

Levelling Up Fund Application-Culture in the City, Manchester

BID SUMMARY

Please provide an overview of the bid proposal

The Culture in the City project will deliver high quality, affordable tech and creative work and production space in under-developed parts of Manchester city centre that are recognised regeneration priority areas, supporting levelling up, economic recovery and sector growth.

Levelling Up Fund investment will deliver:

A new tech incubator, providing affordable yet high quality and flexible workspace for start-up and early stage tech companies. Two dilapidated Listed buildings – Upper and Lower Campfield Markets – within the St John's Strategic Regeneration Framework area will be repurposed, providing approximately 7,990m² of modern workspace.

The offer will include resident and flexible access desks, meeting rooms, studios and event space, accessible under a membership model that is responsive to the sector's needs.

Upper Campfield (2,604m² NIA)

- 202 resident desks
- 80 studio desks
- additional capacity for 88 people to work in informal areas
- meeting rooms
- public and events space

Lower Campfield (4,786m² NIA)

- 126 resident desks
- 410 studio desks
- additional capacity for 178 people to work in informal areas
- meeting rooms
- a studio, wellness studio and rehearsal studio

- public and events space

Following the Exchange model being successfully applied at St John's, the facility – through a 15-year commitment – will:

- Engage ambitious early stage tech companies on a 6 to 12-month scheme.
- Offer accommodation at subsidised rates, including free space.
- Facilitate networking and collaborative working between members.
- Provide access to tailored events, including themed workshops, upskilling sessions and speaker events.
- Provide the support needed by new and growing businesses to succeed.

Public investment is also designed to catalyse private sector investment in a third building (Castlefield House) which sits outside the scope of this project but is located between the two Campfield Market buildings, providing further growth in the tech ecosystem.

Artists' workshop and training accommodation through the conversion of three unused railway arches to create a Creative Talent Development Hub at HOME Arches. The arches will offer:

1. Flexible workshop space for work with young people.
2. Affordable co-working space for artists.
3. A double-height making and sharing space for artists.

Adjacent to and operated by HOME – Manchester's arts centre – the facility will target artists of all ages, backgrounds, disciplines and stages of their careers and give them a greater sense of ownership of facilities in the city, empowering them to develop new work and successful careers.

The facility will offer 5,000 hours of free rehearsal space and allow up to 3,500 young people and an additional 50 schools to benefit from HOME's training offer per annum, bringing both economic and social benefits.

Focusing on under-utilised and empty buildings in expanding areas of the city centre supports brownfield regeneration (including the re-use of heritage assets) to secure multiple benefits. The project can start on site in early 2022. Using the expertise of HOME together with the Bonded Warehouse Tech Hub at nearby St John's, the project responds to recognised challenges and opportunities.

Please set out the value of capital grant being requested from UK Government

£19,823,516

Please specify the proportion of funding requested for each of the Fund's investment themes

Regeneration and town centre	57%
Cultural	43%

STRATEGIC FIT

Have any MPs formally endorsed this bid?

Yes

This application – seeking support for delivery within the Manchester Central constituency – is supported by Lucy Powell MP.

It is confirmed that this is the only Levelling Up Fund application Lucy Powell MP has offered her support to.

Please provide evidence of the local challenges/barriers to growth and context that the bid is seeking to respond to.

Challenges to growth include:

- **Addressing a shortage of affordable tech and creative workspace:** As Europe's fastest-growing tech city, with a 277% boost in investment in 2019 compared to the previous year, demand for workspace currently outstrips supply. Unmet demand for affordable workspace is evident in property waiting lists and, despite high demand, creative uses have been displaced as higher value development opportunities have been taken (Tech Hub enquiries and 2019 Creative Workspace Study).
- **Meeting sector specific needs:** Even before the pandemic, the tech and creative sectors were demanding work and performance space that is flexible, informal and supportive of new ways of working, as well as being affordable (Tech Hub intelligence and Creative Workspace Study 2019). The market has not responded, with public intervention needed to deliver provision to meet the sector's needs, including ensuring affordability for start-up and early stage local businesses.

