

Executive

Minutes of the meeting held on Wednesday, 29 June 2022

Present: Councillor Craig (Chair)

Councillors: Akbar, Bridges, Hacking, Midgley, Rahman, Rawlins and White

Also present as Members of the Standing Consultative Panel:

Councillors: Ahmed Ali, Butt, Douglas, Foley, Lynch and Stanton

Apologies: Councillor Igbon, T Robinson, Collins, Johnson and Leech

Exe/22/48 Minutes

Decision

The Executive approved as a correct record the minutes of the meeting on 1 June 2022.

Exe/22/49 Our Manchester Progress update

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

The Leader made reference to the second reading of the HS2 Bill in Parliament. It was noted that the Council had concerns about the plans as they currently stood, including the proposed new six-platform overground station next to the existing Manchester Piccadilly Station to accommodate HS2 and improved northern links. She reported that the Council would be formally petitioning government, urging the to reconsider there approach and ambition for Manchester. Manchester's response would be shared with Members and discussed at a future meeting of the Executive.

The Leader also made reference to the Clean Air Plan Review of Greater Manchester. Transport for Greater Manchester, on behalf of the 10 GM local authorities, were preparing a response to Government setting out the case for a new GM Clean Air Plan which would be submitted to Government by 1 July 2022. Due to the tight timeframes to complete the review, the draft plan was being submitted to government on 1 July in order to meet the government deadline. Local Authorities would then have an opportunity to consider it before a final plan was submitted. There would also be a much wider participation and engagement process for a new clean air plan.

The Leader reported that Manchester had made a strong showing in an annual report rating the liveability of 172 prominent world cities, once again coming out as the highest ranked UK city. The city had risen 26 places to 28th position continuing to be placed above London, Barcelona, Los Angeles, Auckland, Madrid and Adelaide.

The Deputy Leader (Statutory) reported that plans for a new visitor experience in Manchester Town Hall telling the story of the iconic building and showcasing some of its civic treasures had taken a big step forward with the appointment of leading exhibition designers Mather & Co. The ground floor exhibition space, would have no admission charge and there would also be a chance to explore some of the Town Hall's hidden spaces which had rarely if ever been open to the public, such as the Victorian police cells, courtyard area and clock tower, on guided tours.

The Executive Member for Housing and Development reported on the launch of the Manchester Living Rent, which would be a rent level that people on housing benefit could access, meaning new housing – regardless of where it was built – would be affordable to anyone in the city. He advised that this would be part of the Council's strategy to deliver 10,000 new homes over the next 10 years. In terms of the Council's Selective Licensing Scheme, he reported that in addition to the existing seven schemes, a further eight schemes would be brought forward following an analysis of the Crumpsall scheme, which had now come to an end and had demonstrated a positive impact on improving private rental standards.

The Executive Member for Early Years, Children and Young People commented on the success of Manchester Day, with over 1,300 participants from across the city. In keeping with the Our Year campaign to promote opportunities for those growing up in our city, young people played a key role in the day which included programming the day's activities in Piccadilly Gardens. In addition, it was noted that this year's parade was the most sustainable yet.

The Executive Member for Environment and Transport reported that Keep Manchester Tidy – a partnership between Manchester City Council and Keep Britain Tidy – had delivered 70 community clean-ups across the city to mark the Queen's Platinum Jubilee, with Schools, community groups and local businesses amongst those participating. In keeping with the spirit of the Our Year campaign as well as taking part, young people had their say in which areas were cleaned up, and there had been a particular focus on parks and play areas to ensure they had a clean place to socialise.

Decision

The Executive note the report.

Exe/22/50 Capital Outturn Report

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which outlined the capital outturn position for 2020/21 including total expenditure and funding, confirmed that funding sources had been managed to best utilise resources available to fund the capital programme; and presented a revised capital programme for the 2022/23 financial year after taking into account the final outturn position as reported.

