more authorities are choosing to insource.

- 3.4 It is not the case though the service could be simply lifted and shifted (including TUPE) over to the council. As well as the 70+ trade operatives working on the contract there are the management and back office functions, set processes and workflows for delivering different jobs, a subcontractor network, physical asset infrastructure (i.e. depot, vehicles etc), and critical ICT systems, all of which would need to be (i) established within an insourced model and (ii) managed closely to ensure a seamless transition.
- 3.5 This is why the delivery model assessment needs to consider further the detailed implementation plan as well as the financials. It is also why the outsourcing option will continue to be worked through too, noting that performance on the current contract is improving. Appendix 1 of the attached Part B report provides a summary of the initial considerations from the assessment.
- 3.6 In light of the above, a decision on the longer-term delivery model - insourcing or outsourcing - is therefore not recommended at this point in time. Instead, the recommended option is to extend the contract but with annual break clauses to give maximum flexibility.
- 3.7 The extension will provide the continuity in service for residents, along with the time needed to undertake the further detailed implementation planning, and the financial analysis, prior to a decision on the longer-term delivery model. This work will include:
- an assessment of the whole life cost of potential delivery models. The assessment will consider both current costs and also look to understand how these compare with elsewhere and insourced options, in order to identify the affordability and value for money of each delivery model.
 - engagement with stakeholders including with residents and trade unions.
 - workshops with corporate services (principally HROD, Finance, ICT, Legal) to work through implementation planning and understand timescales. We know from previous insourcing projects that sourcing and introducing new technology will have lead-in times that need to be built in.
 - further market analysis.
- 3.8 The work, and ongoing performance of the contract, will continue to be overseen at a strategic level by the Major Contracts Board, including relevant Executive Members.
- 4.0 Proposed extension**
- 4.1 In recommending to extend the contract for housing repairs and maintenance for up to three years, there have been a number of key considerations, which are set out more fully in Part B of this report.

4.2 Due to the ongoing integration of the former ALMO to MCC, which includes the migration to the council's ICT infrastructure later in 2023 and the creation of a new operating model, the commercial structure of the proposed extension provides the council with the maximum amount of flexibility to determine the future delivery model, whilst maintaining the crucial issue of service delivery to our residents.

4.3 **Housing Advisory Board**

4.3.1 In terms of resident oversight and governance, the council created the Housing Advisory Board in July 2022, which consists of 5 resident, 5 elected members and 3 independent housing experts and is chaired by Cllr Gavin White, Executive Member for Housing and Development. The board meets bi-monthly in North Manchester and is responsible for overseeing the delivery of the housing services to the Council's housing stock; primarily in, but not limited to, North Manchester. This includes the monitoring of the performance of all housing functions and the engagement of residents in the effective delivery of services. The next board is being held on the evening of 20th July 2023.

4.3.2 As an advisory board it has no decision-making powers of its own but may make recommendations to the Council or the Council's Executive on matters relating to the discharge of their housing functions, insofar as those functions relate to the Council's housing stock.

4.4 **Decision Making**

4.4.1 The decision to extend the contract is a key decision made by the Deputy Chief Executive and City Treasurer.

5.0 **Recommendations**

5.1 The committee are asked to endorse the recommendation of the report to extend the MCC Housing Services contract up to a maximum of three years, noting the annual break clause and review of future delivery models.

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 20 July 2023
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
25 May 2023	RGSC/23/23 Commercial Update	That the Council considers adding a public notice to the Council's website explaining why the Council appoints Members and Officers to boards	With regards to appointments to Boards, this forms part of the Council's Declarations of Interest which are published on the MCC website and registered at Companies House. In addition, within the Council's published Annual Governance Statement, reference is made to the appointment of Members and Officers to various Company Boards.	Sarah Narici (Head of Commercial Governance)
25 May 2023	RGSC/23/23 Commercial Update	That the link to the dashboard for freehold and leasehold assets be reshared to members.	This will be circulated by the Development Team via email.	Sarah Narici (Head of Commercial Governance)