- **Providing opportunities for entrepreneurs and new start businesses:** People aged 16-64 have been severely impacted by the pandemic, with out of work claimants doubling between March and May 2020. Claimant count unemployment rates for 16 to 24 year olds within the city stand at over 6,800 in April 2021, up from around 3,000 at the start of 2020 (126% growth, accounting for 19% of all claimants). The tech and creative sectors provide an important source of new employment generation for Manchester's young people with the sectors' employment profile dominated by a young demographic.¹
- **Securing sustainable uses for heritage buildings:** Upper and Lower Campfield Markets are Grade II listed and are in a poor and deteriorating state of repair, while the railway arches by HOME are a distinctive heritage feature that remains under-utilised. Investment is needed to protect their future, through repurposing and making them publicly accessible.
- **Supporting the economic recovery:** The creative industries have been severely affected by COVID-19, particularly the self-employed and freelance community. Oxford Economics forecasts suggest the UK's creative sector was hit twice as hard as the wider economy in 2020.

The creative and tech sectors can play a key role in supporting economic recovery as restrictions are eased. Returning to its pre-COVID-19 growth levels will drive economic growth with employment forecast to grow by 18% in Manchester (compared to 9% across the UK) between 2020 and 2038². Accommodation is needed to allow this forecast to be realised.

There is also an imperative to support the city centre's recovery. Footfall in 2020 dropped by 89%, with implications for local businesses.³ Culture and creativity have an important role in attracting people back to the city centre.

- **Creating opportunities for all:** Despite Manchester's success, benefits are spread unevenly across the city. The IMD 2019 shows that Manchester remains the sixth most deprived local authority in the country with action needed to level up opportunities.
- **Expanding under-developed parts of the city centre:** As the city seeks to accommodate a growing mass and variety of uses, securing the city centre's expansion is important to Manchester's vitality and economic resilience, allowing both new entrants and existing activities to be accommodated.

The project is designed to support Manchester and specifically the city's creative sector and under-developed parts of the city centre to recover from the COVID-19 pandemic and support levelling up. Despite challenges, there is a recognised opportunity to build on an emerging creative district within the city, support

¹ The average age for tech workers is 5 years lower than non tech workers
<https://www.diversityintech.co.uk/the-truth-about-ageism-in-tech>

² Greater Manchester Forecasting Model (GMFM), 2018

³ <https://cityco.com/report/city-centre-monthly-footfall-trends/>

Manchester to recover from the COVID-19 pandemic and recognise the growing tech and creative presence and growth opportunity. This project is a direct response, creating opportunities for Manchester to continue to grow, in support of the national levelling up agenda and creating accessible opportunities for people looking to start or grow a business within the city and develop their skills and talents.

Explain why Government investment is needed (what is the market failure)?

The key market failures are:

- **Viability gaps** are evident in the development proposals, requiring the public sector to intervene, if accommodation is to be provided that is affordable and appropriate to the sector's needs. Whilst the private sector could potentially deliver a commercially focused solution, this would not satisfy levelling up ambitions to grow new enterprise and nurture small businesses nor support the target sector's growth. The vacant premises have not secured commercial development in many years.
- **Coordination failures** as no single party can take forward the works in isolation due to multiple interests. The public sector has a key role in unlocking the opportunity.
- **Imperfect information** can result in new businesses and start-up's making decisions which have an adverse effect on their business. This project will provide a supportive eco-system for creative, digital and tech businesses, facilitating knowledge sharing and peer-to-peer learning, helping to overcome barriers facing new and potential entrepreneurs.
- **Macroeconomic instability** from the COVID-19 pandemic. This project will support economic recovery by providing tailored, flexible and affordable space that is accessible to creative businesses, many of which have been adversely impacted.

Manchester offers potential for growth with the city's creative sector forecast to record employment growth of 18% (compared to 9% across the UK) between 2020 and 2038 and GVA growth of as much as 50%⁴. However, support is needed to allow the opportunity to be captured. Without public intervention, there is a very real danger this opportunity will be lost. Market forces often hinder the sector with implications for the ability to secure growth within the city and support wider levelling up ambitions.

⁴ Greater Manchester Forecasting Model (GMFM), 2018

Please set out a clear explanation on what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, we would expect to understand the rationale for the location.

