

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 P6	In Year Variance	Spend to date 2023/24	Total Budget (All Years)	Total Variance (All Years)
Our Town Hall Refurbishment	79.7	64.3	-15.4	23.4	335.4	0.0
Factory International and St John's Public Realm	54.4	54.4	0.0	32.9	261.1	0.0
Housing Infrastructure Fund (Victoria North)	13.3	13.3	0.0	3.0	51.2	0.0
This City Housing Delivery Vehicle	24.0	13.4	-10.6	2.6	48.1	0.0
Collyhurst*	13.1	8.0	8.0	2.6	47.7	0.0
Carbon Reduction Programme and Public Sector Decarbonisation Scheme	12.8	13.5	0.8	3.6	38.3	0.0
Back of Ancoats Mobility Hub and Public Realm	23.0	23.0	0.0	3.0	38.0	0.0
Hammerstone Road Depot	14.9	13.2	-1.8	6.4	35.2	0.0
Varley Street SEND School	14.0	3.2	-10.8	0.3	18.1	0.0
Campfields Redevelopment	6.9	10.9	4.0	1.3	17.5	0.0

*Public and Private Sector Housing

Our Town Hall Refurbishment

1.2 As previously reported, it is anticipated that around January 2024 the extent of main discovery risks are expected to be known and therefore there will be greater certainty regarding the final costs and timescales for the project. The level of discovery is to be expected on a programme of this size and building of this age, and has impacted on the sequencing of the programme. Once resolved 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 £5m worth of packages out to tender with a total of £191m orders to date that have been placed. The project is still on target to meet 100% procurement cost surety by January 2024.
- 1.4 The project continues to see good progress on site, with works reported in the period including the continuation of windows refurbishment, slating and lead works to the roof and repair and removal of lime plaster to the walls. Following the letting of the joinery packages, the contractor has completed the onboarding process and started work on door repairs. The work on the current phase of the public realm continues and is due to be completed in November.
- 1.5 The project is reporting reprofiling of £15.4m which in the main relates to delays in construction specifically the mechanical, engineering and plumbing with the workforce being unable to gain access to certain areas of the building due to other contractors undertaking work. This re-sequencing of contractors has had a knock-on effect with various work packages slipping in the programme. The contingency forecast has also reduced as it is not expected that contingency will be required as originally forecast due to programme delay.

Aviva Studios, Home of Factory International

- 1.6 Aviva Studios, Home of Factory International recently officially opened its doors in October, with an evening of immersive dance production based on The Matrix and directed by Danny Boyle. The venue is unlike any other arts venue in Europe and its opening is a landmark moment for culture in the UK.
- 1.7 Whilst the building is now open to the public, works are ongoing for the final snagging, testing and commissioning of systems and to the Aviva Corporate Hospitality Suite.
- 1.8 The public realm works are now complete, with minimal snagging works ongoing.
- 1.9 The project is forecast to budget, however there are still cost pressures and commercial negotiations are ongoing. Further updates will be provided in future monitoring reports, including when the final outturn costs have been determined.

Housing Infrastructure Fund (Victoria North)

- 1.10 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.

- 1.11 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. A temporary water treatment plant has also been installed to treat contaminated water seeping onto site, whilst detailed proposals are developed by the design team and agreed with the Environment Agency. Planning consent has been granted to allow for the phasing of the proposed infrastructure and remediation works, in line with the remediation strategy for ground contamination.
- 1.12 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. Planning approval has been granted for the infrastructure and remediation works relating to residential plots that form part of the re-allocated funding. Detailed consent for 1,550 homes and outline consent for a further 3,250 was also granted under the same application.
- 1.13 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

- 1.14 The total current budget for This City Housing Delivery is £48.1m. There were two sites in the first phase of This City development, at different stages of design and development. Construction has started on This City – Rodney Street, with the site cleared, foundations completed for the two apartment blocks, and the superstructure work commencing. Design at This City – site preparation is taking place for Postal Street but construction has been paused and the site will be included in the next phase of developments.
- 1.15 The forecast spend for 2023/24 is £13.4m, reflecting a re-profile of the scheme of around £10.6m. This is because start on site was later than

originally envisaged, due to the need to review costs and finalise the delivery contract. However, This City – Rodney Street is currently forecasted to be delivered on time and on budget, completing in early 2025.

- 1.16 The business plan for This City has been reviewed to reflect the significant changes that have faced the market and was approved by the Programme Board and Board in October. 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 an investment partner.

Collyhurst

- 1.17 The budget for the first phase of the Collyhurst Programme is £37.9m and is forecast to budget. Construction of the 130 new Council homes is expected to be complete in April 2026.
- 1.18 The construction programme is progressing well, with the contractor advising that the work on both sites will be complete in accordance with the original sectional completion dates. In Collyhurst Village, groundworks have progressed substantially with preparation of the slabs ready to receive timber frames during the next period. In South Collyhurst, dates are awaited for service diversions prior to the commencement of groundworks in the next period.
- 1.19 The Council has now served the requisite notices in relation to confirmation of the Compulsory Purchase Order and officers continue to liaise with affected owners regarding their compensation and relocation options. Housing Services are in discussions with the Council tenants in preparation for allocation of new homes in the development, which will be completed on a sectional basis.
- 1.20 The Phase 1 development in Collyhurst Village will create six new streets and a contest has been run for residents to name the streets. Entries have been received and are currently being considered.
- 1.21 The project is reporting slippage of £5.1m due to the requirement to revise the piling installation schedule to meet the building regulation milestone date together with unexpectedly poor ground conditions which have impacted pile type and installation as well as timing and procurement of subsequent trades. The project completion date remains in Spring 2026.

Carbon Reduction Programme including PSDS

- 1.22 The total current budget for the Carbon Reduction Programme and Public Sector Decarbonisation Fund (PSDS) is £45.5m and is forecast to budget.
- 1.23 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.

- 1.24 The Public Sector Decarbonisation Scheme Phase 3(a) grant funded works continue. The programme of works is expected to complete by March 2024 and is expected to deliver 518 tonnes of carbon savings per annum. The programme submitted a further bid for PSDS funding in phase 3(b) to deliver further carbon reduction works at Claremont Resource Centre. Procurement of the works is currently being arranged with works to be undertaken in 2024.
- 1.25 The Zero Carbon Estate Programme completed 72 energy audits of buildings within the Council's estate. Some of the audited buildings were identified as including low efficiency fluorescent lighting. The programme of work to replace the lights with efficient LED lighting will be undertaken in 2023/24 and is expected to reduce carbon emissions across 14 sites by 51 tonnes per annum.
- 1.26 Work continues 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, as well as the expected financial implications to support that pipeline. It is understood that there will be a significant funding requirement to reach our net zero commitment, and potential external funding options, such as the upcoming PSDS3(c) grant will be explored where possible.

Back of Ancoats Mobility Hub and Public Realm

- 1.27 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.
- 1.28 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 are unlikely to 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.
- 1.29 Works on site are progressing well with drainage works nearing completion, and the core walls continuing. The main structural steel works are due to commence at the end of October 2023. 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.
- 1.30 Following works to the Mobility Hub commencing, and now delivering at pace, the forecast cash flow for the scheme was reviewed and updated accordingly. A total of £7.6m has been reprofiled into next financial year, with the scheme still on programme and expected to complete in 2025/26.

Hammerstone Road Depot

- 1.31 The total budget for the Hammerstone Road Depot project is £35.2m and the project is forecast to budget.
- 1.32 Work continues to progress well on site, with the roof installation, external gutters and drainage, new mezzanine steel works and window installation completed or nearing completion. The first fix of the electrical works to the high-level area have commenced. Drainage works to the low-level car park are underway, with brickwork and kerbing nearing completion. The overall programme of works is expected to complete in Summer 2024.
- 1.33 The contractor has exceeded their targets for the apprenticeship hours and meaningful work placements that pay the Real Working Wage. They have made progress with training opportunities, employment of long-term unemployed and local people hired through the supply chain.
- 1.34 As previously reported, carbon reduction works 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

- 1.35 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.
- 1.36 As with all new build 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 and maintenance.
- 1.37 As at July 2023, the pre-construction service agreement (PCSA) is in place with BREEAM excellent requirements met. Early in the process the site was identified as having coal seams, with start date pushed back due to the approval of a remediation strategy from the Coal Board taking longer than originally anticipated before works can progress. The start of works is now expected in November 2023, due to a further delay in obtaining mine grouting approval. This has been flagged as a risk due to inflation forecasts and timescales around opening. Expected completion is now February 2025 and this will be closely monitored. As a result, a total of £10.8m will be reprofiled into next financial year.

Campfield Redevelopment

- 1.38 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.
- 1.39 The Levelling Up grant funding which the Council was successful in securing for the project, 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.
- 1.40 Works to Phase 1 continue on programme, which include 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.