

Appendix A - Major Projects

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

Project	Current Budget 2023/24	Forecast at P4	In Year Variance	Spend to date 2023/24	Total Budget (All Years)	Total Variance (All Years)
Our Town Hall Refurbishment	79.7	78.1	(1.6)	14.2	335.3*	0.0
Factory International and St John's Public Realm	32.2	54.4	22.2	23.8	238.8	22.2
Housing Infrastructure Fund (Victoria North)	13.3	13.3	0.0	2.1	51.2	0.0
This City Housing Delivery Vehicle	24.0	24.0	0.0	0.9	48.1	0.0
Collyhurst**	14.1	13.8	(0.3)	1.8	47.9	0.0
Carbon Reduction Programme and Public Sector Decarbonisation Scheme	12.8	12.8	0.0	1.0	45.5	0.0
Back of Ancoats Mobility Hub and Public Realm	23.0	23.0	0.0	1.6	35.7	0.0
Hammerstone Road Depot	14.9	14.9	0.0	3.4	35.2	0.0
Varley Street SEND School	14.0	3.2	(10.8)	0.0	18.1	0.0
Campfields Redevelopment	6.9	10.9	4.0	0.2	17.5	0.0

*As per paper to Executive in July and subject to Full Council approval in October.

**Public and Private Sector Housing

Our Town Hall Refurbishment

1.2 A report was presented to Executive in July to seek additional funding of £29m to maintain progress with the contractually committed construction works, and acknowledged that around January 2024 the extent of main discover risks are expected to be known and therefore there will be greater certainty regarding cost and timescales. The position on target dates for completion will then be clearer and any further budget approvals that may be

necessary will also be sought at that stage.

- 1.3 There is currently £4m worth of packages out to tender, with £6m still to be tendered. A total of £191m orders to date have been placed. There have been two work package contracts that have recently been executed for specialist decorations and new joinery. The project is still on target to meet 100% procurement cost surety by cJanuary 2023.
- 1.4 The Our Town Hall project is currently forecasting reprofiling of £1.6m into next financial year, for some of the structural alterations works and associated fees.
- 1.5 The project continues to see good progress on site, and is now around 60% through the construction phase, with key achievements in the period including the start of scaffolding drop, which revealed the clock tower golden finial, installation of quarry tile flooring. Alterations to the Princess St entrance are underway and floorboard removal for installation of new mechanical, electrical and plumbing engineering (MEP) services is well underway.

Aviva Studios, Home of Factory International

- 1.6 Aviva Studios, Home of Factory International recently opened its doors to a hugely successful Manchester International Festival 2023 (MIF23) with 18 days of culture giving visitors a taste of what's to come with the planned year-round programme of dance, theatre, music, visual and performances arts and digital commissions in this landmark new space.
- 1.7 Following the static completion to allow the MIF 23 festival to be undertaken, focus is now on closing out the works. The majority of areas have been handed back to the contractor with an expected completion date of September. Work continues on the internal fit out by Factory International which is being undertaken under license. The final floor finishes have been installed with snagging continuing on the Towers and Seat and Rostra System and testing and commissioning being undertaken on systems such as security CCTV, generator, gas, mains water and building management systems. Most of the public realm works are also complete.
- 1.8 The detailed final commissioning programme and integration of the functional systems and testing to satisfy statutory approvals and operational requirements are being completed to allow practical completion to be issued. The remaining works to the inner proscenium door separating the theatre and the warehouse is also being finalised to accommodate event rehearsals and opening show to take place in October.

Housing Infrastructure Fund (Victoria North)

- 1.9 The total budget for the Housing Infrastructure Fund (HIF) is £51.6m, and the project is currently due to complete in March 2024, under the terms of the Grant Determination Agreement with Homes England. HIF is funding a

complex set of interrelated infrastructure works (land remediation, the expansion and reinforcement of the utility networks, the creation of new highways access and site preparation works) that will unlock a development platform for up to 5,500 homes in the Red Bank neighbourhood, which comprises a series of brownfield and under-utilised sites in the Lower Irk Valley, just to the north of Victoria Station - former heavily industrialised land.

- 1.10 As previously reported, the main infrastructure works package has suffered delays on site, due to the discovery of unexpected contaminants on one of the main sites. The design team are working with the Environment Agency and Local Planning Authority to agree a satisfactory solution that will allow works to recommence on a phased basis as soon as possible. The contractor has managed to commence vegetation clearance works and site preparation, in order to allow the main works to restart when ready.
- 1.11 Also, as previously reported, the "in river channel" flood defence works proposed for the River Irk have been removed from the scope of the HIF funded package, due to the impact on existing rail and road structures. As a result, flood mitigation measures are to be delivered by the Council's delivery partner FEC as part of an on-plot solution as and when residential development is brought forward. Due to this, the Council and FEC have secured in-principle approval from Homes England to reallocate the balance of HIF funding to deliver infrastructure and enabling works that will ensure the viability of other residential development plots in the Red Bank masterplan. It is anticipated that formal approval for this will be secured in the next few months and that the eligible expenditure period will be extended into financial year 2024-25 to accommodate the delivery of these works.
- 1.12 It is anticipated that the programme budget will require reprofiling as a revised programme and pricing is received from the contractor. This will be reported to Executive in future monitoring reports and the budget updated at the end of the financial year.

This City Housing Delivery Vehicle

- 1.13 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.
- 1.14 The business plan for This City is being reviewed and updated to reflect market changes and is expected to be finalised later this year. 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.
- 1.15 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 couple of years. The inflationary pressure on the This City Ancoats scheme will continue to be carefully monitored.