The main changes to the programme since the report to Executive in June 2021 were as follows:-

- £29m Highways – The Active Travel Fund and Northern Quarter Cycling scheme have reprofiled £5.1m and £3m respectively into future years. In addition, inclement weather and capacity issues with third parties had delayed the Highways Maintenance Programme with £4.5m slipping into 2022/23;
- £16m Neighbourhoods – This included Beswick Hub Rugby Football League £2.6m reprofiling and £2.2m relating to Indoor Leisure - Abraham Moss. The Manchester Aquatic Centre would reprofile £4.5m into future years to reflect the fact the main contract was signed in April 2022, which had had an impact on the progress on site;
- £51m Growth and Development – £7.1m of the Housing Infrastructure Fund (HIF) funding for enabling works in Victoria North would move into 2022/23. There was also £9.3m reprofiling required for Hammerstone Road Depot, and £8.9m Carbon Reduction Programme/Public Sector Decarbonisation Fund With other major variances of £4.1m for House of Sport and £4.4m for Campfield Development;
- £21m Our Town Hall – This would now be spent in 2022/23 in line with the current programme of works which was agreed and revised after the budget was set;
- £17m Children's Services - £11.6m of this related to the revised start on site date for the Co-op Academy in Belle Vue;
- Expenditure was almost £36m lower than that forecast in the report to Executive in February 2022. The largest change related to the £8.2m reprofiling across the Public Sector Decarbonisation Scheme and the Carbon Reduction programme which had seen delays in designs and contract approvals linked to the supply chains.

Overall, the spend against the approved in year programme of £458.3m was £165m lower

It was reported that the programme had delivered over £293m of capital investment during the 2021/22 and whilst the outturn position was higher than the average spend over the past three years, it represented the continued significant investment in Manchester with over 220 live projects progressing during the year, a major achievement given the impact of the pandemic.

It was noted that there was no sign of inflationary pressures abating, with companies continuing to issue warnings on future cost increases. As such, in addition to a proportion of the contingent budgets for each major capital project earmarked for inflationary pressures, a further £28m had been profiled over a number of financial years to reflect the expected timing of any contract increases over the life of the programme.

Unlike the Revenue Budget the Capital Budget was subject to change as new schemes and /or external funding was received. The budget was prepared in February each year on the best estimate of the start date and spend profile for each scheme and was refreshed in June for the Outturn Position. Most capital schemes covered multiple years and as schemes developed the spending profile across financial years changed to reflect the agreed start on site date and delivery of the work packages. Based on the monitoring information, it was proposed that the capital programme budget was re-phased to reflect the planned delivery of projects in

2022/23 to 2025/26 which would be reviewed throughout 2022/23 to reflect changes to the proposed profile of spend.

In addition it was reported that there were schemes that had been developed or have received external funding that were now ready for inclusion in the Capital Programme. The proposals which required Council approval were those which were funded by the use of reserves above a cumulative total of £2million, where the use of borrowing was required or a virement exceeds £0.500m. These included the following proposed changes:-

- Public Sector Housing – Northwards Housing Capital Programme 2022/23. . A capital budget increase of £2.475m in 2022/23, £21.047m in 2023/24 and £7.599m in 2024/25 is requested, funded by an RCCO from the HRA to deliver essential health and safety work, security improvements and environmental improvements across the Council's Housing estate.
- Corporate Programme - Elizabeth Tower GP surgery. A capital budget increase of £2.6m in 2022/23, funded by RCCO from Integration Reserve to support the fit out of the GP surgery and ancillary facilities to service the city centre's growing residential population.

The report then went on to detail the proposals that did not require Council approval which were funded by the use of external resources, use of capital receipts, use of reserves below £2million, where the proposal could be funded from existing revenue budgets or where the use of borrowing on a spend to save basis was required. These included:-

- Neighbourhoods – Off Street Car Parks. A capital budget increase of £0.369m in 2022/23 requested, funded by Parking Reserve to carry out works to one of the Council's multi storey car parks, identified as part of the Fire Risk Assessment. This included internal fire doors and a new fire alarm. Electric works were also required to Bloom Street Car Park for a new power supply for lighting.
- Northwards ICT Work. A capital budget increase of £2.491m in 2022/23 and £1.599m in 2023/24 requested, funded from a revenue contribution from the HRA to finance a multi-disciplinary migration team as well as the required hardware, software and supplier fees to conduct the migration of Northwards ICT infrastructure in the City Council infrastructure in a fashion that protects live services to tenants.
- Private Sector Housing – Disabled Facilities Grant (DFG). A capital budget increase of £0.855m in 2022/23 and £7.628m in 2023/24 requested, funded by Government Grant for home adaptations for people with disabilities.

