

**Manchester City Council  
Report for Information**

**Report to:** Resources and Governance Scrutiny Committee – 7 December 2023

**Subject:** Annual Property Report 2023

**Report of:** Deputy Chief Executive and City Treasurer, Strategic Director of Growth & Development

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**Summary**

This report provides an update on property activity since the last Annual Property Report to Resources and Governance Scrutiny Committee in September 2022.

**Recommendations**

The Committee is recommended to note and comment on progress to date as set out in the report.

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**Wards Affected:** All

<p><b>Environmental Impact Assessment -</b> the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>	<p>The Council's property and land assets are a significant area of focus in efforts to achieve the zero-carbon target for the city. The operational estate accounts for around three quarters of the Council's total direct emissions. Emissions from energy use in Council buildings have reduced year on year since 2014/15, and reduced by a further 9% in 22/23 compared to the previous year. This has been driven by the installation of energy efficiency measures and renewable energy generation capacity, and further affected by the decarbonisation of the national grid and the changes to building use caused by new ways of working. This report includes an update on projects underway to deliver carbon reduction activity on the estate.</p> <p>New Strategic Regeneration Frameworks/Neighbourhood Development Frameworks are drafted in line with the Council's zero-carbon aspirations for the city. The promotion</p>
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	of sustainable forms of development, active travel and reducing the reliance on private forms of transport are material factors in the design development process and fully visible during the community consultation process.
<b>Equality, Diversity and Inclusion</b> - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS/Contribution to the Strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The property teams provide professional services and leadership to drive effective place making and facilitate the economic growth of the city, by creating the necessary conditions needed to promote strong growth in commercial, residential, retail and leisure related development, stimulating new employment, new homes and broadening the City Council's tax base.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The property teams play a key role in leveraging economic growth from the Council's land and property assets, including enabling commercial developments that drive growth in high-skill sectors such as the digital, cyber, creative content, cultural, advanced manufacturing and professional service sectors.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	<p>The property teams work proactively with businesses, residents and partners to ensure developments contribute positively to place making and meet local needs to deliver neighbourhoods people want to live in. This includes supporting developments that promote the right mix of good quality and affordable housing for Manchester residents.</p> <p>Inclusive consultation, that is available to all, is a key tenet of the Teams' approach and an iterative process, taking learning from previous activity is adopted.</p>
A liveable and low carbon city: a destination of choice to live, visit, work	The property teams play a key role in supporting Manchester's commitment to be a zero carbon City by 2038 by reducing the Council's direct CO2 emissions through continued rationalisation of the operational building estate and improving energy efficiency in council owned buildings.
A connected city: world class infrastructure and connectivity to drive growth	The property teams work across the Council and with partners to ensure that development activity both drives and reflects the connectivity and infrastructure that underpin sustainable economic growth.

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

Annual Property Report 2022, Resources and Governance Scrutiny Committee – 06 September 2022

## **1.0 Introduction**

- 1.1 Manchester City Council maintains a diverse portfolio of properties, including assets held to support the delivery of Council Services (the Operational Estate), assets that are let to tenants to provide an income to the Council (the Investment Estate), and assets held to support regeneration and development in the city (the Development Estate). The Council also owns schools assets and retained housing stock, however the direct management of these later two parts of the estate are not included in the scope of this report. The implementation of the Council's Strategic Asset Management Plan (SAMP) does however cut across all land and property portfolios held by the Council and this will be reported in the relevant section of this report.
- 1.2 This report covers the work of the Estates and Facilities Service (Corporate Core, responsible for the Operational Estate) and the Development Team (Growth and Development Directorate, responsible for the Investment Estate and assets held for regeneration and development) since the last Annual Property Report in September 2022. The report also covers the progress made and initial activity of the SAMP including the Asset Review and governance. It is broken down into three main sections: Strategic Asset Management Plan (Section 2); Development Team and Investment Estate (Section 3); Operational Estate (Section 4). The report contains a specific update on use of Agency staff, requested by the Scrutiny Committee in Section 5.

## **2.0 The Strategic Asset Management Plan (SAMP)**

- 2.1 The development and adoption of the 5-year Strategic Asset Management Plan (SAMP) for 2022-27, and the establishment of an asset review resource focusing on the key priority areas set out in the plan for the first 12 months, has allowed significant progress to be made in implementing a new asset-led approach. A key element of this approach was the creation of a SAMP Board. This is a consultative board and constitutes Executive Members and senior officers and provides transparent governance in support of all decisions relating to the use and management for all council land and property.
- 2.2 The SAMP Board has been in operation since early 2023, focusing initially on the review of surplus assets identified for accelerated disposal to support the Council's growth objectives and financial position. The SAMP principles and evaluation toolkit are used to identify the optimal outputs from the sites to provide a reasoned evidence-based analysis for the use, delivery route and social value outcomes.
- 2.3 Work to develop a forward plan for the SAMP Board is underway and will clarify the priority areas for review over the next 12 months, which will include the reporting of property performance and deliverable outcomes such as capital and revenue generation; housing development (including affordable); environmental issues, social value and employment/business space creation and in line with the corporate aims and objectives.

- 2.4 A pipeline of 40 available sites has been established through ongoing strategic work and property challenge. Of the 40 sites, 16 been considered by SAMP Board for future use against the key principals established in the Strategic Asset Management Plan. The two-phase approval process of optioneering and evidence-based decision making adopts the well-developed evaluation toolkit and analysis of a Benefit Cost Ratio (BCR) to conclude appropriate recommendations. Board decisions to date have supported developments for the following corporate priority areas:

<b>SAMP Board Decisions</b>	<b>Number of sites</b>
Disposal Via MHPP for affordable homes	6
Disposal Via MHPP for supported living	1
Open Market Disposals	3
Refugee Accommodation	1
Age Friendly Accommodation	1
Homelessness Accommodation	1
Biodiversity Net Gain sites	1
Retained for Operational Use	1
Commercial Development	1

- 2.5 Over the last 12 months the decisions made by SAMP Board across the initial 16 sites will produce the following outputs:
- **51** Acres of land developed
  - Creation of **870** new homes, including
  - **720** affordable homes; and
  - Capital receipts in excess of **£20M**.
  - Revenue generation or savings of over **£250Kpa**

In addition to the above the revised terms of reference for the officer-led Estates and Assets Board have been approved and implemented, and effectively widen the scope of that Board to include all Council land and property assets, with associated decision-making resting within that governance, in line with the Council's constitution, delegations and standing orders. The activity and recommendations from the SAMP Board are reported periodically to the Estates and Assets Board and monitored by way of a SAMP tracker.

- 2.6 Wider Review of Surplus Assets - A review of all assets held under the categorisation of 'surplus' within the Council's property records was identified in the SAMP as an early priority, which involved the review of 123 surplus assets that has now concluded. This property review work has highlighted additional sites for further consideration and has enabled the development of a SAMP Board 'Tracker' to facilitate regular monitoring of progress and performance and ensure the council maximises its returns from its available property assets.
- 2.7 Development of Property Records – A review of the existing CPAD (the council's property management system) and property records is underway to ensure compliance with statutory and legislative property management

requirements, appropriate and accurate data sets are maintained to support property performance reporting and best practice is adopted across the estate. Further development and verification of the property records is required to support improved future revenue forecasting and target reporting.

The compilation of additional data sets is being progressed to support the development and adoption of Corporate Property KPI's across several service areas in a single report. In addition, the data sets will support the introduction of an 'Asset Challenge' process to assist the council with the aspirational requirements of individual service plans and identify how property directly supports service delivery, ensuring value for money is being achieved.

