

## Appendix A - Major Projects

1.1 The top ten budget by value remaining are shown in the table below:

Project	Current Budget 2022/23	Forecast at Q3	Outturn 2022/23	In Year Variance	Total Budget (All Years)	Total Variance (All Years)
<i>£m</i>						
Our Town Hall Refurbishment	82.3	68.7	59.9	(22.4)	306.4	0.0
The Factory & St John's Public Realm	79.4	60.9	56.3	(23.1)	229.8	0.0
Housing Infrastructure Fund (Victoria North)	20.0	9.9	7.7	(12.3)	51.0	0.2
Carbon Reduction Programme & Public Sector Decarbonisation (PSDS)	20.0	17.7	8.8	(11.2)	45.5	0.0
This City Housing Delivery	12.7	2.7	2.1	(10.6)	48.1	0.0
Back of Ancoats Mobility Hub and Public Realm	7.9	3.9	3.2	(4.7)	35.7	0.0
Co-op Academy Belle Vue	19.6	18.6	16.8	(2.8)	31.5	(1.1)
Collyhurst*	4.1	2.7	2.0	(2.1)	47.9	0.0
Manchester Aquatics Centre	17.5	19.7	22.1	4.6	33.5	0.0
Hammerstone Road Depot	11.4	7.8	8.4	(3.0)	31.6	0.0

\*Public and Private Sector Housing

### *Our Town Hall Refurbishment*

- 1.2 The Our Town Hall project requires reprofiling of £22.4m into future years in line with the current programme. The programme is subject to constant change as design is completed and work packages procured. The rephasing is required for the Mechanical, Electrical and Plumbing (MEP) mobilisation and for a number of the joinery packages, due to a change in procurement strategy to split the packages into smaller lots as the tenders originally received for the whole of the joinery works were significantly over budget. The revised strategy has seen a significant reduction in costs.
- 1.3 92% of the works packages have now been tendered with £8.0m of work packages out to tender and £9.0m remaining to be tendered. Cost surety for the work packages is now at 95% and expected to reach 100% by December 2023.

- 1.4 The project continues to see good progress on site. The Great Hall ceilings restoration has now been completed along with the refurbishment of the leaded windows. This has allowed the scaffolding in the Great Hall to be removed to allow timber flooring to be lifted so that the under-floor heating system can be installed. The golden ball at the top of the clock tower has also been reinstated after extensive refurbishment off site. Work continues with the re-roofing, and the stone and windows packages.

*Factory International*

- 1.5 The project budget requires reprofiling of £14.8m into 2023/24 in line with the agreed instructed programme. Whilst the project has faced a number of challenges the building has been completed ready for use by Manchester International Festival in June 2023. Following this there will be a commissioning period required to connect and test the systems for operating the venue. The completion dates continue to be closely monitored with full practical completion and the signing of the lease in the early Autumn ready for the full opening.
- 1.6 The project has continues to use various acceleration measures including back shift working and high numbers of staff and operatives completing weekend working shifts to ensure that the deadlines can be met.
- 1.7 Updates on Our Town Hall and Factory International are scheduled for Scrutiny and Executive in July when full budget and programme updates will be provided.

*Housing Infrastructure Fund (Victoria North)*

- 1.8 The total budget for the Housing Infrastructure fund is £51.0m, and the project is due to complete in 2024. The project has broadly separated into two packages of work: Infrastructure Works and River Works.
- 1.9 The main infrastructure works package has suffered delays on site, due to the discovery of unexpected contaminants in the soil. The design team are working with the Environment Agency and Local Planning Authority to agree a satisfactory solution that will allow works to commence as soon as possible. The contractor has managed to commence vegetation clearance works and site preparation, in order to allow the main works to start when ready.
- 1.10 On the flood defence works, due to complications around working with existing Network Rail assets, it has become impossible to deliver any flood defence works within budget or the funding programme deadline. The flood defence works have therefore been removed from the HIF funded package, and is to be delivered by the Council's delivery partner FEC as part of an on-plot solution
- 1.11 Due to the removal of the flood defence work from the HIF funded package, the Council is working FEC to bring in additional scope to the main works

contract that will assist with the viability of other plots in the Red Bank masterplan.

#### *Carbon Reduction Programme including PSDS*

- 1.12 The total budget for Carbon Reduction Programme and Public Sector Decarbonisation Fund (PSDS) is £45.5m and is forecast to budget.
- 1.13 The Zero Carbon Estate Programme secured grant funding from the Public Sector Decarbonisation Scheme Phase 3(a) to deliver a range of energy efficiency and generation measures in Council owned buildings across the City. Buildings included Harpurhey District Social Services Office, Active Lifestyles centre, Didsbury Library, Hall Lane Resource Centre, The Place at Platt Lane and One Central Park (Arbeta). The deadline for grant claims was 31<sup>st</sup> March 2023, with any further works delivered after that date to be Council funded. The scheme has been delivered through to technical design stages and installation works are programmed to enter contract during May 2023 for delivery.
- 1.14 The programme submitted a further bid for PSDS funding in phase 3(b) to deliver further carbon reduction works. The original bid included Woodhouse Park Leisure Centre; however, the costs of the project were too high and so the project team have submitted a request to switch to a scheme at Claremont Resource Centre and are awaiting confirmation from Salix/GMCA. This investment is forecast to save circa 42 tonnes of CO<sub>2</sub> each year.
- 1.15 Additional schemes to invest in the MCC estate to meet net zero for 2038, by decarbonising heat and creating energy security via energy generation and storage, are being developed. These projects will be funded through the existing Carbon Reduction Programme budget and include installing a photovoltaic electricity generation system and external LED lighting at the Hammerstone Road Depot and the continuation of 80 building energy audits, to develop a pipeline of carbon reduction investment proposals to take the Council up to 2025 and beyond.
- 1.16 It is understood that there will be a significant funding requirement to reach our net zero commitment. Therefore, a new strategy is being developed that will include additional surveys and data integration, to help provide insight for a pipeline of work to reach net zero for the complete estate by 2038.