Date	Item	Recommendation	Action	Contact Officer
22 June 2023	RGSC/23/29 Elections Act 2022 and the 4 May 2023 Local Election - Progress Report on its Impacts	That further information on the summer engagement campaign to encourage electors to register for a Voter Authority Certificate be provided for members to share in their communities/at events.	The recommendation is accepted, and the Elections Unit are currently putting together a dissemination and engagement pack in consultation with appropriate sections of the Council as well as key external forums and groups. The Unit will share this pack with elected members when it is ready.	Sean Morris (Elections and Electoral Registration Policy Officer)
22 June 2023	RGSC/23/31 Major Contracts	That a report on the Housing Repairs Contract be provided to the committee.	This report will be provided at the meeting on 20 July 2023.	Dave Ashmore (Director of Housing Operations)
22 June 2023	RGSC/23/31 Major Contracts	That a more substantial report on Major Contracts be provided at the next update and include an appendix with more detailed information on each major contract and whether insourcing would be viable.	A response to this recommendation has been requested.	Mark Leaver (Strategic Lead – Commissioning)

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 July 2023**, 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.

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
Corporate Core					
Award of Electricity Supply contracts from existing Framework Agreements (2022/08/22A) To award a contract for the	City Treasurer (Deputy Chief Executive)	Before 30 Sep 2022		Award Report	Peter Schofield, Head of Integrated Commissioning and Procurement peter.schofield@manchester.gov.uk, Walter Dooley, Group Manager - Energy

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
supply of Electricity from the Council's existing HH (large sites) and NHH (smaller sites) frameworks via direct award to the incumbent suppliers.					walter.dooley@manchester.gov.uk
<p>Adopting new powers to increase the Council Tax on some empty properties (2023/01/09A)</p> <p>To consider whether or not to charge double Council Tax on empty furnished properties (including second homes) and empty, unfurnished properties that have been empty for between 1 and 2 years from 1 April 2024 onwards.</p>	Executive	15 Feb 2023		Report to Executive	Charles Metcalfe, Head of Corporate Revenues charles.metcalfe@manchester.gov.uk
<p>Enterprise Resource Planning Software (2023/03/10B)</p> <p>To award a contract for new Enterprise Resource Planning software to support finance, HR, procurement and related</p>	City Treasurer (Deputy Chief Executive)	Not before 10th Apr 2023		Report and recommendation	Tom Wilkinson, Deputy City Treasurer tom.wilkinson@manchester.gov.uk

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
functions.					
<p>TC435 - Provision of a Multifunctional Device and Print Management Service (2023/03/20A)</p> <p>To contract with a supply for the provision of multifunction print devices and print management services</p>	City Treasurer (Deputy Chief Executive)	23 May 2023		Contract Report	Keith Hayes, ICT Project Manager keith.hayes@manchester.gov.uk
<p>TC645 Research Evaluation and Data Sciences Framework (2023/05/10A)</p> <p>Approval to appoint a number of organisations to the Framework Agreement for Research & Intelligence Specialist Advice.</p>	Assistant Chief Executive	Not before 10th Jun 2023		Report and recommendation	Dawn Billups, Performance and Insight Manager dawn.billups@manchester.gov.uk
<p>Irish World Heritage Centre - Loan re-financing and restructuring (2023/05/15A)</p> <p>To agree to the restructuring and</p>	Executive	13 Sep 2023		Part B report to the Executive	Sarah Narici, Head of Programme Office sarah.narici@manchester.gov.uk

