

Appendix B - Other material changes to the programme

1.1 Other material changes to the Capital Programme are detailed below:

| Project | Current Budget 2022/23 | Forecast | | | | Variance | Total Budget (All Years) | Total Variance (All Years) |
|--|------------------------|----------|------|------|------|----------|--------------------------|----------------------------|
| | | Q1 | Q2 | Q3 | Q4 | | | |
| Campfield Redevelopment | 10.6 | 10.6 | 10.6 | 2.3 | 0.1 | (10.5) | 17.5 | 0.0 |
| Housing Affordability Fund | 9.1 | 0.0 | 4.6 | 0.5 | 0.0 | (9.1) | 9.1 | 0.0 |
| Hough End- Strategic Football Hub | 10.5 | 0.4 | 10.5 | 10.5 | 1.5 | (9.0) | 13.3 | 0.0 |
| Galleries Collection Housing and Remediation Works | 6.8 | 0.4 | 6.8 | 0.7 | 0.5 | (6.3) | 8.3 | 0.0 |
| Disabled Facilities Grant | 8.0 | 8.1 | 8.1 | 9.0 | 13.0 | 5.0 | 69.7 | 8.4 |
| City Centre School | 6.0 | 6.0 | 6.0 | 6.0 | 1.8 | (4.2) | 6.8 | (2.0) |
| ICT Network Refresh Programme | 5.6 | 3.2 | 2.6 | 2.6 | 1.5 | (4.1) | 9.5 | 9.5 |
| Manchester Cycleway | 4.2 | 0.3 | 0.2 | 0.2 | 0.2 | (4.0) | 4.9 | 4.9 |
| Indoor Leisure – Abraham Moss | 16.6 | 15.7 | 16.7 | 15.6 | 12.6 | (4.0) | 26.1 | 0.0 |
| Rugby Football League – Beswick Hub | 2.6 | 2.6 | 2.6 | 0.0 | 0.0 | (2.6) | 3.0 | (2.6) |

Campfield Redevelopment

1.2 The Campfield Redevelopment is the creation of a new media and tech industries cluster in the St John's Strategic Regeneration Framework (SRF) area. It will deliver workspaces and studio spaces to attract and support start-up, recovery, and scale-up businesses around tech, innovation and media through the re-adaptation of three buildings, including two heritage buildings, which have reached the end of their economic life.

- 1.3 In 2022, the Council was successful in a bid to the Levelling Up Fund for the Culture in the City project which includes the Campfield Redevelopment. The grant funding will cover the conversion of the two heritage Campfield Market buildings, with the third, Castlefield House, to be delivered by Allied London using their own investment. The Council has capital programme approval to acquire Castlefield House, which is being significantly redeveloped and extended as grow on space for new media and tech businesses. The building will be acquired on completion of the building works. All three properties will then be leased back to Allied London, on completion of the refurbishment works. The exchange of legal agreements completed in December 2022 and the budget has been reprofiled to match the agreed delivery timescales with the majority of spend now taking place in 2023/24. A total of £10.5m will be reprofiled into the next financial year.

Housing Affordability Fund

- 1.4 Following the Council's approval of the Housing Affordability Policy Framework in December 2016, the Housing Affordability Fund (HAF) was established to bring together a range of funding streams such as S.106 commuted sums and right to buy receipts, targeted at the provision of new affordable homes. It is designed to support schemes by providing GAP funding, supplementing existing grants, and funding to support scheme delivery and can be used as a form of 'top-up' for schemes that are still marginal due to low rental and sales values. As reported to Executive in February, it is expected that grant applications to the Housing Affordability Fund will be made in 2023/24 and as a result a total of £9.1m will be reprofiled into next financial year.

Hough End Football Hub – Development Costs

- 1.5 Planning permission was granted in March 2022 to include a two-storey extension to Hough End Leisure Centre and the creation of two 3G artificial football turf pitches with improvements to grass playing fields, and new car parking. Ground works are underway at the Hough End site, but during excavation works, running sand has been found and has resulted in a revised foundation design being required. The impact of this on the project in respect of the costs and programme is under review to assess whether the costs can be met from the current approved funding of £12.7m. The detailed technical design is progressing, particularly in regard to the connection point for the electricity supply. There are several options being explored, once an agreement is reached it is anticipated that works will begin at pace during 2023/34 to utilise £8.9m of slippage from 2022/23.

Galleries Collection Housing

- 1.6 In July 2022, Executive approved essential safety and remediation works at Manchester Art Gallery and Queens Park Conservation Studios, to continue to maintain both buildings as operational assets. The works required will be the most significant carried out since the last major refurbishment in 2000 and include addressing basement damp/water ingress, replacing electrical and mechanical parts (including lifts), critical stone repairs and design and roof

works.