- 2.8 Area Based Reviews/Service Reviews – Area based reviews have commenced primarily through the work in District Centres focusing on Moston Lane, Wythenshawe, Newton Heath and Gorton, ensuring the optimal use of the Council's assets in the context of existing and emerging regeneration plans. This cross-public sector approach to regenerate District and Town Centres encompasses a review of all available public assets in a defined geographical area, public consultation and partner engagement.
- 2.9 Land Allocation and SAMP business plan – a key part of the value added by a strategic approach to assets is to better plan the use of the Council's assets, across all portfolios. An emerging land and asset allocation framework is being established, to inform a business plan approach to utilisation of assets to support the corporate objectives, particularly inclusive growth and service delivery focussed outcomes. Workshops have commenced with Education colleagues and Health partners to better understand current and future property requirements including the performance of existing assets. Work has also commenced to undertake a series of Service Property Strategies across operational buildings such as libraries to highlight building performance and usage to aid service plan decision making forming links where appropriate to Town Centre and Neighbourhood developments.

### **3.0 Development Team Update**

- 3.1 The Development Team have continued to drive the delivery of the Council's objectives for residential and employment growth as well as supporting sporting, cultural and leisure initiatives in collaboration with colleagues across the Council's Neighbourhoods Directorate.
- 3.2 Proactive recruitment and expansion of the service to now include 36 officers has allowed the refocusing of activity in relation to the redevelopment of strategic sites and regeneration of district centres, in addition to maintaining wider city centre and housing growth programmes.
- 3.3 Driven by the needs of the community and in line with the SAMP principles, our new development and regeneration frameworks acknowledge the importance the Council's land and property assets can play in accelerating and supporting viable delivery of our ambitions. This provides a consistent approach where we create frameworks where on the ground delivery for our

residents is embedded as a theme from inception to implementation, alongside the safeguarding and development of the Council's assets – including heritage assets, new schools and other required social infrastructure, and the rationalisation of Council property.

- 3.4 The Council will also capture market value for land interests at Day 1, as well as benefiting in the longer term from uplift in value created through the investment in place to ensure that the Council receives value for money for its land and commitment to the regeneration proposals. In the context of securing external funding, the availability, preparedness and viability of sites in Council ownership is key to creating credible bids. Our ability to bring multiple sites forward quickly has been key to securing Brownfield Land funding, Shared Prosperity funding, and Levelling Up funding. etc. Working with colleagues in Strategic Housing, Planning and Neighbourhoods we have detailed key site information that can be dropped into bids at short notice to take advantage of the often ad-hoc opportunities for funding that arise.

### **3.5 Investment Estate**

- 3.5.1 The Council's investment portfolio comprises around 1,000 income producing ground leases, 1,800 peppercorn leases and approximately 130 directly managed commercial properties generating a revenue to the Council of c.£14.6m (excluding the dividend income from the Airport). Over the past 5 years, excluding the first year of Covid-19, the performance of the estate has remained generally stable, however as the Council brings forward new regeneration schemes such as Wythenshawe Town Centre, Strangeways and Holt Town, the portfolio's profile is likely to diversify significantly.

### **3.6 Jacobs Contract**

- 3.6.1 Since 2008 the Council has contracted out property management of the Investment Estate to Jacobs UK Ltd. Following concerns over risk and performance, an Operational Model Review was undertaken by Development, Legal and Finance teams, the conclusion of which was presented for approval to the Council's Major Contracts Board.
- 3.6.2 To explore options for alternative service provision a Soft Market Testing exercise was completed throughout Summer 2023 with providers, some of which are listed on the Council's Property Services Framework and also included Jacobs UK Ltd. Both the Operational Model Review and the Soft Market Testing exercise concluded that the current service operation required reassessment and there was limited appetite from any other providers to provide services based on the current contract scope.
- 3.6.3 Following internal approvals a formal decision has now been made not to retender this contract and insource services back to the Council. External support has been brought into to complement the cross-directorate team assembled to manage the transfer of Jacobs UK staff. This process has commenced, and all parties are working to a deadline of 13<sup>th</sup> May 2024 to conclude matters.

## **3.7 Development Estate**

### **3.7.1 City Centre**

#### *Upper and Lower Campfields*

Agreements were entered into in December 2022 with Allied London for the repair and refurbishment of the Council owned Upper and Lower Campfield buildings to provide managed workspace. The project has benefitted from £17.5m of Levelling Up Fund grant and will bring 2 listed structures back into repair and beneficial use.

#### *Ancoats Phase 3*

The Ancoats mobility Hub is now under construction on the site of the former Poland Street Industrial Estate and is scheduled for completion mid 2024. It will operate as a commercial car park in the Investment Estate and service the future residential developments in the area. The process to identify and select an operator is underway and it is anticipated an operator will be selected early in the new year.

Discussions are ongoing with Manchester Life on the Phoenix Ironworks site, which obtained planning consent in November 2023 for the development of 256 homes and up to 14,500 sq.ft of commercial space. The Council acquired Unit 2 Naval Street earlier in the year to assist with the site assembly and are in negotiations on the terms of a lease to complement the various ownerships Manchester Life already owns. A Compulsory Purchase Order may be required to remove any historic third party rights and the process to determine whether the Council approves the use of its CPO powers is being progressed.

#### *Bridge Street and Parsonage Gardens*

Planning consent was minded to be approved subject to the signing of a Section 106 Agreement in June 2023 for the development of the now vacant Albert Bridge House and adjacent Council owned surface car park. Discussions have been ongoing with the developer, Oval Developments, on terms for the disposal of a long leasehold interest in the Council's site. However, the developer has recently advised that they are reviewing the scheme on viability grounds and are likely to require a new planning application.

Discussions on the Investec redevelopment of the former House of Fraser building and the Council owned Multi Storey Car Park to the rear are progressing. It is anticipated that progress will be made in the coming next year.

#### *Mayfield*

Terms have been agreed between the Mayfield Partnership and LandSec for the first phases of development of the Poulton and Republic office together with a multi-storey car park and it is anticipated that work will commence on site in early 2024.

### *Church Street Car Park*

This Council owned Multi Storey Car Park is being evaluated as surplus and for potential redevelopment. Options are being considered by the SAMP board with a view to progressing a possible disposal in late 2024.

### *Former Central Retail Park, Great Ancoats Street*

The refreshed Former Central Park Strategic Regeneration Framework was adopted by the Council in March 2023 setting out the principles for a commercial led development with a significant element of public realm linking Great Ancoats Street with the existing Cotton Field Park and New Islington Arena.

Detailed negotiations have been progressed for the disposal of c5 acres of the site for government use which will see the development of around 800,000 square feet of office accommodation. Negotiations are close to conclusion and a planning application is anticipated in the summer of 2024. Alongside this development, the Council has selected a team to design and deliver the park and work is ongoing with a view to a planning application being submitted alongside that for the phase 1 development.

### *St Michael's*

The City Council acquired the former Bootle Street Police Station from The Police and Crime Commissioner for Greater Manchester on 11th March 2015. This land interest was brought together, via a development agreement, with adjacent land and property including the Manchester Reform Synagogue, owned or in the control of Jackson's Row Developments.

This approach provided the platform for the two parties to invest and jointly develop the Jackson's Row/Bootle Street SRF, following consultation this was adopted in December 2015. The overarching development agreement set out governance arrangements, including a joint board where the parties worked in collaboration to agree the design development with planning granted in June 2018 for a mixed-use development including offices, hotel and residential with ancillary leisure/F&B use.

The agreement sets out a series of conditions, which needed to be complied with to the satisfaction of the Council, prior to the developer commencing on site. During and post-construction there are also project milestones, monitoring and covenants in the lease that provide assurance and control to the Council as to the speed and quality of construction as well the use of the whole development. This provided critical control mechanisms for the Council to accelerate delivery of the project, which was affected by the impact of the

pandemic. We varied the terms of the agreement to permit a phased development in December 2021. This comprised the development of 185,000 sq.ft NIA of Grade A office accommodation and c28,000 sq ft of leisure and retail space including an 18,000 sq.ft rooftop F&B venue. Work commenced in early 2022 and will complete next year.