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
refinancing of existing loan finance arrangements to ensure that there is an affordable and sustainable agreement in place between the Council and the Irish Diaspora Foundation Limited.					
<p>Family Time building refurbishments (2023/05/30A)</p> <p>To approve capital funding for the refurbishment of two Council assets to improve building environments for the Family Time service and Manchester’s children</p>	Executive	28 Jun 2023		Capital Outturn/Update report	Richard Munns, Head of Corporate Estates and Facilities richard.munns@manchester.gov.uk
<p>Perimeter Firewall (2023/06/02A)</p> <p>To award funding to enable the purchase of network infrastructure.</p>	City Treasurer (Deputy Chief Executive)	Not before 30th Jun 2023		Briefing Note	Andrew Blore, ICT Strategic Business Partner andrew.blore@manchester.gov.uk
<p>TC979 Archival Storage, Non-Archival Storage and Scanning Framework (2023/06/08C)</p>	City Treasurer (Deputy Chief Executive)	Not before 8th Jul 2023		Report and recommendation	

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
<p>To seek approval to appoint a supplier to provide TC979 Framework for Archival Storage, Non-Archival Storage and Scanning</p> <p>The framework is split into 3 Lots as follows: Lot 1: Archival Storage Lot 2: Semi Active Records (Non-Archival) Lot 3: Scanning and Storage of Planning and Building Control Records and other Council Departments</p>					
<p>Framework Agreement for Supply of Electricity and Electricity Related Services (TC970) (2023/06/14A)</p> <p>To implement a new framework to allow for future call-off contracts for the supply of electricity and related services to MCC's corporate estate (including</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 14th Jul 2023</p>		<p>Report and recommendation</p>	

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
street lighting) and for associated organisations (e.g. Manchester schools etc).					
<p>Implementation of new guidelines for council tax recovery as part of the Council's Anti-Poverty work (2023/06/15A)</p> <p>To agree to adopt a policy to mitigate the impact of the cost-of-living crisis on residents who are also struggling to pay their Council Tax</p>	Executive	28 Jun 2023		Executive report	Charles Metcalfe, Head of Corporate Revenues charles.metcalfe@manchester.gov.uk
<p>RBDxP - CRM Application (2023/06/28B)</p> <p>To award the contract for the Customer Relationship Management (CRM) application following a procurement exercise using Crown Commercial Services G-Cloud 13 Framework, which sits under the Resident and Business Digital Experience</p>	City Treasurer (Deputy Chief Executive)	Not before 6th Jul 2023		Report and Recommendation	Alex Forbes, Programme Manager (ICT) alexander.forbes@manchester.gov.uk

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
programme					
<p>RBDxP Integration Layer (Mulesoft) Licences (2023/06/28C)</p> <p>To award the contract for the provision of Mulesoft integration layer licences following a procurement exercise using Crown Commercial Services Technology Products and Associated Services (TPAS) Framework, as part of the resident and Business Digital Experience project</p>	City Treasurer (Deputy Chief Executive)	Not before 6th Jul 2023		Report and Recommendation	Alex Forbes, Programme Manager (ICT) alexander.forbes@manchester.gov.uk
<p>RBDxP Integration Layer Implementation supplier (2023/06/28D)</p> <p>To award a contract for the supply of the Integration Layer Implementation following a procurement exercise using Crown Commercial Services Digital Outcomes and Specialists (DOS) as part of the</p>	City Treasurer (Deputy Chief Executive)	Not before 6th Jul 2023		Report and Recommendation	Alex Forbes, Programme Manager (ICT) alexander.forbes@manchester.gov.uk

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
Resident and Business Digital Experience project					
<p>Power Purchase Agreement TC1162 (2023/07/04A)</p> <p>To appoint a developer for a long-term offsite virtual power purchase agreement with a wind or solar PV developer with a project that has REGOs that are valid for the Council's Scope 2 reporting (i.e. REGOs that are valid within Great Britain.</p>	City Treasurer (Deputy Chief Executive)	Not before 4th Aug 2023		Contract Report and Recommendation	Sarah Narici, Head of Programme Office sarah.narici@manchester.gov.uk
Development and Growth					
<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 3rd Jul 2023		Report to the Strategic Director of Growth and Development	Mike Robertson, Principal Development Surveyor mike.robertson@manchester.gov.uk