#### *This City Housing Delivery*

- 1.17 The total current budget for This City Housing Delivery is £48.1m. There are two sites in the first phase of This City development. Both are at different stages of design and development.
- 1.18 The business plan for This City is being reviewed to reflect market changes and is expected to be finalised during the summer. The plan outlines the vision for the company, along with clear financial performance models, alongside a range of key performance indicators and details on risk. A

detailed piece of work is underway on the investment model that would enable potential phase two developments to be brought forward with a partner.

- 1.19 Planning permission has been granted for This City Ancoats (Rodney Street), with the preferred contractor for the scheme currently working under a pre-construction services agreement (PCSA), and the full contract expected to be signed imminently.
- 1.20 This City is bringing its first sites forward in a significantly challenging time for delivery. The volatility of the construction sector, inflationary pressures, cashflow and changes in the private rented sector are all impacting on the business plan, exacerbated by the significant increases in interest rates over the last 18-24 months. The inflationary pressure on the This City Ancoats scheme will continue to be carefully monitored.

#### *Back of Ancoats – Mobility Hub and Public Realm*

- 1.21 The total budget for the Mobility Hub and Public Realm is £38m. The project is expected to complete in 2025/26. There is a variance of £4.8m due to the budget being set before the programme of works had been finalised.
- 1.22 The Ancoats Mobility Hub (AMH) and the associated public realm forms a critical part of the ongoing regeneration of Ancoats and the aspirations to be a cleaner, greener city. Housing developments in the area will not have dedicated parking and are therefore expected to use the Mobility Hub. The public realm is essential to create the desired environment for the planned 1,500 homes.
- 1.23 Executive recently approved the updated fire strategy for the Ancoats Mobility Hub. In line with the programme, the main contract for the build of the Hub was entered into during May 2023 within the overall budget allocation. A more accurate forecast of expenditure will be developed in 2023/24 and so the budget may need to be further reprofiled. In parallel, work is ongoing to establish the commercial operating model of the Mobility Hub and produce a business plan for Homes England, as required by the grant funding agreement. Procurement of an operator is expected to take place over summer, building on soft-market testing undertaken last financial year.
- 1.24 Further information on the plans for the Ancoats Mobility Hub and Public realm can be found in the report elsewhere on the agenda.

#### *Co-op Academy Belle Vue*

- 1.25 As reported to Executive in February 2023, the construction of the new Co-op Academy Belle Vue is now complete. Staff and pupils from St. Agnes Primary School are using the site temporarily whilst construction works under the Council's Schools Maintenance Programme are undertaken over the summer term on that site, with Co-op Academy Belle Vue opening officially in September 2023.

- 1.26 The scheme is forecast to underspend by £1.1m against the budget of £31.5m as not all of the risk and contingency allowances have been required. Once a final account is issued, this figure will be finalised and any unspent budget will be ringfenced to future education projects.
- 1.27 As highlighted in the School Places Plan 2020-25, work continues to ensure adequate school places across the City, with the development of proposals for Varley Street school continuing. A planning application has been submitted, and pricing is ongoing. As the scheme develops, a further update will be provided to Executive.

#### *Collyhurst*

- 1.28 The budget for the first phase of the Collyhurst Programme is £37.9m, with spend to date of £3.3m. Construction of the new homes is expected to be complete in April 2026. A process of value engineering and work to quantify the final provisional sums is underway to understand any impact on the scheme budget.
- 1.29 During the period, construction work began on site and progress meetings have continued, with the contractor/developer for the project reporting that the scheme remains on programme. The first drawdown of funding from Homes England's Shared Ownership and Affordable Homes Programme (SOAHP) is anticipated in July 23. The Compulsory Purchase Order has been made and submitted for confirmation with a response now awaited from Government. Discussions continue with those affected by the phase 1 scheme and market value compensation negotiations are underway with those affected by the CPO.

#### *Manchester Aquatics Centre*

- 1.30 The total budget for the Manchester Aquatics Centre refurbishment is £33.5m and the project is scheduled to be completed in Summer 2024. Phase 1 of the works are nearing completion, with a programme for handover and training being prepared ahead of the temporary cessation of works to allow the World Paralympic Championships to take place. The contractor is also finalising agreements with Electricity Northwest which will enable both the photovoltaic roof panels and the batteries to become operational. Phase 2 operational works covering full refurbishment of the basement area to include the pool, office and changing facilities are scheduled to commence in September 2023.

#### *Hammerstone Road Depot*

- 1.31 The total budget for the Hammerstone Road Depot project is £31.6m. The first key milestone of Biffa temporarily relocating to the Plating Shed has been achieved and are now operating in that space ahead of making their final permanent move into the Loco Shed in January 2024.
- 1.32 Works continue to the Loco Shed, with roof installation ongoing – roof sheets have been completed to Shed B and C, and gutters to Preston Street phases

2-3 completed. The roof sheets have been removed, and all new steel purlins have been installed. New mezzanine steelwork for future offices has commenced.

- 1.33 The scheme remains a priority as the main depot facility owned by the Council. It is well located for servicing the whole city, forms part of the waste collection contract and hosts other city services such as the library store, fleet and taxi servicing facilities and HGV electronic charging infrastructure.
- 1.34 As reported in February 2023, the project requires reprofiling of £3.0m in to 2023/24. There was a slight delay in entering into the main contract to allow for further investigative works to be completed which will reduce the risks which are inherent with refurbishment of an existing site with a history of industrial works.