In October 2023 the developer secured a JV partner for the delivery of phase 2, comprising a 42 storey tower with a 5 star hotel with 162 beds, and 213 branded serviced apartments, 72,000 sq.ft NIA of Grade A office accommodation, ground floor F&B use and a retained and refurbished Sir Ralph Abercromby public house are also integral parts of the scheme. Following the drawdown of the lease for Phase 2 is it now programmed for completion in 2027.

The leases for both phases include development milestones with the ability for the Council to take the site back should those milestones not be achieved (subject to appropriate funder step in rights). This mechanism became more important once the scheme became phased to ensure that the comprehensive development initially consented is delivered. Whilst the pub isn't within the boundary of the lease, the Council has retained an option to acquire it should the refurbishment not be carried out within a specified timescale to ensure that the property does not become a blight on the completed scheme and to allow it to be brought into the scheme should the phase 2 development not be progressed by the developer.

### **3.7.2 Wythenshawe District Centre**

Manchester City Council consolidated their ownership of the wider district centre in October 2022 with the acquisition of St Modwen's ownership of Wythenshawe Shopping Centre. The total property ownership now constitutes c.45 acres.

The acquisition of the shopping centre was on an invest to save basis, in that the income producing retail asset is now wholly owned by the Council and the rent produced is covering operational costs and generating a surplus.

Since acquisition a Neighbourhood Development Framework masterplan as approved by Executive in January 2023, outlining plans for 1600+ new mixed tenure homes and the diversification of the centre. In November 2023 it was announced that Government has awarded £20m of Levelling Up Funding to accelerate improvements to the centre.

It is not the Councils intention to solely own the shopping centre alone. Procurement has commenced for a Joint Venture asset management and development delivery partner and on track to conclude process, complete due diligence to enable the announcement of a new regeneration partnership in May/June 2024.

### **3.7.3 Moston Lane Local Centre**

Moston Lane is a key regeneration priority for North Manchester. Following community and stakeholder consultation throughout 2023, a new Neighbourhood Development Framework masterplan was developed, focusing on the ability to bring forward new development on c.5 acres of Council owned land.

In October 2023 the Councils Executive approved this plan along with the ability to acquire additional property interests to deliver a wider vision for hundreds of new homes, community, health and education spaces along with a new civic square.

Other council owned land and assets are being invested into using Shared Prosperity Funding, delivering new pocket parks and public realm improvements.

Throughout 2024 a delivery strategy will be developed which will outline the route to procure partner(s) in the disposal of Council land and the construction of new development outlined in the NDF.

#### **3.7.4 Gorton District Centre**

The Council Executive approved a new Neighbourhood Development Framework in January 2023 that outlines the ability to deliver new mixed tenure homes, a rejuvenated high street and a new civic square centred around c.5 acres of Council land.

Shared Prosperity Funding is being utilised to invest into public realm throughout the centre with a focus on a new Civic Square.

Further acquisitions are ongoing in and around the district along with soft market testing to identify potential development and delivery partners. This exercise will be concluded by Spring 2024.

#### **3.7.5 Central Park**

##### *EV Bus Hub*

The Council were approached by TfGM with plans for a new pioneering high tech EV bus hub to serve North and East Manchester and facilitate 850 permanent FTE jobs. Land at Central Park was identified and valued with the transaction completing in March 2023. It is anticipated, subject to consultation, that a planning application will be submitted next year.

##### *Arbeta*

Arbeta continues to perform well, with 70% occupancy with the remaining space let on short term licences. This is an improved position on last year, due to two key lettings comprising of over 23,000 sqft.

#### **3.7.6 Strangeways**

The Council owns several land and freehold interests throughout the Strangeways area that is now subject to a joint Manchester and Salford Council Strategic Regeneration Framework.

Following significant enforcement action led by GMP as part of Operation Vulcan the Development team is now exploring strategic acquisitions and working with local landowners and developers to bring forward new development.

### **3.8 Housing Development and Major Regeneration Projects**

#### **3.8.1 *Project 500 Phase 1***

Project 500 sets out to deliver 100% affordable homes on small, non-commercially facing land assets owned by the Council. Many of the sites are in areas of very high demand for affordable housing and correlate with areas identified within the Housing Strategy - seeking to deliver 10,000 new affordable homes over the decade.

Phase 1 represents 376 homes delivered across 27 sites predominantly in the North and East of the city, mostly considered to be unviable for market residential development in isolation. The programme is facilitated by seven Registered Providers (RPs)– One Manchester, Great Places Housing Group, Southway Housing Trust, Mosscares St Vincents Housing Group, The Guinness Partnership, Jigsaw Homes Group and Irwell Valley Housing Association. All RPs are members of the Manchester Housing Providers Partnership (MHPP) Framework.

Executive Approval for the freehold disposal of the sites was given in November 2022. Planning approval has been granted on 9 of the sites. Heads of terms are agreed and solicitors are drafting documents on a further 15 of the sites. Agreed heads of terms for the remaining sites are expected in the coming weeks.

Work is ongoing on Phase 2. Following a lesson learned exercise, a procurement exercise using existing MHPP partners will be completed using a portfolio of sites and the standard set of briefs, agreements and land deal mechanisms. Following SAMP approval, the proposed sites will be submitted to Executive for approval next year.

#### **3.8.2 *Hinchley Road***

The site is situated on Hinchley Road within the Charlestown ward of North Manchester and currently comprises an irregular shaped plot of vacant, open grassland measuring approximately 6.57 acres. After consideration via the SAMP process in early 2023, the site was identified as being suitable for residential development to deliver a market housing scheme subject to the minimum 20% planning policy compliant affordable housing provision.

A robust and competitive marketing exercise has now concluded, with significant developer interest in the site. Terms have now been agreed with the preferred purchaser and legals instructed. The proposals will deliver over 100 homes on the site with 20% on-site affordable housing. Subject to planning permission it is anticipated that works will commence in 2024.

### **3.8.3 Clayton Canalside**

A land assembly exercise to consolidate Council land ownership across the c.27ac Clayton Canalside site to enable the delivery of a new waterside neighbourhood with the potential to delivery c. 1,000+ new mixed tenure homes, a new local centre, school and primary care infrastructure.

Mott Macdonald has been appointed to complete a comprehensive site investigation, masterplanning and capacity study. Site constraints are being mapped out, along with opportunities for future brownfield (or equivalent) grant funding.

The final Clayton Canalside Masterplan and delivery strategy will be submitted to Executive for approval next year. Phases of fully affordable, supported living and market housing have already been identified.

### **3.8.4 Grey Mare Lane, Beswick**

Following the recent activity around the retrofit works to existing properties and the need to expand scope to include public realm improvements and highways connections, BDP have been appointed to undertake a new masterplan study around Council owned land on the Grey Mare Lane estate.

The final masterplan details are to be informed by meaningful stakeholder engagement and public consultation, which is now underway and will conclude early 2024. The final masterplan and delivery strategy will be submitted to Executive for approval next year.

## **3.9 Leisure, Sport and Education**

### **3.9.1 Etihad Campus**

Officers have continued to work alongside the professional teams from City Football Group (CFG) and Eastlands Arena Ltd (EAL) to negotiate and approve the terms for the redevelopment of part of the Council owned Collar Site at the Etihad Campus to support the c. £0.65bn investment into the Campus through the development of the Co-op Live Arena and the expansion of the north stand of the Etihad Stadium. This involved advising the MCC directors on the board of Eastlands Development Company Limited in relation to the land deal, negotiating terms for the use of the car parking facilities by the Arena across the campus, as well as progressing new campus-wide management estate and event management arrangements to support the operation of the campus once the new world class events arena has opened.