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
<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 1st Sep 2023		Report and recommendations	Mike Robertson, Principal Development Surveyor mike.robertson@manchester.gov.uk
<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>Disposal of the former Gala Bingo, Rowlandsway, Manchester, M22 5RS (2022/05/19A)</p> <p>Approval to the terms for the leasehold disposal of</p>	Strategic Director - (Growth and Development)	Not before 19th Jun 2022		Report to the Strategic Director of Growth and Development	Joe Martin, Senior Development Surveyor joe.martin@manchester.gov.uk

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
the former Gala Bingo, Rowlandsway, Manchester, M22 5RS.					
<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>	Chief Executive	Not before 6th Oct 2022		Report to the Chief Executive and Strategic Director of Growth and Development	David Norbury, Strategic Lead Development City Centre david.norbury@manchester.gov.uk
<p>Land at Kelbrook Road (2022/11/14A)</p> <p>Approval to dispose of land at Kelbrook Road for development</p>	Strategic Director - (Growth and Development)	4 Jan 2023		Report to the Strategic Director – Growth & Development	Thomas Pyatt, Senior Development Surveyor Tel: 0161 234 5469 thomas.pyatt@manchester.gov.uk
<p>Lease Renewal to National Express at Chorlton Street Bus Station (2023/01/31A)</p> <p>Approval to renew the lease to National Express for a period of up to 10 years.</p>	Director of Development	28 Feb 2023		Delegated Decision Report to Head of Development and Director of Development	Ken Richards, Principal Development Surveyor ken.richards@manchester.gov.uk
Disposal of land at the	Strategic	23 Apr 2023		Briefing Note	Bhavesh Chauhan, Principal

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
<p>back of Ancoats, Manchester (2023/03/23A)</p> <p>To approve the disposal of land bounded by Naval Street, Radium Street, Poland Street and Jersey Street</p>	<p>Director - (Growth and Development)</p>				<p>Development Surveyor bhavesh.chauhan@manchester.gov.uk</p>
<p>The disposal of land at Store Street Manchester (2023/04/25A)</p> <p>To approve the disposal of land at Store Street, Manchester.</p>	<p>Strategic Director - (Growth and Development)</p>	<p>Not before 25th May 2023</p>		<p>Briefing Note</p>	
<p>Acquisition of Leasehold Interest at 35 Garratt Way (2023/05/23A)</p> <p>Acquisition of residual leasehold interest to support the delivery of Gorton District Centre Development Framework.</p>	<p>Strategic Director - (Growth and Development)</p>	<p>Not before 21st Jun 2023</p>		<p>Briefing Note</p>	<p>Richard Cohen, Strategic Lead - Development (South and East) richard.cohen@manchester.gov.uk</p>
<p>Factory International Works (2023/06/28A)</p> <p>To approve capital funding</p>	<p>Executive, City Treasurer (Deputy Chief Executive)</p>	<p>26 Jul 2023</p>		<p>Report to Executive</p>	<p>Rebecca Heron, Strategic Director (Growth and Development) rebecca.heron@manchester.gov.uk</p>

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
for Factory International for works to achieve static completion					v.uk
<p>Promotion Agreement for disposal of land (2023/06/29A)</p> <p>To approve the terms agreed for entering into a promotion agreement to dispose of land for residential development</p>	Strategic Director - (Growth and Development)	Not before 28th Jul 2023		Delegated approval report to the Strategic Director of Growth and Development	Mike Robertson, Principal Development Surveyor mike.robertson@manchester.gov.uk
Neighbourhoods					
<p>Extension of the waste & street cleansing contract (2022/03/30B)</p> <p>To fund the increase in contract fee from 2023 for the remainder of the contract period - £7.95m.</p>	Executive	1 Jun 2022		Waste Report to Environment & Climate Change Scrutiny Committee (10 March 2022)	Matthew Bennett matthew.bennett@manchester.gov.uk
<p>TC207 - Collection, Disposal and Recycling of Street Cleansing and Bulky Waste (2023/03/09A)</p>	Strategic Director (Neighbourhoods)	Not before 9th Apr 2023		Report & Recommendation	