Collyhurst

- 1.16 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.
- 1.17 During the first four months of 2023/24, construction work has continued on site alongside progress meetings with the contractor and developer for the project, both reporting that the scheme remains on programme. The scheme met the Homes England's Affordable Homes Programme (AHP) drawdown milestone in July 23 and consequently £5.2m of funding has been drawn down in accordance with the grant agreement. The Compulsory Purchase Order (CPO) was submitted to Government in the previous period and the Council has been informed during this period that the Order can now be confirmed. Legal Services will now proceed with the relevant notices. Discussions continue with those affected by the phase 1 scheme and market value compensation negotiations are underway with those affected by the CPO.

Carbon Reduction Programme including PSDS

- 1.18 The total current budget for the Carbon Reduction Programme and Public Sector Decarbonisation Fund (PSDS) is £45.5m and is forecast to budget.
- 1.19 The Council continues to progress works within the Carbon Reduction Programme in order to meet the target of being a zero carbon city by 2038 at the latest, 12 years ahead of the Government's target for the UK of 2050.
- 1.20 The Public Sector Decarbonisation Scheme Phase 3(a) grant funded works are now in contract and underway at the six sites. Buildings include 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 programme of works is expected to complete mid-January 2024 and is expected to deliver 518 tonnes of carbon savings per annum.
- 1.21 The programme submitted a further bid for PSDS funding in phase 3(b) to deliver further carbon reduction works. The request to switch the scheme to Claremont Resource Centre is currently under review and confirmation is expected in the coming weeks to allow works to progress.
- 1.22 The Zero Carbon Estate Programme has completed 72 energy audits of buildings within the Council's estate. Some of the audited buildings were identified as including low efficiency fluorescent lighting. Therefore, a new programme of work has been developed to replace the lights with efficient

LED lighting. The works will be undertaken in 2023/24 and are expected to reduce carbon emissions across 14 sites by 51 tonnes per annum.

- 1.23 Another project to install a photovoltaic electricity generation system of 2018 panels covering the workshop roof, with 10 battery storage units at Hammerstone Road has been approved. This is intended to supply up to 57.5% of the depot's electricity requirements, whilst saving approx. 116 tonnes of carbon emissions pa. The work will be done in line with the current refurbishments of the roof, minimising disruption whilst minimising additional project management and construction costs. There will also be a replacement of external lighting columns to energy efficient LED systems, reducing external lighting electricity requirements by up to 70%.
- 1.24 It is understood that there will be a significant funding requirement to reach our net zero commitment. The PSDS3(c) grant applications window is expected to open in autumn, and there will be a consortium bid managed by GMCA. It is estimated that the Council has approximately 15 buildings that may be eligible for the programme which will require a significant contribution as match funding from the Council. Works continue on a strategy and 15-year pipeline of works which includes additional surveys and data integration, to help provide insight for a pipeline of work to reach net zero for the complete estate by 2038.

Back of Ancoats Mobility Hub and Public Realm

- 1.25 The total budget for the Mobility Hub and Public Realm is £38.0m. The project is expected to complete in 2025/26 and is forecast to budget.
- 1.26 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.
- 1.27 Works on site are progressing well with the first foundation beams going in, drainage works starting in August, and the core walls expected to commence at the end of September. The majority of the steels for the site will then be put in at the end of the calendar year. 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 in 2023/24, building on soft-market testing undertaken last financial year.

Hammerstone Road Depot

- 1.28 The total budget for the Hammerstone Road Depot project is £35.2m. 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.

- 1.29 Roof and Gutter works continue to the Loco Shed. All high windows are completed up to the Biffa Offices area, with double height windows progressing. The new mezzanine steel work is approximately 95% complete with the low-level car park works also underway.
- 1.30 As reported above in paragraph 1.24, carbon reduction works for £3.5m have been approved to install a photovoltaic electricity generation system of 2018 panels covering the workshop roof with 10 battery storage units. The scope and programme of works are now being finalised ahead of instruction. The original forecast assumed this spend would be incurred in 2023/24, however this has since been reprofiled across future years and so a total of £1.8m will be slipped into 2024/25.

Varley Street SEND Secondary School

- 1.31 This project will develop a new 150 place secondary SEND school for pupils aged 11-19 with an Education, Health, and Care Plan (EHCP). The accommodation will be designed to Department for Education (DfE) output specification with associated external facilities including space for outdoor education and staff parking. The total budget is £18.1m.
- 1.32 As with all new schools, this provision will be designated as a free school and operated by a multi academy trust. Upon completion, the site will be subject to a 125-year lease to the trust who will be responsible for its operation.
- 1.33 As at July 2023, the pre-construction service agreement (PCSA) is in place with BREEAM excellent requirements met. Early on in the process, the site was identified as having coal seams on. The start of works on site has now been pushed back and is expected in Autumn/Winter 2023, due to the approval of a remediation strategy from the Coal Board taking longer than originally anticipated before works can progress. This has been flagged as a risk due to inflation forecasts and timescales around opening. Expected completion is now December 2024 and this will be closely monitored. As a result, a total of £10.8m will be reprofiled into next financial year.

Campfield Redevelopment

- 1.34 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.
- 1.35 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. Castlefield House 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.

- 1.36 Works to Phase 1 have commenced and are on programme, which includes asbestos removal, scaffolding and temporary works and internal soft strip and mechanical, engineering, plumbing and heating (MEHP) removals. Multiple specialist contractors have been appointed with prior experience in heritage and conservation works. Works are progressing better than expected and the latest programme of works shows a requirement to accelerate £4.0m in to 2023/24.