Officers are now engaged with CFG in providing the necessary legal consents to expand the Etihad Stadium, including providing temporary infrastructure to enable safe access from the Metrolink to the key Council assets on the Campus, during the construction period.

The Development Team is leading upon discussions with CFG/EAL to deliver a new experiential offer along City Link, which aims to provide a fun and safe pedestrian and cycle route from the Holt Town Metrolink stop to the Campus, supporting the sustainable travel agenda.

### **3.10 Asset Valuations**

3.10.1 As part of a comprehensive review of the commissioning of asset valuations, in collaboration with the Council's treasury teams, the Development Team oversaw the external procurement of the asset valuations on a portfolio basis. The asset valuations were delivered on time and to a greater level of assurance and consistency than has been the case in recent years. This collaborative approach has reduced the number of audit queries. This approach will be replicated for the 23/24 valuations, with some asset portfolios already procured.

3.10.2 Looking forward the insourcing provides an opportunity to review the externalisation of valuations having regard to value for money and career development and upskilling staff. This will be considered from 24/25 and feed into the procurement process.

## **4.0 Operational Estate and Facilities Update**

4.1 The operational estate comprises of the properties used by the Council to deliver services. The Corporate Estate and Facilities Service is responsible for the operational estate strategy, property advice to Council services, and acts as the Council's corporate landlord. The service is responsible for the management, repair and maintenance of the Council's operational estate and the delivery of Facilities Management services including maintaining statutory compliance, cleaning, security, and both planned and reactive maintenance.

4.2 The Council's operational estate portfolio consists of approximately 350 assets across the city, with a total gross internal area of around 344,000 square metres. These range from large offices, national sporting venues such as the Velodrome, and key heritage sites such as Wythenshawe Hall, through to community facilities like libraries, leisure centres, and small pavilions in parks. The Estates Team responsibilities include all operational buildings, vacant land and certain properties of a public nature which are owned by the Council but occupied by other bodies (e.g., the Bridgewater Hall). The Operational Estate excludes schools and housing. The Facilities Management Team responsibilities cover all of the Estates Team portfolio. Additionally, they deliver services to schools and other facilities that are not part of the Corporate Landlord model.

### **4.3 Operational Estate Update**

- 4.4 The service continues to support the Gorton Hub, the multi-agency learning, health and community hub, on Garrett Way in Gorton. The Hub brings together a range of different services under the same roof and includes Gorton Library; Gorton Job Centre Plus; the Manchester Adult Education Service; and the community health and adult social care integrated neighbourhood team for Gorton and Levenshulme. The service has been working with partners to increase the offer. One Manchester will be delivering housing and upskilling services from the Hub from December 2023, and Gorton Medical Practice will be delivering GP services from January 2024. The building has been nominated for an Architect's Journal award for a Healthcare setting.
- 4.5 As well as the core services described above, the Hub is supported by a partnership that brings services together to add additional value. Since the opening of Gorton Hub, the atrium has hosted fifteen place focussed events and activities that address the contextual and demographic needs of the local population in Ardwick, Longsight, Gorton and Abbey hey, Clayton and Openshaw wards of Manchester. These are delivered in a collaborative approach through a working group made up of representatives from each provider within the hub driven by an integrated model of service delivery to provide better out comes for residents and reduce demand drivers for services. Approximately 600 people have attended Careers and jobs fairs with immediate interviews on the day with public, private and 3rd sector businesses. 400-500 people have attended Cost of living, health and wellbeing events and have been sign posted into long term support to address financial hardship. 100 people have attended community led award ceremonies to promote volunteer programmes in the community.
- 4.6 Estates have supported the decommission and demolition of life-expired buildings at Gorton Library and Gorton South Office following these services moving to the new Gorton Hub. These sites have now been freed up for re-development, and proposals for their future use are being considered, through the SAMP process described in Section 2 above.
- 4.7 Work continues to refurbish Hammerstone Road Depot, which will complete in mid-2024. A phased delivery plan is in place, allowing the Depot to remain operational during the construction works. A significant amount of the internal works to the Loco Shed have now been completed. Upcoming work will result in teams moving into newly refurbished accommodation on the site, and the decommission and subsequent demolition of the life-expired Coca-Cola Building. The Loco Shed will also be fitted with over 2000 solar PVs, making this one of the largest arrays in the MCC Estate. Amongst other services, the depot will accommodate a relocated Elections service including a purpose designed ballot preparation office and storage for election equipment. The new Hammerstone Road Depot will also accommodate relocated teams from Hooper Street Depot, allowing life-expired accommodation at that site to be decommissioned.
- 4.8 Through the Estates element of the Our Ways of Working programme, the team has been able to re-configure space within some of our main buildings.

Numerous teams and services have been relocated which has involved detailed planning and execution. As a result of this work, various spaces are now let to partner organisations with rents and service charges payable. This includes Transport for the North moving into the Town Hall Extension; NHS Manchester staff moving into the Town Hall Extension from their former offices at Parkway Business Park; and One Education relocating into Alexandra House.

- 4.9 The Estates Service continues to support the Early Years estate. Working with the Early Years Service and the Capital Programme Service, the first phase of a capital improvement programme has been delivered. Eleven Early Years settings were included in this phase, with improvement works to properties including repairs and renewal of roofs, building fabric, and mechanical and electrical systems. Alongside this, Estates have been working to review current leasing arrangements within Early Years settings; this work is aimed at protecting high quality childcare provision within the city and ensuring the properties are fit for purpose and safe to enable service delivery. The second phase of the capital improvement programme is now underway, with nine properties included.
- 4.10 Work has taken place to support Children's Services with the implementation of three Family Hubs. Located in the North, Central and South of the City, the Hubs act as a front door for families seeking help and support. Located in buildings owned by the Council, the Estates team assisted with the property aspects of these new community facilities. A fourth Family Hub is due to open early next year.
- 4.11 Also in support of Children's Services, a programme is underway to refurbish two buildings for use by the Family Time (Contact) Service. The Estates Team have developed proposals to comprehensively refurbish the settings, to improve the experience for families at some of the most difficult points in their lives. The refurbishments will begin in January 2024 and will complete in early 2025. The project will also release one site in the north of the city for onward re-development.
- 4.12 The Estates team continues to support the Health and Social Care Integrated Neighbourhood Teams (INT) within the MLCO with their estate requirements. This includes supporting the Central INT in developing a plan for an office base within the 36 Monton Street office, which will bring a currently vacant property back into operational use.
- 4.13 The Estates team have continued their work to bring together the Equipment & Adaptations Partnership on a single site at Phillips Park Road. The service has recently moved from the Fulmead Centre, allowing that site to be made available for onward redevelopment. Poland Street Industrial Estate was also vacated which is now being redeveloped as the Ancoats Mobility Hub. The final move of the Community Alarm Service from Tulketh Industrial Estate is due in early 2024. This will conclude the co-location of these teams on a single site, whilst also having freed up two sites for strategic redevelopment purposes.

- 4.14 The Estates team is working with Health colleagues to deliver a Community Diagnostic Centre (CDC) within vacant space in North City Family Fitness Centre, Harpurhey. The CDC, opening in early 2024, will provide a range of services including ophthalmology, respiratory and cardiology testing.
- 4.15 Estates continues to support the Neighbourhoods Directorate with a range of projects and initiatives such as: supporting the newly formed Parks Buildings Strategic Group, exploring the future opportunities for the use of buildings within Parks; the Culture Portfolio Board, providing estates support with ongoing and future projects within the Cultural and Heritage Estate; Providing Estates support to projects which have obtained funding via the Youth Investment Fund and supporting with the provision of letting agreements to facilitate the use of neighbourhood buildings.
- 4.16 The team supported the redevelopment of Abraham Moss Leisure Centre and Library which completed in August 2023, providing a range of improved facilities across the centre. Estates also supported work to the academisation of the Abraham Moss Primary and Secondary schools, providing property support and advice throughout the process.
- 4.17 Further support is provided to the Leisure team within Neighbourhoods with investment provided to support the return of Broadway Swimming Baths back into the Leisure portfolio. The team is also supporting the property arrangements at Woodhouse Park Active Lifestyle Centre to enable the continued delivery of services by Wythenshawe Community Housing Group.
- 4.18 Working with Work and Skills and Manchester Libraries Service, the Estates Service is supporting the delivery and fit-out of a new Business Enterprise Lounge in the Town Hall Extension. Shortly to open on the ground floor of the Town Hall Extension, the Lounge is located in space formerly occupied by the St. Peter's Square Café. Delivered with the help of Shared Prosperity Fund, the Lounge will be available for business start-ups to book flexible working space, but also receive business advice and attend work training events. The project will create a low-cost managed workspace offer for Manchester residents and additional grow on space building on the experience of Business and Intellectual Property Centre (in Central Library) delivering wrap around business support for Manchester residents.
- 4.19 The Estates team worked with colleagues in Leisure and Parks to submit an application to the DLUHC Changing Places fund. This fund was established to support the creation of Changing Places Toilets in existing buildings and to improve access to facilities for those with complex accessibility requirements. MCC were awarded a grant of £175k on a match funding basis. This will create Changing Places Toilets at six key sites across the City: North City leisure centre and Heaton Park in the North; People's History Museum and HOME in Central; and Wythenshawe Forum and Wythenshawe Park in the South of the city. All these schemes are now on-site and will be open in early 2024 at the latest.

- 4.20 The Estates team is supporting the relocation of the Councils Grounds Maintenance team from Longley Lane depot in Wythenshawe to a facility at Bradnor Road. The relocation of this team supports additional space requirements from the Councils Waste Team and operator who will remain at Longley Lane.
- 4.21 The Council's reviewed Community Asset Transfer (CAT) Policy was formally adopted in March 2023. This Policy enables the Estates Team to continue its support to the VCSE sector. The team has developed a new website providing information on properties available for transfer along with property information and links to relevant expression of interest and application forms required to be completed as part of the process. The team has advertised Baguley Park Play Centre which is currently at stage 2 of the CAT process; Six expressions of interest were received with five applicants progressing to stage 2. The team are currently reviewing two further properties which may be suitable for Community Asset Transfer.
- 4.22 There are several other community asset transfers currently progressing through the legal process for completion which include: Delamere Park Play Centre, where Max Trax CIC will deliver a range of services from the premises to include cycling workshops and an allotment club; Claremont Community Resource Centre, where the African Caribbean Care Group plan to invest in the building providing additional space from which they will deliver holistic therapy treatment and wellness services; work is ongoing to complete lease agreements at Didsbury Park Sure Start, Hulme Community Garden Centre and 115 Briscoe Lane with agreements due to complete in coming months.
- 4.23 The team is also supporting lease renewals at: Fallowfield Library/The Place at Platt Lane, where The Place at Platt Lane CIO currently provides work and homework clubs, ESOL courses and a range of other training and advisory services; and Hulme Hall, where Mothers against Violence have received approval to the grant of a 25-year lease to enable the continuance of their services. Work is also ongoing to support a number of groups with the continued use of space including: the Stirling Centre, by 4CT and CSTAR; and Ladybarn Community Centre Hub, who are delivering daycare, community meeting space and luncheon clubs.
- 4.24 One of the most important responsibilities of the Estates Service is to ensure our operational estate remains safe for staff and visitors. The Estates Health & Safety Steering Group was formed in March 2022 to assess whether appropriate governance and assurance arrangements were aligned to statutory health and safety duties for premises – and where necessary to propose actions to improve compliance. Following a review by this group, Estates have commissioned a programme of 299 Fire Risk Assessments and 138 Asbestos surveys in order to ensure the Operational Estate remains statutorily compliant. The Asbestos surveys have all been completed, and up to date Asbestos Management Plans have been produced. 291 Fire Risk Assessments have been completed, with the last eight due before the end of the year. Estates are leading on a programme of remedial works identified within these reports, with Capital Programmes and Facilities Management

supporting the completion of works. Following this significant project, work is ongoing to move these processes to 'Business as Usual' with future surveys and remedial work to become part of the Planned Preventative Maintenance Programme. Regular progress reports are presented to Estates Board and a mechanism to track and report progress has been developed with Capital Programmes.

- 4.25 The Estates Service is co-ordinating work to provide assurance that the Councils property portfolio is safe from issues caused by deteriorating reinforced autoclaved aerated concrete (RAAC). Estates are working with Capital programmes to review the operational estate and establish whether RAAC is present within buildings. Estates and Education colleagues worked together to survey 71 schools between May 2019 and March 2023. No RAAC was identified cross the maintained schools estate. A further 416 surveys have been commissioned and as of 16 November, 211 surveys have been carried out with all surveys due to complete in February 2024.
- 4.26 Working with Facilities Management colleagues, Estates have introduced a new industry standard approach to vacant buildings which ensures that vacant properties remain compliant and secure whilst decisions are taken to determine the future use of a property. This approach to the management of vacant buildings also supports the Councils insurance team in ensuring that vacant buildings are managed in accordance with the requirements of its insurers.
- 4.27 In order to monitor and improve response rates to queries raised by Elected Members, Estates and Capital Programmes have developed a Members Casework tracker which is updated on a regular basis and reviewed on a fortnightly basis. The associated development of a dashboard report enables estates to report progress to Senior Officers and Members.

#### **4.28 Facilities Management Update**

- 4.29 In the current year, Facilities Management (FM) has successfully managed and executed 28,929 helpdesk activities, with 9,979 of these dedicated to reactive repairs. 97% of these reactive repairs were completed within the agreed time limits. FM has maintained its commitment to ensuring building compliance by continued implementation of its comprehensive Planned Preventative Maintenance (PPM) program in line with industry standard SFG20 levels. A total of 12,988 PPM activities have been accomplished, with over 97% completed as scheduled. Furthermore, FM's Repair and Maintenance (R&M) and Development teams have collaborated with the support of the CPAD (Corporate Property Asset Database) team to enhance robust systems for R&M data reporting and business area management, aiming for a more proactive approach to repair management. FM has also introduced new streamlined reporting systems for PPM compliance and incorrectly completed repairs. FM also worked with the CPAD team to successfully implement a new issue reporting process for newly opened sites such as Gorton Hub, which would relieve pressure on the day-to-day helpdesk

until new sites become BAU (business as usual). This will be used for the upcoming opening of the newly refurbished Hammerstone Road Depot.

- 4.30 Over the past 12 months FM have worked in partnership with the Estates and Capital Programme teams to contribute towards the successful opening and ongoing operation of Gorton Hub. This required joint collaborative working throughout each stage of the construction cycle. Since becoming a live operational site, FM have instilled the necessary processes to ensure an elevated level of operational management via bespoke BMO (Buildings of Multiple Occupancy) systems. The management of this site continues to be a one team approach in terms of both stakeholder engagement and continuous development.
- 4.31 FM continue to work closely with partners to build on strategic initiatives across the estate. Examples of these include the ongoing successful work to install a new access control system at Abraham Moss, full CCTV camera upgrade at the Town Hall Extension, and the upgrade to all access controllers across the Town Hall complex. FM have contributed towards delivering the scheme of works required to upgrade the disabled refuge system at the Town Hall Complex, and the major works required to air conditioning handling units at Etrop Court district office. These are key examples of positive change management to meet building user expectations driven forward in partnership. Continuous reviews of operational management across sites have also created the opportunity for the upcoming trial of the first invacuation process to take place at Gorton Hub. FM will continue to work closely on the current major redevelopment of Hammerstone Rd Depot. The FM team and Estates Project Manager are working together to ensure that building user expectations are met to the highest possible standard once this becomes a fully live operational site in 2024.
- 4.32 FM continue to support the Zero Carbon Estate Programme as part of the Equans/MCC zero carbon partnership. With capital schemes, FM are helping to identify opportunities, assist contractor deployment and ensure ongoing lifecycle maintenance requirements are effectively managed. FM are developing programmes of maintenance to ensure that component replacements are carbon efficient, helping to meet carbon reduction targets with all available opportunities.
- 4.33 FM has remained committed to supporting the Zero Carbon Estate Programme and advancing smart operations initiatives. Building on our prior success in developing Microsoft applications to digitise paper-based processes, such as Vehicle Inspection and Housekeeping Audit applications, our development team has collaborated with FM's BMO team to create, enhance, and extend a suite of building management systems for Key, Delivery, and Lost Property Management. Furthermore, our FM Development team has worked closely with our Health and Safety (H&S) Group to modernise the existing H&S Compliance Calendar, seamlessly integrating it into Microsoft Planner. This initiative has required significant updates and improvements to our suite of FM mobile H&S applications. Additionally, our ongoing efforts to expand R&M data reporting are geared toward a more

proactive approach to repair management. This approach enables us to identify trends that aid in better planning for repairs, potentially reducing the need for site revisits and, in turn, minimising FM's carbon footprint.

- 4.34 As part of social value commitments, FM's principal maintenance contractor Equans has provided 735 volunteering hours, 75 hours of school-based support, 77 hours of community support, two energy workshops, 2 helping hands projects and two charity events, 12 weeks volunteering at Gorton Hub Food Bank, and a 6-month kickstart placement progressed to full time apprenticeship. Over £6,000 has been donated to towards community projects, and 34 weeks of work experience opportunities provided. The total value of Social Value activities generated is calculated at £1,604,609 with 1334 beneficiaries.
- 4.35 FM are working on a pilot scheme for smart buildings of the future in partnership with Equans, which is looking at connecting systems and services to cloud-based platforms, allowing automated alarms and remote management of buildings. Phase 1 of the pilot scheme is nearing completion, the scheme is now expanding to monitoring the buildings energy use with a view to optimising equipment, monitor and reduce carbon expenditure and refine the building environment to provide stable conditions within the agreed parameters.
- 4.36 During the period October 2022 to November 2023 FM's principal security contractor Mitie recruited 38 new employees from Manchester, increasing their establishment to 191 officers, and successfully delivered 6632 hours of security provision per week across 48 locations. They responded to 1,714 alarm call outs, supported council officers on 6 evictions, managed the arrival of 3 air ambulances to critical incidents, provided support to 54 medical incidents and carried out 1134 visits to inspect premises across the estate. The period saw an increase in the percentage of female personnel employed by Mitie on the contract from 7.5% to 12.5%. A range of apprenticeship schemes have also been undertaken with the involvement of 13 Manchester residents. The recruitment and mobilisation of the security team for the new Gorton Hub was a major success, with services also now extended with Mitie to include certain elements of Housekeeping.
- 4.37 The Risk Management initiatives identified last year have continued to provide benefit to the contract with a robust "special projects" risk assessment process that has been utilised to prepare and deliver additional deployments for: power outages at THX and AMC, THX Executive meetings, Local elections, protest management in St Peter's Square and Platt Fields, Operation London Bridge following the death of Her Majesty The Queen, and MCFC Trophy celebrations. Further developments have also been completed with the incident reporting and escalating software "Merlin" enabling the instant grading of incidents and rapid reporting.
- 4.38 Mitie have maintained an entire fleet of electric vehicles which now also include "Vehicle Telemetric" devices to support driver safety in respect of seatbelt, fatigue, and distraction warnings. They have continued a staff award

programme, funded to a value of £8,000 with 118 nominations, 32 category winners, 86 runners and utilised their Wythenshawe Technical Security Operation Centre to host award evenings, with guest speakers to include Figen Murray OBE.

- 4.39 The last Annual Property Report introduced the project to ensure all CCTV (Closed Circuit Television) systems and processes adhere to the MCC Code of Practice, based upon the Biometric and Surveillance Commissioners 12 Principles for best practice. This year, independent accreditation has been obtained following an IQ Verify Audit, confirming the operations across the THX, Public Realm Control room and all BMO's comply with the BSCC Code of Practice and BS 7958. The Public Realm CCTV surveillance operation has been instrumental in 345 arrests by GMP (Greater Manchester Police) and undertaken 32,705 Camera checks at strategic locations to include the Glade of Light, The Cenotaph in St Peters Square, across Heaton Park and various environmental cameras.
- 4.40 In April 2023, Mitie appointed a Social Value, Culture and Communications Manager, dedicated to the Contract at no cost to MCC, with the brief to continue the delivery of their social value promise. So far this year, Mitie's social value commitments have included 1075 voluntary hours, these were split across several Manchester charities and priority groups including: Career Ready, Together Trust, Life Share, Trussell Trust, Royal Manchester Children's Hospice, Community Grocery, Bread and Butter Thing, Manchester Mind, Wood Street Mission, and Greater Together Manchester. There have been donations of easter eggs, clothing, food, toys, and cash, equating to a total monetary value of approximately £5000. Mitie have also helped with litter collections. Career Ready included a 4-week internship for two mentees who were paid MLW at 40 hours per week totalling £3,488. Since the inclusion of the social value culture and communications manager Mitie have undertaken projects totalling 758 Volunteer Hours- in the space of 7 months, which exceeds the previous year total over 12 months.
- 4.41 As part of the City Councils objective to deliver the mandatory Let's Talk About Race team conversations for all staff the housekeeping team initiated a project to enable us to meet this core objective to over two hundred and seventy staff, many of whom work non-standard hours. We set up our own volunteer team of Facilitators who all attended the course and received further appropriate train the trainer training which enabled them to deliver this programme. This task has been complex due to the various working patterns of the Housekeeping such 6.00am starts and 8.00pm finishes in all areas of the city. The Managers and Facilitators have set up and delivered training to meet these requirements and have so far completed training with one hundred and thirty-three members of Staff, this leaves one hundred and twenty-nine to complete all our team. We have the dates and venues and already booked and scheduled in and the last session will be completed by the 25<sup>th</sup> of January 2024 any staff who have not completed the training will be picked as part of our review of the project plan.
- 4.42 The FM Housekeeping Team was delighted to bid for the Contract for the Wythenshawe Community Housing Group Cleaning Contract and were

successful, thus ensuring that local jobs stayed in the local community whilst delivering a value for money service for the Housing Group and its users.

#### **4.43 Capital Asset Management Programme Update**

- 4.44 The Asset Management Programme (AMP) incorporates survey data, property usage, service and city-wide priorities into an annual capital replacement and improvement programme. It contributes to ensuring that offices, health and care settings, depots, leisure, cultural and other properties providing services and facilities that the public use, continue to meet statutory and service requirements; are welcoming and energy efficient; and deliver long term value and support to services. Estates work closely with Capital Programmes, other services and external partners in this annual programme to meet strategic objectives.
- 4.45 Included in the programme are a considerable number of heritage and other operational properties that bring challenges requiring investigation and specialist advice before works are designed and implemented. Complex and older properties requiring, for instance, replacement drainage or roof works are included. Increasingly, these require a longer timescale for investigation and, where appropriate, specialist survey to enable works to be procured and completed.
- 4.46 The programme includes properties supporting service delivery (landlord liabilities) where Estates work closely with services to prioritise safety work supporting strategic objectives. Examples include the Council's leisure centres, National Football Museum and Bridgewater Hall. Other landlord structural liabilities comprise structures in parks and public spaces such as retaining walls adjacent Parsonage Gardens and boundary walls e.g., Heaton Park, Phillips Park.
- 4.47 This year, the AMP includes around ninety properties in scope from survey to works delivery stage with a forecast spend in year of c£12.5m.
- 4.48 Major works underway this year include the City Art Gallery and Queens Park Studios end of life replacement work, supporting the wider Galleries development plan bringing back into use operational space for usage and display. A future phase is planned to address external stonework issues.
- 4.49 Replacement works where design work has been completed include Chorlton Library, Abraham Moss and the National Football Museum. Chorlton Library replacement works supporting Open Learning is planned to commence early in 2024 with works to replace underground services at Abraham Moss Centre planned for the summer holiday break in 2024. Landlord liability drainage works around the perimeter of the National Football Museum are due to commence early in 2024.
- 4.50 Significant safety work underway includes: design and implementation of works for the second phase for nine priority early years settings. Remedial works arising from statutory fire risk assessment and asbestos surveys to over

seventy operational properties are underway and planned to complete by financial year end.

- 4.51 Works supporting property rationalisation and improving use of operational assets include the composite replacement scheme at Acorns/French Barn Lane/Belthorne; and completion of works supporting the MEAP relocation.
- 4.52 Commencement of design for works supporting community asset programme include the former Levenshulme and Burnage libraries; Simpson Memorial Hall and Crowcroft Park Pavilion.
- 4.53 Projects underway this year as part of landlord liabilities include: roof replacement work at Broadway Leisure Centre and North Manchester Family Fitness Centre; an energy efficient window replacement project at Wythenshawe Forum.
- 4.54 Other examples of medium and smaller scale projects either in design or delivery in the current year include works for roof panel replacement at Hooper Street Depot and Grimshaw Lane Depot; repairs to various buildings and pavilions in parks; and the demolition of the old Gorton Library and Gorton South Neighbourhood Office.
- 4.55 The AMP also includes works to heritage properties. There are several heritage projects that have received outline planning consent including two walls at Heaton Park, the Lych Gate at Chorlton Green and security work at Clayton Hall. Estates have completed the wall at Fletcher Moss Gardens and are ready to commence the walls on Stenner Lane which lie on the opposite side of Fletcher Moss Park. Works are currently being costed for replacing the safety netting to the Chapel steeple at Philips Park Cemetery. Work is progressing on the rewire for Heaton Hall with several surveys having been completed to date. Design plans for the redevelopment of the Orangery are underway and developing well. Work to facilitate the relocation of the costume collection to Queens Park Gallery are on site and are progressing well.
- 4.56 These properties generally require a higher level of development and planning before any work commences, and works costs are higher due to a requirement for conservation work. Examples of other work completed or underway in 2023 include electrical and fire safety works at Platt Hall and Victoria Baths; roof works at Heaton Park Stables Café, repair work to the Heaton Park Horticultural Centre boundary wall; stabilisation work at Gorton House; structural work and a CCTV upgrade at Clayton Hall; electrical safety works at Wythenshawe Park offices and café.
- 4.57 AMP work also supports School Properties. Last year, the School's Team moved from Education Services into Estates. The team of two oversee and support maintenance to the sixty schools that remain in scope for asset replacement work. The team have moved into the Estates and Facilities Service to benefit from synergies between the Asset Management and Schools Maintenance Programme and to enable the team to benefit and share

experience through being closer to Estates and Capital Programmes.  
Governance of the programme remains through the Education Service

- 4.58 This year's annual Capital Maintenance Programme for schools includes four completed schemes, two schemes currently on site and two schemes carried over from last year. The total costs of this year's programme is £7.1m.
- 4.59 The team completed the RAAC surveys to schools. All schools built/extended/added to between 1930 and 2023 have now been surveyed, as instructed by the Department of Education. Over three phases, 71 schools comprising community, voluntary controlled, foundation, nursery, PRU's and special schools were included. There were no instances of RAAC in any of these properties.
- 4.60 This year, the first phase of a general schools Condition Survey Programme was completed which consisted of eleven schools with a further ten schools prioritised for 2024 with Children and Education Services. The team also delivered the School Structural Surveys Programme which included all community, voluntary controlled, foundation, nursery, PRU's and special schools built between 1949 – 1980, in all 31 schools were surveyed. The surveys were commissioned through Capital Programmes.
- 4.61 This year the team assisted the Department of Education with overseeing the Condition Data Collection 2 (CDC2) process, which included arranging inspections at schools by Building Surveyors and Mechanical and Electrical Engineers, collecting and recording condition data which assists the Department of Education with deciding how much funding Children and Education receives through the annual Capital Maintenance Programme.

#### **4.62 Zero Carbon Estates Programme Update**

- 4.63 Operational buildings account for up to 75% of MCC carbon emissions. The emissions associated with the Council's operational buildings are reported in the Buildings & Energy section of the Climate Change Action Plan 2020-25 (CCAP 2020-25). City Policy provide science-based targets, including a carbon budget. The budget reduces annually and requires a continuum of carbon reduction works to reach the goal of zero carbon by 2038 at the latest. Emissions from energy use in Council buildings have reduced year on year since 2014/15, and reduced by a further 9% in 22/23 compared to the previous year Carbon emissions currently remain within budget.
- 4.64 A Zero Carbon Estate Programme is established with a full time Programme Manager and Project Manager in place to oversee the delivery of a wide range of energy efficiency and low carbon energy generation measures throughout the estate. The client team is supported by dedicated Capital Programmes resources to deliver successful construction projects.
- 4.65 The solar carports project at the National Cycling Centre was recently completed. This was an energy generation programme in partnership with Unlocking Clean Energy in Greater Manchester (UCEGM). The project

secured grant funding from the European Regional Development Fund (ERDF) of approximately 45% of project value. The installation comprised of 466 solar panels in the form of solar carports for the Velodrome south carpark, which will provide approximately 172MWh of electricity and save approximately forty tonnes of carbon annually.

- 4.66 In April 2022 grant funds were confirmed for the Public Sector Decarbonisation Scheme 3a. The scheme has undergone changes due to various factors and is now being delivered on six buildings. The work includes energy efficiency measures through building fabric upgrades, energy generation and low carbon heating systems. The buildings are, Arbeta, Harpurhey District Office, Denmark Road Sports Centre, Didsbury Library, Hall Lane Resource Centre, and The Place at Platt Lane. The projects are expected to save in the region of 470 tonnes of carbon annually and are due for completion by March 2024.
- 4.67 In September 2023 grant funding was secured as part of the Public Sector Decarbonisation Scheme 3b. This scheme will deliver energy efficiency measures through building fabric upgrades, energy generation and a low carbon heating system to the Claremont Resource Centre. The project is expected to save in the region of forty-six tonnes of carbon annually and is due for completion by in summer 2024.
- 4.68 A project is currently underway at Hammerstone Road Depot. This is a large photovoltaic installation of over two thousand panels with battery storage that will supply over half of the sites electrical requirement and save over 116 tonnes of carbon per annum. Additionally, the external lighting will be upgraded to LED, and this project is expected to complete in 2025.
- 4.69 Fourteen LED lighting replacement schemes have recently been commissioned and are set to be delivered by March 2024. This will reduce energy consumption by over 239MWh and save approximately fifty-three tonnes of carbon per annum.
- 4.70 A Building Management Systems pilot scheme is underway at Hulme District Office. A building management system (BMS) is a computer-based control system that controls and monitors a building's mechanical and electrical equipment such as ventilation, lighting, and power systems. Systems linked to a BMS typically represent 40% of a building's energy usage; if lighting is included, this number approaches 70%. Therefore, BMS systems are a critical component to managing energy demand. This scheme looks to evidence the true savings in relation to carbon and operation, whilst creating the technical specifications and operating policies for future installations.
- 4.71 A programme of energy audits has been completed that provides information on seventy-two buildings across the estate. These audits help identify buildings that can enter the decarbonisation programme and provide necessary information to complete grant funding applications that are time sensitive. Delivered through the MCC/Equans zero carbon partnership, these

surveys enable the creation of a forward pipeline of carbon reduction projects to support our ongoing journey to 2038.