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
The appointment of Provider for Collection, Disposal and Recycling of Street Cleansing and Bulky Waste.					
<p>TC045- Arborist Services (2023/04/26A)</p> <p>This Contract will cover all the Council's requirements across the City for the provision of Arboricultural Services. The Council's Arboricultural Section based at Hooper Street Highways Depot will manage the Contract.</p>	Strategic Director (Neighbourhoods)	Not before 26th May 2023		Confidential Contract Report with Recommendations	
<p>Contract for provision of alley gating repair and maintenance to Manchester City Council (2023/05/10B)</p> <p>To appoint a service provider for the provision of alley gating repair and maintenance to Manchester City Council.</p>	Strategic Director (Neighbourhoods)	Not before 8th Jun 2023		Report and recommendations	Sam Kinsey, Compliance and Enforcement Specialist sam.kinsey@manchester.gov.uk

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
<p>Extension of Repairs and Maintenance contract for MCC Housing Services (2023/06/20A)</p> <p>To extend the Contract for Repairs and Maintenance for MCC Housing Services for up to a maximum of 3 years</p>	<p>Strategic Director (Neighbourhoods)</p>	<p>Not before 19th Jul 2023</p>		<p>Report and recommendation</p>	<p>David Ashmore, Director of Housing Operations david.ashmore@manchester.gov.uk</p>

3. Resources and Governance Scrutiny Committee - Work Programme – July 2023

Thursday 20 July 2023, 10:00am (Report deadline Monday 10 July 2023)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Review of Development Agreements	To receive a report on the Council's development agreements, monitoring arrangements and overages secured.	Cllr White (Housing and Development)	David Lynch	
Update on Progress of the Factory International Project	To receive a report on the Council's development of The Factory, St John's.	Cllr Rahman (Statutory Deputy Leader) Cllr Akbar (Finance and Resources)	Carol Culley Jared Allen	
Update on Progress of the Our Town Hall Project	To receive a report on the Council's restoration and refurbishment of Manchester Town Hall.	Cllr Rahman (Statutory Deputy Leader) Cllr Akbar (Finance and Resources)	Carol Culley Jared Allen Paul Candeleant	
Housing Repairs Contract	To receive a report on the re-procurement of the Housing Repairs contract.	Cllr White (Housing and Development)	David Ashmore	This will be a confidential report.
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Thursday 7 September 2023, 10:00am (Report deadline Friday 25 August 2023 to account for Bank Holiday)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Update from the Revenues and Benefits Unit	To receive an update on the activity of the Revenues and Benefits Unit including details of ongoing cost-of-living schemes and activities delivered by the service.	Cllr Akbar (Finance and Resources)	Carol Culley Lee Owen Matthew Hassall Charles Metcalfe	
Council Tax Support Scheme (CTSS)	To bring recommendations on the CTSS options from 2024/25 onwards, with a view to taking approved recommendations to public consultation in the autumn.	Cllr Akbar (Finance and Resources)	Carol Culley Lee Owen Matthew Hassall Charles Metcalfe	
Residents and Business Digital Experience Programme (RBDxP) Update	To receive an update on the delivery of RBDxP which is a key workstream as part of the Future Shape programme.	Cllr Akbar (Finance and Resources)	Carol Culley Lee Owen Jon Burt Alex Forbes	
Artificial Intelligence	To receive a report on the impact of Artificial Intelligence (AI) on the Council's ways of working and what work is taking place to approach this.	Cllr Akbar (Finance and Resources)	Carol Culley Chris Wanley	
2024/25 Budget Process	To receive a short report on the current position of the Medium-Term Financial Plan and planned approach to setting the 2024/25 budget process.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson Sam McArdle	

Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	
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Thursday 12 October 2023, 10:00am (Report deadline Monday 2 October 2023)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Workforce Equalities Strategy Progress Update	To receive an update on progress to date to increase diversity, ensure the Council is an inclusive employer and to challenge discrimination.	Cllr Akbar (Finance and Resources)	Carol Culley Mark Bennett	
Workforce Strategy Update	To receive the new Workforce Strategy.	Cllr Akbar (Finance and Resources)	Carol Culley Mark Bennett	
Future Shape of the Council Update	To receive an update on progress to date with the Future Shape of the Council programme, which is evolving the Council's ways of working in order to meet current challenges.	Cllr Rahman (Statutory Deputy Leader) Cllr Akbar (Finance and Resources)	Carol Culley Mark Bennett	
Section 106 Governance	To receive a report on the governance arrangements relating to Section 106.	Cllr Akbar (Finance and Resources) Cllr White (Housing and Development)	Julie Roscoe	Deferred from July 2023 with Chair's agreement.
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Thursday 9 November 2023, 10:00am (Report deadline Monday 30 October 2023)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Update on New Procurement Regulations	To receive a report on the updated Procurement Regulations coming into effect and how the Council intends to implement them.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson Peter Schofield	
Update on the Autumn Statement	To receive a short update on the impact of the Autumn Statement on the Council's Medium-Term Financial Plan and budget.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson Sam McArdle	
Corporate Core Budget Proposals 2024/25	To receive a report outlining the budget position for 2024/25 and progress in reaching a balanced budget, including preliminary savings and investment options.	Councillor Craig Councillor Akbar	Carol Culley Tom Wilkinson Paul Hindle	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Thursday 7 December 2023, 10:00am (Report deadline Monday 27 November 2023)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Review of Investments being made by the Council into its Capital Strategy in terms of delivering future value-for-money post-COVID19	To receive a report on the Council's capital investments being made through the Capital Strategy in terms of delivering future VFM.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson Tim Seagrave Jared Allen	
Annual Property Report	To receive the annual update on the work of the Estates and Facilities service (Corporate Core directorate) and the Development team (Growth and Development directorate), with particular reference to the use of agency staff.	Cllr Rahman (Statutory Deputy Leader) Cllr White (Housing and Development)	Carol Culley Becca Heron David Lord Richard Munns	
Housing Revenue Account 2024/25 to 2026/27	To receive a report on the proposed Housing Revenue Account (HRA) budget process for 2024/25 and a refresh of the 30-year business plan.	Cllr White (Housing and Development)	Tom Wilkinson Dave Ashmore	
Council Tax Support Scheme Consultation Responses	To receive an update on the public consultation responses to the approved Council Tax Support Scheme recommendations.	Cllr Akbar (Finance and Resources)	Carol Culley Lee Owen Matthew Hassall Charles	

			Metcalfe	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Thursday 11 January 2024, 10:00am (Report deadline Friday 29 December 2023 to account for Bank Holiday)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Budget Settlement 2024/25	To receive a report on the Provisional Local Government Finance Settlement to outline the impact on the Council's budget position for 2024/25.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson Sam McArdle	
Sales Fees and Charges	To review the Council's commercial activities through trading operations and the setting of fees and charges.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson Tim Seagrave	
Commercial Activity Update	To receive a report on the performance of the portfolio of Council commercial activities, including companies, Joint Ventures, loans, equity investments and development agreements.	Cllr Akbar (Finance and Resources) Cllr White (Housing and Development)	Carol Culley Tom Wilkinson Sarah Narici David Lynch David Lord	
Manchester Heat Network Business Plan Update	To receive a performance update and the 2023/24 business plan for the Manchester Heat Network Special Purpose Vehicle (SPV), which is wholly owned by the Council. This report will also outline the SPV's approach to securing new customers to the network and the decarbonisation of the asset.	Cllr Akbar (Finance and Resources) Cllr Rawlins (Environment and Transport)	Carol Culley Tom Wilkinson Sarah Narici	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Thursday 8 February 2024, 10:00am (Report deadline Monday 29 January 2024)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Corporate Core Budget Proposals 2024/25	To receive the final 2024/25 budget proposals that will go onto February's Budget Executive and Scrutiny and March's Council.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson Paul Hindle	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Monday 26 February 2024, 10:00am – BUDGET (Report deadline Wednesday 14 February 2024)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
The Council's Budget 2024/25	To receive an update on the Council's financial position following scrutiny of the draft budget proposals and Directorate budget plans by all Scrutiny Committees.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson	