LUF investment will support:

- Detailed design work
- Building repair and repurposing
- Fit out of space

These activities will be delivered across the two facilities detailed in Section 3b, creating a new tech incubator and Creative Talent Development Hub.

By investing in the items above to create new affordable tech and creative workspace, the project will address identified challenges by:

Challenge	Project response
Overcoming a shortage of affordable workspace	The project will dedicate much needed workspace to the tech and creative sector providing 8,440m ² of flexible, affordable accommodation.
Meeting sector specific needs	The scheme will provide SME tech and creative businesses and individuals with the space they need to thrive. The project is flexible and responsive to sector needs, in terms of: <ul style="list-style-type: none"> • the nature of space to be provided; • providing accommodation as and when required (through a membership model at Campfield and ad-hoc access at HOME Arches); • the ability to locate with like-minded businesses; • setting rental levels that are achievable (including access to free rehearsal space); and • expanding the support ecosystem to foster collaboration, learning and growth.
Providing opportunities for young entrepreneurs and new start businesses	New businesses need flexibility when committing to workspace and can benefit significantly from locating alongside similar businesses, both of which will be offered by the project. By linking workspace to the Enterprise City Exchange programme ⁵ , emerging tech talent will be targeted and supported. By supporting talent at varying stages of maturity, the programme provides a platform for peer-

⁵ See Appendix 1

	<p>to-peer learning, supports collaboration and can serve as both a gateway and incubator.</p> <p>The Arches will create an additional 5,000 hours of free rehearsal space in the city; and build the creative skills of Manchester’s young people to prepare them for careers in the creative sector.</p>
Securing sustainable uses for heritage buildings	The project will return two Grade II listed buildings and three railway arches to active economic use, establishing their sustainable future and protecting heritage assets.
Supporting the economic recovery	<p>A refurbishment project of scale, providing short-term construction opportunities and, once completed, physical space for 820 tech and creative workers but that is expected to support flexible use by higher numbers and support 4,000 jobs over 15 years. The project will nurture new businesses, freelancers and SMEs, supporting them to grow, generating a strong GVA contribution and strengthening the sector’s eco-system. Proposals continue to expand a creative district within the city that will attract further investment and occupiers within a growth sector.</p> <p>Footfall will be considerable. Once completed, Campfield alone will accommodate approximately 820 workers (1,100 when Castlefield House is included) who will use the space on a flexible basis with HOME Arches to attract regular visits for economic and social purposes.</p>
Creating opportunities for all	<p>Residents from across the city will benefit from expanded training, creative production and employment opportunities created by the project. Support for enterprise will also allow residents to make an economic contribution in another way.</p> <p>There are opportunities for strong links to the Factory Academy⁶ and the Science Museum’s STEM programme, which provides skills and training opportunities for young people from all backgrounds, who wish to improve their life chances through working or performing in the cultural sector.</p>
Expanding under-developed areas of the city centre	The project will develop key sites that support the city centre’s expansion, allowing uses that have been crowded out of the core to be accommodated and providing new reasons for people to visit and work in the area.

⁶ Factory Academy is part of Manchester’s plans for Factory – a new venue for creativity and the arts in St John’s – that puts skills and training opportunities at the core of the vision and will enable people from all backgrounds to build careers in the creative industries.

Further details are provided in the next section.

The location allows for:

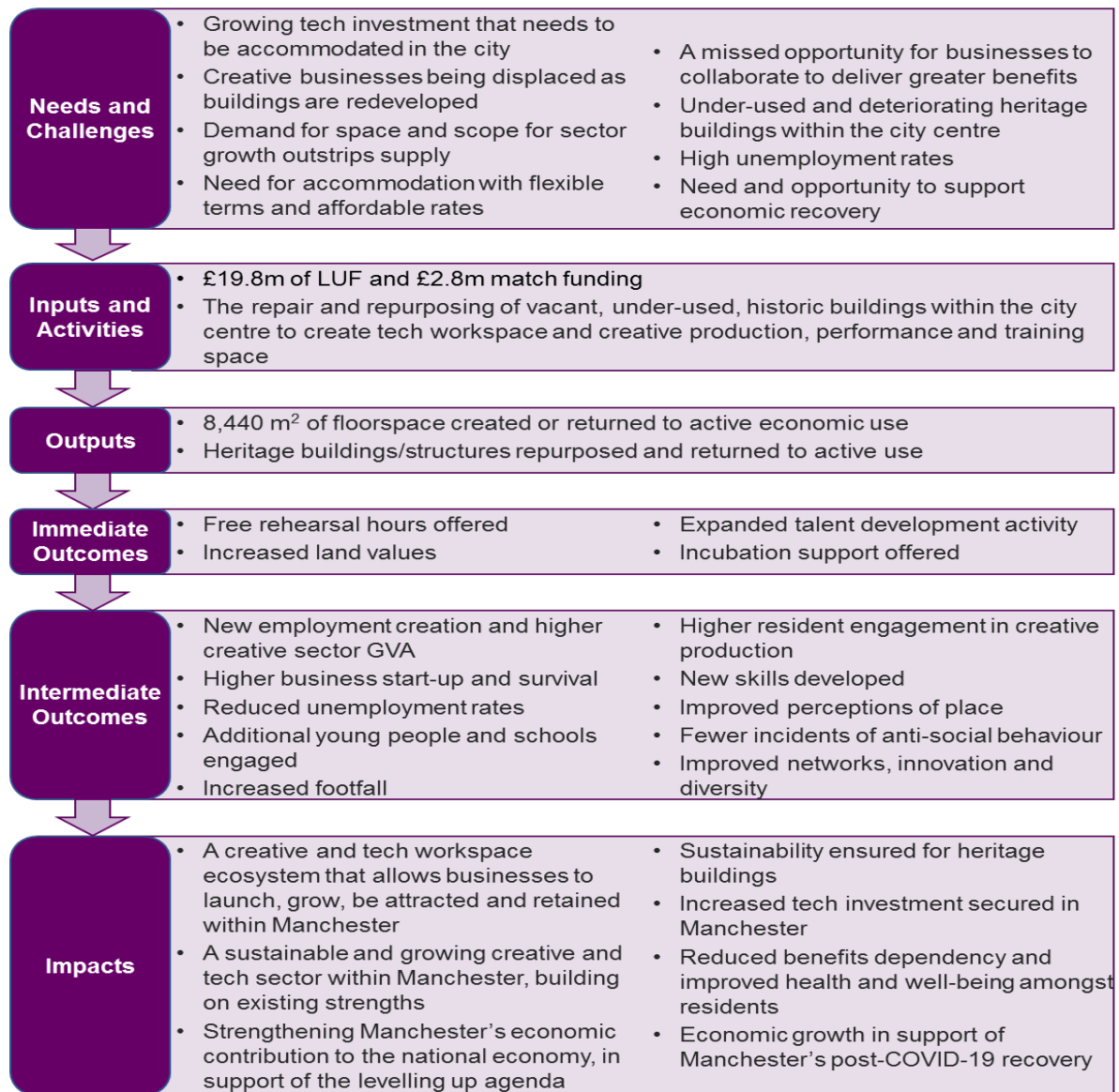
- Establishment of an expanded creative district and growing ecosystem
- Redundant and under-used buildings to be regenerated and returned to use
- Under-developed parts of the city centre to expand
- Spaces to be accessible to creative businesses from across Manchester
- Private sector investment to be leveraged
- Connectivity to surrounding local communities

While overcoming challenges sits at the core of the proposition, the project also recognises the opportunity for Manchester's creative sector to help level up the national economy and provide new opportunities for local businesses and residents.

Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions

The theory of change

Interventions respond to identified needs and consideration of desired outputs, outcomes and impacts. A Theory of Change assessment shows how the requested funding will support the achievement of outputs which, in turn, will lead on to target outcomes and impacts, as illustrated below.



Considering each element in turn:

Needs and challenges

As detailed in Section of the local challenges/barriers to growth, the creative sector faces challenges to both retain existing activity and grow within the city centre. We know that:

- **Manchester needs to position for economic recovery:** As a resilient city, Manchester can support the GM, Northern and National recovery. