

**Manchester City Council  
Report for Information**

**Report To:** Resources and Governance Overview and Scrutiny Committee  
(RAGOS) – 13 January 2011

**Subject:** National Football Museum at Urbis Project

**Report of:** City Treasurer / Deputy Chief Executive

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**Summary**

This report updates Members on the progress of the project to relocate the National Football Museum (NFM) to Urbis, in particular, the progress on the application for ERDF capital funding from the North West Development Agency (NWDA). The report informs Members that the Capital Expenditure request will be signed off shortly and that in the light of the urgency, the Chair of the Resources and Governance Overview Scrutiny Committee will be asked to exempt the key decision from call in.

**Recommendations**

Members are requested to;

- Note the progress on the National Football Museum at Urbis Project, in particular the application for ERDF funding from NWDA;
  - Note that the Chair of the Resources and Governance Overview Scrutiny Committee will be asked to exempt the key decision to Capital Expenditure approval in the amount of £8m in respect of the NFM project.
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**Wards Affected:** All

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**Financial Consequences - Capital:**

Executive Committee has previously approved that MCC will underwrite the project cost of £8m. The key decision to grant approval to the Capital Expenditure request allows the project team to commence with entering into contracts on the overall scheme and thus avoid adverse consequences of a delay in programming or budget terms.

**Contact Officers:**

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| Richard Paver<br>City Treasurer<br><br>0161 234 3564<br>E-mail richard.paver@manchester.gov.uk      | Steve Mycio<br>Deputy Chief Executive<br><br>0161 234 3031<br>E-mail s.mycio@manchester.gov.uk          |
| Carol Culley<br>Assistant Chief Executive<br><br>0161 234 3406<br>E-mail c.culley@manchester.gov.uk | Fran Toms<br>Head of Strategic Cultural Projects<br><br>0161 234 4256<br>Email f.toms@manchester.gov.uk |

**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.

- Executive Committee Report dated 21 October 2009
- Executive Committee Report dated 13 January 2010

## **1. Background**

- 1.1 In October 2009, The Chief Executive submitted a report to the Executive, outlining an exciting opportunity to relocate the National Football Museum to Urbis. Members were requested to approve in principle that Urbis be converted to become the new National Football Museum (NFM) and that the current revenue grant for Urbis be used to fund the museum on an annual basis.
- 1.2 The Executive also approved in principle a capital contribution to the conversion of Urbis subject to seeking partnership funding towards the scheme. It was reported that extensive feasibility work that had been undertaken indicating a capital cost of circa £8m and sustainable business model assuming revenue support of £2m per annum. Members also noted that there exists a real opportunity to generate additional outputs for residents and greater economic return on the city's investment than Urbis was previously able to achieve.
- 1.3 In January 2010, the Executive received an update report on the work undertaken in the period to facilitate the relocation of the NFM to Urbis, including implications for staff at Urbis, progress towards securing capital funding from partners and a programming update.
- 1.4 The report stated that a local consortium had offered an alternative proposal to the NFM trustees following news of the proposed move to Manchester. Therefore at that time, it was important that comfort could be given to the Trustees of NFM that MCC was committed to the capital and revenue implications, allowing them to properly assess the options open to them. There was however a timescale issue with providing this comfort due to the need to develop the project to an advanced stage of design in order to formally apply to NWDA for partnership funding. On the basis of this, approval was sought to increase the capital fund by £8m for the adaptation of Urbis in order to provide a commitment to the Trustees of NFM. One-off revenue support in year 09/10 to cover transitional costs in the relocation and refurbishment period was also approved at this time.

## **2 Current Position**

- 2.1 Since the report to the Executive was considered in January 2010, a significant amount of progress has been made and work completed. The design team has been appointed, including the Exhibition Designer, Quantity Surveyors and Building Contractors. It was necessary to engage these professionals early on in the process to develop the design to Stage D in RIBA stages of work, which is the necessary detail required to complete a funding application to NWDA.
- 2.2 A significant amount of design work and cost analysis in involved in developing a scheme to Stage D and this process has been accelerated by the team to ensure the funding application was completed as soon as possible. The conclusion of the design and costing work confirmed that the

scheme is deliverable to a high quality within the originally anticipated cost envelope of £8m. However, it is NWDA policy that expenditure incurred prior to a formal offer of grant, is deemed ineligible. As a formal offer cannot be made until stage D design is reached and has been assessed by NWDA appraisers, this means that all the fees associated with designing the project to stage D had to be funded outside of the £8m.

- 2.3 Following a period of intense design work, an application was submitted to NWDA for appraisal on 8<sup>th</sup> October 2010. It was anticipated at that point that a decision on the application would be taken by NWDA on 30<sup>th</sup> November. Unfortunately, the timetable for the decision slipped because the European Team were not in a position to conclude their appraisal in time for the November deadline.
- 2.4 Although we have not yet got a final decision, we now have a clear timetable from NWDA and ERDF who expect to have concluded their appraisal this week and make a recommendation to their Committee on 7<sup>th</sup> February 2011. In order to avoid any further delays and as a consequence additional expenditure, it is now necessary to enter into formal contract with the design team, in particular the building contractor who is due to start on site in late January. To proceed with letting contracts, we therefore require authority for capital expenditure to commence immediately.

### **3. Conclusion**

- 3.1 As described above, there is a design team in place who have been working on developing the project for some time. The team are working under letters of intent however this has only been possible to achieve as the project has been at design stage. The programme dictates that contractors need to start on site in January and this involves expenditure on site set up and ordering of materials. In addition, the team is in the process of procuring specialists suppliers who will need to place orders on showcases and other equipment for the exhibitions. The team will not be able to place these orders or instruct the contracts without Capital Expenditure authority. Any delay at this stage in the project will result of increased costs to the project and threaten the delivery of the outputs that the project is committed to, in particular as part of its funding application to NWDA.
- 3.2 In order to negate the adverse consequences of further delay to progress, officers considered that the Committee would wish to receive a report on the progress and matters facing the NFM at Urbis project in advance of the key decision being made, with a view to exemption of call in being sought from the Chair.