

## **Executive**

### **Minutes of the meeting held on Wednesday, 16 November 2022**

**Present:** Councillor Craig (Chair)

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

**Also present as Members of the Standing Consultative Panel:**

**Councillors:** Butt, Collins, Douglas, Foley, Johnson and Lynch

**Apologies:** Councillors Ahmed Ali, Igbon, Leech and Stanton

**Also present:** Councillor Simcock (Chair of Resources and Governance Scrutiny Committee)

#### **Exe/22/91 Minutes**

##### **Decision**

The Executive approved as a correct record the minutes of the meeting on 19 October 2022.

#### **Exe/22/92 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 reported that Manchester had been named by National Geographic magazine as one its top 25 must-visit global destinations for 2023. The city was the only UK city to be recognised in the publication’s influential ‘Best of the World’ list, joining destinations including New Zealand and San Francisco. The accolade recognised the strength of Manchester’s post-pandemic revival and the raft of significant cultural openings in 2023 including Factory International and Manchester Museum after a £15m transformation including new galleries. Manchester was also featured in the ‘family’ category of the list, recognising destinations offering educational journeys for all generations.

The Executive Member for Skills, Employment and Leisure reported on the opening of Gorton’s new community, integrated health and learning hub, which opened on Tuesday 15 November. The hub would bring together a range of local services under the same roof for the first time, creating a one-stop-shop for local people to access a GP, health and social care services, employment support, cafe and a new Gorton library, all in a purpose built, highly accessible development. Each of the services would open to the public in a phased way through to January 2023. The Hub building would be open from 8am to 8pm Monday to Friday and 8am to 5pm on Saturdays, although different services would have different opening times. The

Deputy Executive Member for Skills, Employment and Leisure also reported on the new library space that had been created commenting that it was a testimony to what a library provision could be.

The Deputy Leader reported that from 1 November right through until spring 2023, the Council and fellow members of the Manchester Homelessness Partnership were providing extra support to help people sleeping on the streets move into accommodation through the coldest months. The increased accommodation provision, over and above that which was available all year round, would be available for as long as people needed it. The bed spaces were offered on a referral system to people who had been identified by partners and outreach teams as high priority. The extra accommodation was being funded by the Council, alongside funding from Government.

The Deputy Leader (Statutory) reported that Manchester-based arts organisations would now benefit from almost £25m a year of Arts Council England national portfolio funding over the next three years. New additions to the national portfolio included the National Football Museum, Brighter Sounds, Manchester Collective, Music Action International, Northern Lines, Reform Radio, Sheba Arts and Triple C. Other organisations including arts and creative hub for children and young people Z-Arts, who would now receive £401k a year, had received an uplift in existing funding to expand their work. The funding would run from 2023 to 2026 for cultural organisations that contributed to making Manchester a thriving, equitable, vibrant and liveable city with high quality cultural and creative experiences that all Manchester people could benefit from.

The Executive Member for Health Manchester and Adult Social Care reported that on 31 October 2022 the five-year Making Manchester Fairer Action Plan was launched at a conference held at the Etihad Stadium. In recognition that the continual engagement of the workforce and services across the social determinants of health was critical to developing the detail and successful delivery of the plan, invitations were targeted at frontline workers, managers and leaders in organisations and services that made up the population health system including the VCSE sector, health and housing as well as key city council teams and directorates. More than 200 delegates attended the full day event which was opened by the Council's Chief Executive and Leader, reflecting the priority of tackling inequalities for the city. Feedback from the event had been overwhelmingly positive and work had already begun to sustain this engagement, starting with the first of a number of regular planned bulletins to attendees which formed the starting point for Making Manchester Fairer's emerging workforce engagement strategy.

The Executive Member for Housing and Development reported on the development of 130 affordable homes in Belle Vue which had reached a milestone last week with the opening of show homes. The homes were being delivered by developer Countryside and housing association partner Great Places and consisted of a mix of houses and apartment with 89 homes for social rent, 12 homes available for rent at the Manchester Living Rent and 29 for shared ownership. The development would also have 117 properties for sale on the open market. All homes were being built to greener by design standards including electric charging points for every house and the development was bringing a brownfield site back into use. The Executive

Member also reported on a new social benefit hub which had opened at Red Bank (part of the Victoria North regeneration programme) to help people gain employment, training and digital access. The Victoria North Community Hub had been set up by BAM Nuttall and Arup – the contractor working on the Red Bank phase of the regeneration project – as part of their social value commitment for the development. The Council had developed a programme of support to help residents in north Manchester, alongside a range of support services run by city-based voluntary organisations. BAM Nuttall and Arup were also providing the hub with access to laptops and free wi-fi to allow residents to search for jobs, get support with applications and find training opportunities, as well as to access housing and income advice. The hub, which would be available until spring 2024 at the BAM Nuttall site compound in Hargreaves Street, would be open to residents during pre-planned sessions with community organisations rather than on a drop-in basis.

## **Decision**

The Executive note the report.

## **Exe/22/93 Revenue Budget Update**

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which set out the scale of the budget challenge that the Council faced in respect of its forecasted medium term revenue budget.

The Executive Member for Finance and Resources explained that the Council's budget had seen considerable reductions since the programme of austerity started in 2010/11, which saw a significant reduction to central government support for local authorities, in which Manchester had been one of the hardest hit places in the country. Over the last 12 years the Council had had to make £428m of cuts and savings to cope with Government funding cuts and unavoidable cost pressures such as inflation and a growing population.

The report set out the estimated budget position for the next three years and the potential scale of budget cuts required. The assumptions were based on a realistic view of the expected settlement announcements and a forecast of local tax funding available. This resulted in a forecasted funding gap of £28m in 2023/24 increasing to £96m by 2025/26. To date saving options totalling £42m over three years had been brought forward by officers for member consideration, however, a significant shortfall remained which must be addressed.

This meant that there would be a shortfall to balancing the 2023/24 budget of almost £7m increasing to £37m the year after. Officers were working to identify further measures to bring forward in January 2023. The proposed approach would include identifying a further £3m to £4m of savings targeted and deliverable in 2023/24 with a full-year effect of at least £8m, coupled with work to control expenditure in 2022/23 to reduce the in year overspend by a further £3-4m to free up reserves to further smooth the 2023/24 position.

The government's Autumn Statement was expected to be published on 17 November 2022. This would possibly provide more clarity on the direction of funding for Local

Government. The provisional settlement expected late in December would provide the funding allocations for 2023/24. The provisional settlement outcome and revised position would be reported to Resources and Governance Scrutiny Committee and the Executive in January to consider the longer-term position. In addition, Scrutiny and Executive would also consider the final saving proposals to ensure a balanced budget was set and the council remained financially stable.

The Executive collectively expressed its indignation with government in regards to its complete mishandling of the country's economy and its inability to develop a coherent solution to tackle the unprecedented rises in energy costs, the highest levels of inflation for over 40 years and the ongoing cost of living crisis, which was ultimately having the largest impact on those most vulnerable. The Executive committed to supporting the city's most vulnerable within the financial envelope it had available.

## **Decision**

The Executive note the report

### **Exe/22/94 Capital Programme Monitoring 2022/23**

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

The Executive Member for Finance and Resources advised that the latest forecast of expenditure for 2022/23 was £513.0m compared to the current approved budget of £582.9m, with spend as of 30 September 2022 £150.4m. The £1,038.5m multi-year programme was subject to continual review to establish whether the forecast remained achievable. Whilst the intention was for the Council to progress the programme as stated, some projects and their sources of funding may require re-profiling into future years.

The top 10 projects within the Capital Programme accounted for 77.4% of the total programme and the report provided a focussed look on each of these projects, as well as any other material changes relating to other parts of the programme since the last report to Executive.

The most significant risk facing the programme and major projects overall was the continued high levels of inflation being experienced, particularly where contracts were not yet agreed. There were options available to the Council, such as entering fixed price agreements or elevating risk costs, but the inflationary risk was likely to be priced in a prudent basis. There was also an inflation contingency budget of £11.3m for the whole programme which could be accessed if inflationary pressures were greater than the contingency budgets built into existing cost plans.

The current modelling forecasted that the programme remained affordable within the revenue budget available including reserves. The model forecasted that the capital

financing reserves held by the Council would be required to meet the costs associated with the Council's borrowing by 2025/26.

## **Decision**

The Executive note the report

### **Exe/22/95 Capital Programme update**

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which informed Members of requests to increase the capital programme, sought approval for those schemes that could be approved under authority delegated to the Executive and asked the Executive to recommend to Council proposals that required specific Council approval.

The proposals which did not require Council approval and only required Executive approval were those which were funded by the use of external resources, use of capital receipts, use of reserves below £10.0m, where the proposal could be funded from existing revenue budgets or where the use of borrowing on a spend to save basis was required. The following proposals required Executive approval for changes to the City Council's capital programme:-

- Growth and Development – Back of Ancoats Mobility Hub. A capital budget virement of £3.739m was requested in 2023/24 from the Inflation Budget to address construction inflation costs. £18.761m of grant funding had been received from Homes England for the construction of this innovative scheme that will provide sustainable mobility solutions and car parking to Ancoats Phase 3, thereby supporting the delivery of 1,500 new homes and accompanying jobs. Despite a thorough design review and cost management process over recent months, the project cost had risen to £24.780m. This increase of £6.019m was driven primarily by construction inflation of 19.9% which totalled £3.739m.

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- ICT - Jadu Forms Migration. A capital budget decrease of £0.179m was requested and approval of a corresponding transfer of £0.179m to the revenue budget, funded by Capital Fund, to upgrade the platform to the latest version to enable residents to continue to be able to use the Council's website.
- ICT – Remote Access Solution. A capital budget decrease of £0.095m was requested and approval of a corresponding transfer of £0.095m to the revenue budget, funded by Capital Fund, to support a project for the replacement of Callsign, exploiting existing technologies, simplifying the user experience, and utilising existing licenses already procured as part of an enterprise agreement.

- Highways Services – Patching Defect Repairs Programme Additional Funding. A capital budget increase of £0.552m in 2022/23 and £2.206m in 2023/24 was requested, funded by External Contribution, , to address the current funding pressure on the patching programme due to increasing construction and general inflation costs, but also to continue to reduce the backlog of defects and therefore, limiting the Council’s exposure to highways claims.

The report highlighted that there had been increases to the programme totalling £0.309m as a result of delegated approvals since the previous report to the Executive on 19 October 2022.

Approval had also been given for the following capital budget virements:-

- £0.164m from the Parks Development Programme (PDP) to match fund an external contribution from the Lawn Tennis Association (LTA). This was a joint project between the Council / Manchester Active and the LTA. It was proposed that the existing tennis facilities located across the city would be upgraded, with a number of improvements being made.

If the recommendations in this report were approved the General Fund capital budget would increase by £2.484m across financial years. This would also result in an increase in the prudential indicator for Capital Expenditure in corresponding years. Monitoring of all prudential indicators was included within the Capital Monitoring Report during the year.

## Decisions

The Executive:-

- (1) Recommend that the Council approve the following changes to Manchester City Council’s capital programme:
  - Growth and Development - Back of Ancoats Mobility Hub. A capital budget virement of £3.739m from the Inflation Budget.
- (2) Approve the following changes to the Council’s capital programme:
  - ICT - Jadu Forms Migration. A capital budget decrease of £0.179m and approval of a corresponding transfer of £0.179m to the revenue budget, funded by Capital Fund.
  - ICT – Remote Access Solution. A capital budget decrease of £0.095m and approval of a corresponding transfer of £0.095m to the revenue budget, funded by Capital Fund.
  - Highways Services – Patching Defect Repairs Programme Additional Funding. A capital budget increase of £2.758m funded by External Contribution

- (3) Note the increases to the programme of £0.309m as a result of delegated approvals.
- (4) Note the virements in the programme of £0.164m as a result of virements from approved budgets

### **Exe/22/96 Enabling Independence Accommodation Strategy**

The Executive considered a report of the Executive Director of Adult Social Services, Strategic Director Growth & Development and Strategic Director Children and Education Services, which provided an update on the development of an Enabling Independence Accommodation Strategy for Manchester (2022 – 2032).

The Executive Member for Housing and Development, reported that the strategy set out a long-term vision which considered how best to improve accommodation options for people in need of care and support to help them remain independent for as long as possible, building on progress already made, and building an improved partnership approach to tackle the challenges faced, better understand and meet need and demand.

The four key objectives for the Enabling Independence Accommodation Strategy had been agreed as follows:

- Work collaboratively to identify the need and demand for homes that will better enable independence.
- Ensure better care and support at home.
- Build the supported housing we need and improve pathways into it.
- Improve “move on” from temporary supported housing into good quality independent accommodation.

A delivery plan for each of the four objectives would follow the strategy, with named responsible officers overseeing the programme boards (with partner representation) which will be set up for each objective to oversee delivery of the commitments that had been set out. A comprehensive programme of consultation had been carried out with a range of audiences including Members, commissioners, providers and user groups.

Once the Enabling Independence Accommodation Strategy had been finalised, considered, and pending approval by the Executive, delivery plans and a programme board for each objective would be established. The actions detailed in the delivery plan would set out a clear blueprint for how officers would realise the Strategy’s vision and fulfil the commitments that had been made. The delivery plan would be reviewed on an ongoing basis.

The Strategic Housing Board, which had representation from all relevant Council services and MHPP, would oversee the strategy implementation and an annual performance update would be published to report progress on the four key objectives.

### **Decision**

The Executive agree to adopt the Manchester Enabling Independence Accommodation Strategy (2022-2032).

### **Exe/22/97 Manchester Playing Pitch and Outdoor Sport Strategy**

The Executive considered a report of the Strategic Director – Neighbourhoods, which provided an update on the key findings identified in Manchester Playing Pitch and Outdoor Sport Strategy (PPOSS), specifically regarding sport specific playing pitches and courts.

The current position for all pitch sports was either demand was being met or there was a shortfall. The future position showed exacerbation of current shortfalls in some playing pitch types.

The PPOSS provided a clear strategic framework for the maintenance and improvement of existing outdoor sports pitches and ancillary facilities between the strategy period 2022 - 2031. As such formal adoption of the strategy was required by the Council. Its robustness was built on the extensive consultation carried out with clubs, leagues and providers including education establishments and community organisations and users

The Strategy framed the priorities for future investment and the continued development of the playing pitch and associated infrastructure. Whilst the analysis within the PPOSS would assist in determining the priorities for investment, it did not guarantee deliverability of projects. All projects would be subject to sources of funding (primarily from external sources) being made available to be developed in consultation with National Governing Bodies of Sport and supported as appropriate by the Council.

The majority of sites had recommendations to maximise use through improved pitch quality and maintenance. There was also a need to secure long-term community use at school / Council / Community sites to sustain and grow affiliated sport and informal play. An Action Plan had been developed which identified there was a need to either protect, provide, or enhance existing facilities to address projected deficiencies over the lifespan of the strategy (2022 – 2031).

A Council led steering group would monitor and lead implementation of the PPOSS which would remain a live working document to be updated annually to reflect current area and sport specific priorities. Site specific plans would be added to the Leisure Capital Programme once the business case and investment strategy was brought forward.

### **Decision**

The Executive approve the Manchester Playing Pitch and Outdoor Sport Strategy for adoption by Manchester Planning Authority



## **Exe/22/98 Delivery of Affordable Housing - Project 500 Update (Part A)**

The Executive considered a report of the Strategic Director (Growth and Development), which provided a progress update on the delivery of affordable homes as part of Project 500 and sought agreement for the disposal of a portfolio of sites in Council ownership for the provision of affordable homes.

The Executive Member for Growth and Housing reported that Project 500 set out to deliver affordable homes on small, non-commercially facing land assets owned by the Council which would be facilitated by seven Registered Providers (RPs). 27 sites had been identified as deliverable as part of Phase 1 of Project 500. This would deliver 378 affordable homes – 89% available for Social Rent or Manchester Living Rent.

Many of the sites were in areas of very high demand for affordable housing – principally North and East Manchester and correlated with areas of intervention identified within the city's recently published Housing Strategy (2022-2032). The tenure mix across the project had been designed to deliver the optimal outcome to support the Council's objectives, whilst remaining viable at a portfolio level.

In line with the Council's obligations to demonstrate and achieve Best Value, an appraisal had been undertaken for each site to consider residual land value. The appraisals had regard to the schemes proposed and was benchmarked against current build costs and values.

The fragmented nature of the sites and challenging development environment had prompted officers to review the proposal to dispose of the sites by way of a long lease. Following long discussions with Manchester Housing Providers Partnership (MHPP) regarding the tenure of the sites to be disposed of and the difficulties expressed by MHPP that would be presented if the disposals were on a long leasehold basis it was considered that the reasons put forward by MHPP represented an overriding reason not to dispose of the sites on a leasehold basis.

The fundamental reasons (amongst others expressed by MHPP) was the change to Homes England funding requirements as well as the recent leasehold legislative changes relevant to long leaseholds for residential premises. In addition, although Shared Ownership structures were exempted from such legislative changes, MHPP anticipated that across the project there would be a large presence of initial shared ownership structure sales to buyers. In view for the potential of such buyers to eventually staircase to 100% and then call on the freehold transfer of their home, MHPP had stipulated that a freehold interest was needed to meet the requirements on final staircasing and the demand to take the freehold by the buyer.

The Council was able to continue to secure their required objectives by way of freehold disposals of the sites rather than by way of long leasehold disposals and so it was proposed to dispose of the sites on a freehold basis. This was also aligned with the revised Homes England position, which required as a minimum a 999-year lease where this was available.

### **Decisions**

The Executive:-

- (1) Note the progress to date.
- (2) Approve the disposal of the identified land on the principal terms set out in the report.
- (3) Authorise and delegate the Strategic Director (Growth and Development) in consultation with the Deputy Chief Executive and City Treasurer to agree and finalise the detailed terms of the transactions.
- (4) Authorise the City Solicitor to seek such statutory consents as may be necessary in regard to the disposal of identified land and conclude and complete all documents and agreements necessary to give effect to the terms agreed and the recommendations in this report.

### **Exe/22/99 King Street Multistorey Car Park & King Street West Shops (Part A)**

The Executive considered a report of the Strategic Director (Growth and Development) which sought approval for the disposal by way of a surrender of the Council's leasehold interest in the King Street West multi storey car park (MSCP) and ground floor retail shops to facilitate the redevelopment of the site.

The Leader advised that the disposal of the Council's asset (MSCP and ground floor shops) would create a development platform to undertake the wholesale redevelopment of a cornerstone area of Deansgate and King Street West. The redevelopment was planned to be one of the first major schemes to be brought forward following the adoption of the St Marys Parsonage SRF and was anticipated to provide a catalyst for the other schemes in the vicinity.

Fundamental to the redevelopment would be demolition, which would necessitate the closure of the ground floor shops. Engagement with the tenants had been ongoing during the SRF and planning process but both MCC and the developer would endeavour to work closely with each of the tenants to ensure that they were offered advice and guidance along with as much notice as possible in respect of the date by which vacant possession of the units was required.

It was acknowledged that the closure of these retail units would result in the extinguishment of some businesses and as a consequent, a small number of job losses, should any of the businesses choose to permanently close. The precise impact could not be evaluated at this moment but it was hoped that these businesses could be supported to consider relocating locally and retain staff where possible.

Supporting the sustainable redevelopment of sites not fulfilling their commercial potential and maximising the contribution to the city was key to the success of the SRF strategy. Over 500,000sq/ft of [new] office space would be created within this area. This new development would contribute to the economic success of the city through new jobs, homes and other infrastructure as well as providing a significant new income from business rates and council tax.

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

## **Decisions**

The Executive

- (1) Approve the decision to declare the asset surplus to operational need for disposal by way of surrender of the lease.
- (2) Note the proposal to return to Executive in the event that (1) it has not been possible to secure vacant possession of the site by agreement and a formal request be made to consider the use of Compulsory Purchase Powers and (2) following a period of negotiation with the beneficiaries of any adjoining third party rights affected by the proposed development, the freeholder has not reached a settlement and has requested the Council consider use its powers under section 203 Housing and Planning Act 2016 .
- (3) Delegate authority to the Deputy Chief Executive and City Treasurer, Strategic Director of Growth & Development in consultation with the Leader and Executive Member for Finance and Resources to negotiate and finalise the details and terms of the disposal by way of surrender together with the property, commercial and any ancillary arrangements.
- (4) 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

### **Exe/22/100 Mayfield Phase 1 Update (Part A)**

The Executive considered a report of the Strategic Director (Growth and Development), which provided an update on progress on the Mayfield development and informed Members of proposals for the Mayfield Development Partnership Limited Partnership (MDPLP), in which the Council (through various contractual and joint venture arrangements) was a partner, to enter into a partnership with a Landsec (Land Securities Group plc) special purpose vehicle for the delivery of the first phase of commercial development and to acquire an interest in the neighbouring Macdonald Hotel car park site.

The Leader reported that despite some delays caused by the COVID-19 pandemic, substantive progress had now been made on delivering the first phase of Mayfield, which would set a strong foundation for realising the overall development. Mayfield Park had been completed and was opened to the public in September 2022.

Following the acquisition of U&I PPP Limited (the former preferred private sector development partner for the site), Landsec had expressed a desire to progress with the first phase of commercial development at the earliest opportunity. The delivery of Phase 1 would kickstart the future phases of development, provide essential investment to the site, and begin to bring new businesses and jobs to the area

The MDPLP had been negotiating with Landsec on development delivery arrangements to deliver the first phase, and were now looking to enter into this arrangement, which could then be extended to future phases. The agreement did not alter the terms of the overarching Public Sector and Partnership joint venture arrangements, reported to the Executive in September 2016. The public sector partners had been advised by an independent property agency and every care had been taken to ensure that the partners received best value from the arrangements and that any risks to the Council and the other public sector partners were minimised.

However, it was noted that should the delivery arrangements fail, and the expected receipts were not received, the Partnership would be required to meet the future costs of the maintenance of the site, including the running costs of the park. These were estimated to be £750k for 2023/24, and reaching £1.1m p.a. by 2025/26.

It was also reported that the current owners of the Macdonald Manchester Hotel on London Road recently marketed the car park adjacent to the hotel for sale as it was considered to be surplus to their operational requirements for the hotel. This site was included within the Mayfield SRF. The MDPLP had made an offer to the owners to purchase the site, with the price based on independent valuation advice. This offer had now been accepted and terms agreed, in principle, for the sale

The acquisition costs would be met by the public and private sector partners which make up the MDPLP, in line with their respective interests. This meant that the Council's contribution to the acquisition would be £1.262m and it was proposed that these costs were funded from the existing approved Strategic Acquisitions Budget.

In addition, there was a requirement for additional working capital from the public and private sector partners in the MDPLP in order to maintain the operational and development activities of the Partnership and enable the preparations needed for the delivery of Phase 1. The Council had previously provided land and working capital to a value of approximately £4.25m. to the Partnership. The Council's share of the additional capital was £90k, of which £83k is already budgeted for within the Mayfield budget. It was proposed that the £7k difference is transferred from the Strategic Acquisitions Budget to the Mayfield Budget.

To support the public sector limited partnership's funding of the acquisition and enable the development to progress there was also a need to refinance the existing public sector partnership (which made up 50% of the overall Partnership joint venture). Significant historic costs were incurred relating to the original procurement of U&I PPP Limited, costs for negotiating the original public sector and Partnership agreements and the more recent property advice to inform the Phase 1 arrangements. It was anticipated that the refinancing of historic public sector partnership costs and the additional capital funding to the Partnership would enable the realisation of future capital receipts provided from the longer-term re-development of the Mayfield site, including from the development of the Macdonald car park site.

The report was accompanied by a Part B report, which outlined the confidential commercial terms of the arrangements for both of these transactions.

## Decisions

The Executive:-

- (1) Note the progress made on delivery of Phase 1 of the Mayfield development.
- (2) Note the terms of the arrangements for delivery of Phase 1 of the commercial development of Mayfield and for acquiring the Macdonald Hotel car park site as set out in this report and the detailed confidential commercial terms for those transactions as set out within the Part B report on Mayfield Phase 1 on the agenda.
- (3) Approve a virement of £886k from the Strategic Acquisitions budget to the Mayfield budget.
- (4) Approve the use of the Strategic Acquisitions budget (£1.262m) and the Mayfield budget (£90k) to fund additional working capital to the Partnership by way of loan notes in the sum of £1.316m to facilitate and support the delivery of Phase 1 of the Mayfield development and the acquisition of the Macdonald Car Park.
- (5) Approve the use of £879k from the Mayfield budget to refinance some of the historic development costs of the public sector limited partnership.
- (6) Delegate authority to the City Solicitor to complete and enter into any necessary contractual or ancillary documents required to give effect to the above recommendations and the arrangements as set out in the report.
- (7) Approve, in the Council's capacity as shareholder or limited partner, the entering into or completion of any necessary contractual or ancillary documents on behalf of Mayfield Development Manchester Limited, Mayfield Partnership Limited Partnership, Mayfield Partnership (General Partner) Limited, Mayfield Development Partnership Limited Partnership and Mayfield Development (General Partner) Limited required to give effect to the above recommendations and the arrangements as set out in the report.
- (8) Note that in accordance with paragraph 18 of Part 4, Access to Information Procedure Rules and paragraph 14 of Part 4, Scrutiny Procedure Rules of the Council's constitution, and having considered the advice of the relevant statutory officers, the Chair of Resources and Governance Scrutiny Committee has agreed that the above decisions are deemed as urgent, in that any delay caused by the call-in process, would seriously prejudice the legal or financial position of the Council or the interests of the residents of Manchester and as such has exempted these decisions from Call In.

**Exe/22/101 Exclusion of Press and Public**

**Decision**

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

### **Exe/22/102 Delivery of Affordable Housing - Project 500 Update (Part B)**

Further to Minute Exe/22/98, the Executive considered a report of the Strategic Director (Growth and Development), which set out the land valuation and financial ramifications in respect of the proposals to dispose of a portfolio of sites in Council ownership for the provision of affordable homes in relation to Project 500.

#### **Decision**

The Executive note the valuation information contained in this report.

### **Exe/22/103 King Street Multistorey Car Park & King Street West Shops (Part B)**

Further to Minute Exe/22/99, the Executive considered a report of the Strategic Director (Growth and Development), which set out the financial implications of the proposed surrender of the long leasehold interest the Council holds for the multi storey car park (MSCP) and ground floor retail shops at King Street West.

#### **Decisions**

The Executive:-

- (1) Approve the decision to declare the asset surplus to operational need for disposal by way of surrender of the lease of the MSCP and ground floor retail shops at King Street West.
- (2) Note the proposal to return to Executive in the event that (1) it has not been possible to secure vacant possession of the site by agreement and a formal request be made to consider the use of Compulsory Purchase Powers and (2) following a period of negotiation with the beneficiaries of any adjoining third party rights affected by the proposed development, the freeholder has not reached a settlement and has requested the Council consider use its powers under section 203 Housing and Planning Act 2016.
- (3) Delegate authority to the Deputy Chief Executive and City Treasurer, Strategic Director (Growth and Development) in consultation with the Leader and Executive Member for Finance and Resources to negotiate and finalise the details and terms of the disposal by way of surrender together with the property, commercial and any ancillary arrangements.
- (4) 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.

- (5) Note the net revenue budget growth of £1.46m that will be required to offset the loss of income, and that this will need to be considered as part of the 2024/25 budget process.

### **Exe/22/104 Mayfield Phase 1 Update (Part B)**

Further to Minute Exe/22/100, the Executive considered a report of the Strategic Director (Growth and Development), which outlined the confidential commercial terms of the arrangements for the delivery of the first phase of commercial development and to acquire an interest in the neighbouring Macdonald Hotel car park site as part of Mayfield Phase 1 redevelopment.

### **Decisions**

The Executive:-

- (1) Note the contents of the Mayfield Phase 1 Update Part A report.
- (2) Endorse the proposal for the Mayfield Development Partnership Limited Partnership (acting through its general partner) to enter into agreements with the Landsec SPV for delivery of Phase 1 of the commercial development of Mayfield as set out in the report.
- (3) Note the intention of the Mayfield Development Partnership Limited Partnership (acting through its general partner) to acquire part of the leasehold interest in the Macdonald Hotel.