- 1.7 The Queens Park Conservation Studios and Manchester Art Gallery (MAG) schemes are to be treated as two separate schemes; however, due to an off-site storage facility lease which expires in March 2024, the two schemes have some interdependencies. Throughout the duration of the scheme as the projects develop, internal collection moves will take place between Queens and MAG. The Council has been working with the appointed contractors to create a master programme which will highlight the key move dates. As a result of this, both the Queens Park and MAG programmes have been pushed back to June 2023 start dates and so the £6.3m budget will be reprofiled into 2023/24.

Disabled Facilities Grant

- 1.8 Adaptations funded from Disabled Facilities Grant (DFG) have outspent the original forecast for 2022/23. This is attributable to a number of factors. The post covid back-log of assessments of need have been cleared and waiting times are generally returning to normal levels. The cost of adaptations has increased in-line with significant building material and wage inflation. There is an increase in demand, due to an ageing population; the strategy to keep people in their own homes, and more applications from individuals with more complex needs. In addition, there has been an increase in the number of adaptations agreed that had previously been refused in favour of rehousing to a more suitable property. This increase is as a result of a recent judgement in the High Court which ruled that the test for use of DFG did not permit a local authority to consider the suitability of a dwelling for a disabled person's needs.

City Centre School

- 1.9 The creation of a new school at the Crown Street development will include 210 places for primary age children and a 26-place nursery in the Deansgate ward. Accommodation will be built over 3 stories with a roof top play deck and include outdoor spaces at ground floor level. Construction of the school commenced in 2022 and is expected to take approximately 15 months to complete. The project will be part funded from Basic Need capital grant provided to the Council by the Department for Education, and from a significant Section 106 developer contribution.
- 1.10 Whilst work is on programme and progressing well, £4.0m of the budget needs to be reprofiled into 2023/24 due to a revised construction cash flow from the contractor.

IT Network Refresh Programme

- 1.11 The Network Refresh Programme consists of the Local Area Network (LAN), the Wireless Local Area Network (WLAN) and the Wide Area Network (WAN) projects. These are running concurrently as part of the Network Refresh Programme (NRP) and will change the way the Council's ICT network is delivered, providing fit for purpose modern networking technology to meet the requirements of the Council.

- 1.12 For the LAN and Wi-Fi development project, a total of £2.0m will be reprofiled into 2023/24. This is due to delays acquiring materials due to an international shortage, the impact of increased network demand and routing issues identified as part of the proof-of-concept work. Lead times on hardware remains the biggest risk to the project's schedule. There is a further underspend of £1.0m on the WAN Refresh due to a released contingency budget and a reduction in the number of work packages required at sites across the estate. Approval has been given for the underspend to be realigned to the WAN optimisation and rationalisation project. This project will sit within the Network Refresh Programme and will look to use the new capabilities delivered through the recent WAN upgrade project to reduce the number of connections into the Council's estate and where possible take advantage of technological advancements to reduce the cost of connections whilst maintaining bandwidth. It is expected that the funding will be used during 2023/24.

Manchester Cycleway

- 1.13 Executive Members were advised in November that due to significant increases in cost across the Mayors Challenge Fund programme, the Manchester Cycleway scheme could not be delivered within the current programme allocation with a funding gap of approximately £4.0m. As a consequence, the delivery of the main scheme has been paused with only the design and development work now being progressed. When further funding is identified further approvals will be sought.

Indoor Leisure – Abraham Moss

- 1.14 The total budget for the Abraham Moss project is £26.1m and the project is set to be completed in late Summer 2023. Spend in 2022/23 was £4m below the planned £16.6m spend which will be re-profiled into 2023/24. This is due to an 8-week delay associated with the Metrolink shutdown for the electrical distribution panel. The delay was longer than originally planned due to the impact of the Manchester Marathon and a Manchester City Football Club home game. A later date was established with less risks for Metrolink and the shutdown completed successfully.

Rugby Football League – Beswick Hub

- 1.15 The Rugby Football League (RFL) – Beswick Hub project is to build a new rugby league coaching and educational facility on the existing rugby ground on land to the rear of the East Manchester Academy. The scheme will deliver a facility for RFL, which will also be an asset which can be used by the local community including students attending the adjacent East Manchester Academy and Connell Sixth Form College. The project is currently on hold as the costs for the original design exceed the approved budget. As a result, £2.6m budget will be removed from the Capital Programme whilst options for an affordable scheme are explored.