Thursday 7 March 2024, 10:00am (Report deadline Monday 26 February 2024)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Manchester City Council Connections with the Greater Manchester Combined Authority (GMCA)	To update the committee on Manchester's connections with GMCA in terms of partnerships, governance, and financial arrangements.	Cllr Craig (Leader) Cllr Akbar (Finance and Resources)	Carol Culley James Binks Tom Wilkinson	
Manchester City Council Connections with the Greater Manchester Integrated Care System and the Manchester Locality	To update the committee on Manchester's links with the Greater Manchester Integrated Care System, including governance and financial arrangements.	Cllr Akbar (Finance and Resources) Cllr T Robinson (Healthy Manchester and Adult Social Care)	Carol Culley James Binks Tom Wilkinson	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

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
Progress on Council Motions over last 12 months	To receive an update on the progress made in respect of motions that have been passed before Manchester City Council since the last update in March 2023.	Councillor Craig Councillor Rahman	Fiona Ledden	To be considered around March 2024

4. Items for Information

25/05/23 - RGSC/23/23 – Commercial Update

- List of people who have undertaken the directorship training
 - A list of Members and Officers who have attended the Directorship training to date is enclosed in this agenda pack. A further session is in the process of being organised for Autumn, with any Committee Members welcome to attend if they would find it beneficial. If Members would like to attend, please email commercialgovernance@manchester.gov.uk and further information will be shared in due course.

- How the Due Diligence Framework is applied to those contracts not classed as 'gold'
 - On the due diligence for silver contracts, Integrated Commissioning's May Newsletter to contract managers (one of the main communication channels with contract managers) requested contract managers to undertake the required due diligence checks for silver contracts by the end of June. Completion is being tracked and managers have been given access to further guidance and names of people who can support.

- Further response on the valuation of Manchester Airport Car Park (Project Apollo) as this is listed in the report as being less at 31/03/23 than the amount invested by the Council
 - The valuation of the Manchester Airport Car Park is led by Oldham on behalf of the GM councils. The valuation uses a discounting technique to discount expected future cash flows to arrive at a value for the car park at today's date, with the discount factor linked to market interest rates at the time of the valuation. The discount factor changed between the valuation as at 31/3/22 and 31/3/23, from 10% to 11%. This reflects the general increase in interest rates that had been experienced during that financial year and has the effect of reducing the current value of future cash flows, ultimately causing the estimated value of the asset to fall.

20/06/23 - RGSC/23/29 – Elections Act 2022 and the 4 May 2023 Local Election Progress Report on its Impacts

In response to a query regarding how many people in Manchester had been convicted of voter fraud in the last 10 years, it has been confirmed that no one has been convicted of this in Manchester within the last 10 years.

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MCC Directorship Training - Members and Officers who have attended

Cllr Gavin White
Cllr Tracy Rawlins
Cllr Shelley Lanchbury
Cllr Paul Andrews
Cllr Sam Lynch
Carol Culley
Rebecca Heron
Kenneth Richards
David Lord
Tom Wilkinson
Neil Fairlamb
Pat Bartoli
Angela Harrington
Paul Hindle
Karen McIlwaine
Ian Slater
Richard Munns
Neil Macinnes
Chris Thomas
John Rooney
Sam McArdle
Shefali Kapoor
Chris Wanley
Alix Joderell Banks
Sherelle Fairweather

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By virtue of paragraph(s) 3, 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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