- 4.72 A new Zero Carbon Estates Strategy has been drafted that sets the objectives required to reach zero carbon by 2038 at the latest. The strategy focuses on a solid foundation of data and intelligence, heat decarbonisation with the removal of fossil fuels, reduced consumption and energy generation, optimisation through control, and continuous improvement. Capital bids have been put forward to establish a full roadmap to net zero as part of the 24-25 carbon reduction programme whilst maintaining a continuum of work activity and securing funds for emergency heating works to allow low carbon replacements where heating plant fails unexpectedly. The roadmap will be a key document highlighting the financial requirements by fiscal year and a programme of works to 2038 based on asset age and condition profile data.

#### **4.73 Systems and Records (CPAD) Update**

- 4.74 CPAD is the Council's Property Asset Database, the system that holds property data and delivers the FM helpdesk. We are currently in year 2 of the new 5-year contract.
- 4.75 In August of this year, CPAD moved to a Concerto hosted platform. The move was completed with support from colleagues in ICT. This was a key objective and facilitates a more streamlined level of support from the software supplier, Concerto. The provision of a reporting server was included in the move, allowing the CPAD Team to continue writing and developing the reporting functionality in house. Moving to a Concerto hosted platform also allowed us to implement Single Sign On for internal CPAD users, improving security and accessibility.
- 4.76 The CPAD Team have continued to focus on system improvements and data quality over the last 12 months. System reports have been improved to increase performance speed, and new reports have been created to facilitate management of case work. The Operational Estate records have been reclassified to improve reporting and the focus is now on the Investment Estate. The team have provided data to support several key workstreams, notably SAMP, RAAC and the FRA and Asbestos projects. Working collaboratively with internal stakeholders to improve data quality and reporting in line with the service plan remains a key objective.
- 4.77 The team continues to produce site boundary plans for the operational estate and have completed work for Salford City Council to develop their Case Management module, allowing them to manage all of their property case work through the Concerto system in the same way as MCC do.
- 4.78 The Records Team have supported the Development Team with future redevelopment projects such as Clayton Canalside, Cheetham Hill, and Grey Mare Lane. They provided large scale ownerships in Collyhurst to support new education sites and in South Manchester to identify potential car charging

sites. Before the cancellation of HS2, Records provided a further 500 ownership checks on Manchester City Council land.

- 4.79 The work above has been undertaken alongside the business-as-usual activity of providing information to the organisation in respect of property ownership, transfers and other property transactions. In 22/23 (Apr-Mar), the Records Team added 637 additional transactions to CPAD, 414 additional sites; completed 628 site histories; and answered 1450 enquiries. The team continue to provide services to other departments and members of the public with a range of enquiries.
- 4.80 CPAD sits at the heart of efforts to further develop our 'digital estate', by conducting additional site surveys to collect data, and ongoing enhancement of existing systems to house and manage this data. Further explorative work is ongoing with regard the interoperability between these systems. This 'data-driven' approach aims to provide a much more fluid, dynamic, efficient and transparent response to managing our operational estate, utilising and reporting on accurate and live data to provide enhanced confidence and assurance in terms of forecasting spend, delivering a more coordinated and collaborative approach to planning of site works, and linking into the wider agenda of sustainability, including carbon reduction.

#### **4.81 Town Hall Project Update**

- 4.82 Corporate Estates and Facilities continue in their support of the Our Town Hall Project. The core client team has two of the services project managers working in close collaboration with the design and construction teams to ensure the councils aims and objectives are well met. The restoration programme is advanced but is encountering significant challenges in terms of its timeline and budget. These are being driven by on-site discovery, and need for redesign, and a much more volatile marketplace following the pandemic. Construction progress on site has been significant over the last year and it is now possible to start to see how the building will look and feel on completion. Stonework is cleaned, leaded and sash windows are restored, lift cores are in place, wiring and routing is taking shape all around the building, plastering advanced throughout and new spaces such as the new production kitchen fully developed behind the Great Hall. The progress is exciting to see and as the project moves into further building stages this transformation will only increase as we move closer to a finished building.
- 4.83 In tandem with the construction programme has been the preparation for reoccupation and the city having the building back. Stakeholder engagement has continued on all fronts. Some of this has been to update stakeholders on progress and concerns, but much of it has been to finalise the occupation plan. We are now in a position to know who will be in the building on reopening, and which spaces each of these groups will occupy. Much work has taken place ensuring that all these groups are happy with the allocation of space and that it meets all their requirements. All the stakeholders have had representatives on site in the Town Hall in the last twelve months. This has enabled them to be able to see and understand their spaces in real time rather

than just off plan. This important engagement will continue and there is a genuine and real enthusiasm from all parties that have been in the building and witnessed the work that has been done so far. They are all excited about coming back. Soft landings planning will continue with the aim to ensure the switch from construction to 'Business As Usual' is as carefully managed as it can be, and the go live of the building when it happens continues to be a positive experience for all concerned.

## **5.0 Use of Agency Resources**

- 5.1 The Committee requested a particular update on the use of agency resources as part of the Annual Property Report.
- 5.2 The Development Team has employed one agency surveyor over the past 12 months. This was initially to cover maternity leave for 6 months but was extended by a further 6 months as additional resource due to another vacancy arising. This has now been filled and the agency arrangement was terminated in October 2023.
- 5.3 In the Corporate Estates Team, there have been four roles covered by Agency staff since the last Annual Property report. The roles covered included: The Head of Estates (SS1 Grade); Property Strategy Manager (Grade 10); and two Estates Surveyors (Grade 9).
- 5.4 Agency staff for the first two roles were recruited to cover vacancies created by permanent members of staff leaving MCC. The roles were required to ensure appropriate management capacity was in place to deliver the work of the service. Recruitment of permanent replacements has proven challenging, with quality candidates hard to attract. However, the Service successfully recruited a permanent Head of Estates in March 2023. The service has worked with HROD to review the role profile of the Property Strategy Manager, and this role is being prepared for recruitment in January 2024.
- 5.5 The two Estate Surveyors were new roles, put in place in recognition of the growing level of casework that the Estates Service were supporting. Agency staff were recruited in June 2023 to cover these roles to ensure resources could be brought into the team as soon as possible to support priority pieces of work. The service is working with HROD and Finance colleagues to build these roles into the permanent staffing complement of the service. This work will be complete in December, and the service will be advertising for permanent staff to fill these roles in January 2024.

## **6.0 Recommendations**

- 6.1 This report sets out an update on property activity since the last Annual Property Report in September 2022. The work of the property teams makes a critical contribution to delivering the Our Manchester Strategy by driving growth, and directly supports the Corporate Plan by enabling service Directorates to achieve their priorities, ensuring the effective management of the estate to support a well-run Council, and reducing carbon emissions.

6.2 The Committee is recommended note and comment on progress to date as set out in the report.