It was noted that the forecast budget for 2022/23 was ambitious compared to previous annual expenditure with a number of large scale projects due to begin in 2022/23 and that the budget would change as new schemes were added throughout the year, and specific projects funded through the contingent budgets were brought forward through the Council's capital approval process. Current funding assumptions

for the Capital Programme based on the current forecast were detailed and these would continue to be reviewed to ensure that optimum value for money was achieved. The current modelling forecasted that the programme remained affordable within the revenue budget available. The model was based on a number of assumptions however, including the timing of future borrowing and forecast future interest rates. As these assumptions changed, the capital financing model including use of capital financing reserves would be updated and reported back

Decisions

The Executive:-

- (1) Recommend that the Council approve the virements over £0.5m between capital schemes to maximise use of funding resources available to the City Council set out in Appendix C.
- (2) Note the outturn of capital expenditure 2021/22 is £293.2m.
- (3) Note the changes to the outturn attributable to movement in the programme that occurred after the previous monitoring report to Executive in February 2022,
- (4) Approve virements under £0.5m within the capital programme as outlined in Appendix B, including those related to inflation.
- (5) Recommends that the Council approve the following changes to Manchester City Council's capital programme:-
 - Public Sector Housing – Northwards Housing Capital Programme 2022/23. A capital budget increase of £2.475m in 2022/23, £21.047m in 2023/24 and £7.599m in 2024/25 funded by an RCCO from the HRA
 - Corporate Programme - Elizabeth Tower GP surgery. A capital budget increase of £2.6m in 2022/23, funded by RCCO from Integration Reserve
- (6) Approves the following changes to the City Council's capital programme:-
 - Neighbourhoods – Off Street Car Parks. A capital budget increase of £0.369m in 2022/23 funded by Parking Reserve
 - Northwards ICT Work. A capital budget increase of £2.491m in 2022/23 and £1.599m in 2023/24, funded from a revenue contribution from the HRA
 - Private Sector Housing – Disabled Facilities Grant (DFG). A capital budget increase of £0.855m in 2022/23 and £7.628m in 2023/24, funded by Government Grant.
- (7) Note the decisions of the Deputy Chief Executive and City Treasurer regarding the funding of capital expenditure in 2021/22 including the use of £99.6m Grants and Contributions, £12.3m Capital receipts, £28.3m Revenue funding and £153.0m Borrowing.
- (8) Note the revised capital programme for 2022/23 shown in Section 9 and Appendix F.

Exe/22/51 Integrated Care System and Place-Based Lead for Manchester

The Executive considered a report of the Chief Executive, which informed Members of the Government's reforms to health and social care to establish Integrated Care Systems, including at the level of Greater Manchester

It was reported that Integrated Care Systems were being established nationally as part of the next phase of health and social care integration. This includes the establishment of Greater Manchester Integrated Care (NHS GM) and locality arrangements for Manchester.

These upcoming system reforms were an opportunity to accelerate the delivery of Manchester's ambitions to improve health outcomes and tackle health inequalities through further integration of health and social care.

The Manchester Partnership Board would lead the development of Manchester's future operating model for health and social care integration. Joanne Roney OBE, in addition to being Chief Executive of Manchester City Council had been appointed as the Place-Based Lead for Manchester.

Decision

The Executive note the report and endorse the appointment of Joanne Roney as Place-Based Lead for Manchester.

Exe/22/52 Manchester Work and Skills Strategy 2022-27

The Executive considered a report of the Director of Inclusive Economy, which sought approval of the adoption of Manchester's new Work and Skills Strategy 2022-27.

It was reported that Manchester's Work and Skills Strategy 2016-21 had reached the end of its life and work had been underway since last year to revise and update the Strategy to respond to the significant changes and challenges the city has experienced over the last five years.

In developing the new Strategy, the linkages and dependencies with and between other Manchester strategies had been mapped out, to ensure clear interfaces and avoid duplication. The new strategy used the Our Manchester Strategy themes as a structural framework, making it clear how the Strategy's priorities, outcomes and indicators would contribute to the delivery of the Our Manchester Strategy. The Strategy also responded to the recommendations made in the Marmot report 'Build Back Fairer in Greater Manchester', which made clear connections between work and health outcomes

The report provided additional background and context to the refresh as well as detailed overview of the consultation and engagement process that had taken place to support the Strategy's development.

As a strategy for the city, it was the responsibility of the Council and its partners to ensure it was delivered. The Strategy would be overseen by the Work and Skills Board, which included a range of partners involved in learning and employment, and progress against priorities tracked by the Council's Economy Scrutiny Committee.

Decision

The Executive agrees to adopt the new Work and Skills Strategy 2022-27

Exe/22/53 LTE Group - Estates Strategy Delivery Update

The Executive considered a report of the Deputy Chief Executive and City Treasurer and the Chief Executive, LTE Group, which set out progress to date against the LTE Group estates strategy programme to create new facilities for the Manchester college and align the location of facilities to the future needs of the city.

The estates strategy sought to reduce reliance on old, inefficient and listed buildings where the educational experience is significantly lower than the LTE Group would want to provide or is now being demanded by curriculum or qualifications evolving as part of the skills white paper. Despite the challenges of the pandemic and Brexit, the new construction and upgrade of facilities remained on target and on budget. A new £25m new extension to the Openshaw campus opened on time in December 2021 to very positive feedback from students, communities and stakeholders. The new City Campus Manchester was scheduled to open on time in September 2022. The upgrades to Harpurhey and Wythenshawe were also on track and the ambition to significantly reduce the carbon footprint of the college estate was also on track to be delivered, with the new City Campus Manchester comfortably achieving BREEAM excellent standard.

The project relied on some sites being disposed of so that the proceeds could be reinvested in the new facilities. Where possible LTE Group has sought to create a win-win with other strategies across the city such as affordable housing or helping support a better sense of place in a community. One such site that was now key to dispose of was the Fielden Campus (Didsbury West Ward). The majority of the site was held as a freehold by the College. The Council had a small property interest within the site that would be made available for disposal for market value to support the development.

The marketing period for the site had resulted in over a dozen initial bids which were analysed in detail by appointed property advisors.. Through a professional process of iteration, the bids were narrowed down to a final three bidders, with the preferred bid being from a Manchester based education provider to consolidate their existing educational provision at locations in Chorlton and Withington on to one site at Fielden, with the potential to provide new homes across the sites vacated in Withington and Chorlton or disposing of land for alternative uses such as new public healthcare facilities.

Decision

The Executive note the report and progress to date in relation to the delivery of the LTE estates strategy

(Councillor Hacking declared a Disclosable Pecuniary Interest in this item as he is a Board Member of the LTE Group. He left the meeting during consideration of this item).

Exe/22/54 Request for Hackney Carriage Fuel Surcharge

The Executive considered a report of the Strategic Director (Growth and Development), which sought approval for a temporary fuel surcharge of 80p to be applied to the Hackney Carriage Fares.

It was reported that representatives from the Hackney Trade have requested consideration of a fuel surcharge to be approved for the Hackney Fares as an urgent measure in response to the significant increases in fuel over the last 6 months. This was requested ahead of the wider Fare Review, given that that piece of work would not be reported to the Licensing and Appeal Committee, and in turn the Executive, until later this Summer.

Any surcharge permitted at this time, will therefore be temporary in nature as these costs would be addressed properly alongside all wider information used within the full Fare Review formula.

The Council's Licensing and Appeals Committee, in its advisory capacity to the Executive, had considered a report with regard to this request and had recommended that a temporary fuel surcharge of 80p was approved to be applied to the Hackney Carriage Fares until the outcome of the wider Hackney Fare Review, or the October 2022 meeting of the Executive, whichever is sooner.

Decision

The Executive approve a temporary fuel surcharge of 80p to be applied to the Hackney Carriage Fares and that this charge be permitted until the outcome of the wider Hackney Fare Review, or the October 2022 meeting of the Executive, whichever is sooner.

Exe/22/55 Acquisition of St Modwen's interest at Wythenshawe Civic Centre, Wythenshawe, Manchester (Part A)

The Executive considered a report of the Strategic Director (Growth and Development), which set out the rationale for the proposed acquisition of St Modwen's interest in Wythenshawe Town/Civic Centre by the Council.

Wythenshawe town centre has been subject to several masterplans, Strategic Regeneration Frameworks and policy documents in recent years which had not been delivered. The main obstacle to redevelopment had been that the existing shopping centre and adjacent Etrop Court were owned by St Modwen on a long leasehold (part

freehold) basis. The Council had attempted to acquire St Modwen's interests previously on several occasions however, at the time the metrics for the deal were unsustainable. This position had now changed with terms agreed for a disposal at a level which worked for the Council and could be supported on a red book valuation basis

The Executive was advised that time was critical as St Modwen had given the Council an exclusivity period to work through due diligence and complete the acquisition prior to them taking the asset to market.

It was explained that the acquisition would provide the Council with significant control of Wythenshawe Town Centre, together with a substantial rent roll. Furthermore, the acquisition would act as a catalyst for the wider regeneration programme for the centre and provide the Council with the ability to restructure the current legal arrangements which could then support the delivery of a programme of physical and place-making interventions linked to a Levelling Up Fund (LUF) bid which would provide opportunity to accelerate delivering on the long term ambition of regenerating the centre and catalysing a sustainable modern Town Centre that met the needs of its residents

It was also noted that was the Council to be unsuccessful in their LUF bid, contingency plans were in place and it was emphasised that, even if unsuccessful, the acquisition made commercial sense and unlocked wider opportunities.

In addition to the freehold of the shopping centre, the Council owned significant adjacent land that would benefit from the regeneration proposals. Through the acquisition and regeneration of the centre, it was considered that the value of these land parcels would improve and that they would be developed as part of the regeneration strategy.

The direct revenue and capital implications of the acquisition were set out in the report of the same title under Part B of the agenda

Decision

The Executive note the contents of the report and progress made in relation to the wider regeneration proposals for Wythenshawe Town Centre.

Exe/22/56 Exclusion of the Public

Decision

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

Exe/22/57 Acquisition of St Modwen's interest at Wythenshawe Civic Centre, Wythenshawe, Manchester (Part B)

Further to Minute Exe/22/55, the Executive considered a report of the Strategic Director (Growth and Development), which set out the financial implications of the proposed acquisition of the St Modwen interest in Wythenshawe Shopping Centre.

Decision

The Executive:-

- (1) Approve the acquisition of St Modwen interests in Wythenshawe Town Centre together with all necessary ancillary arrangements to ensure the ongoing operation of the centre.
- (2) Approve the proposal to fund the acquisition, rebranding of the centre and ancillary costs, as detailed in the report, to be funded from existing capital budgets.
- (3) Delegate authority to the Deputy Chief Executive and the City Treasurer in consultation with the Executive Member for Finance and Resources, to negotiate and finalise the details and terms of the acquisition together with the property and commercial arrangements and any other such ancillary agreements (including TUPE) to ensure the ongoing management and operation of the centre.
- (4) Delegate authority to the Deputy Chief Executive and the City Treasurer in consultation with the Leader and Executive Member for Finance and Resources to approve the capital expenditure in respect of the acquisition, rebranding of the centre and ancillary costs.
- (5) Delegate authority to the City Solicitor to enter into and complete all documents or agreements necessary to give effect to the recommendations in this report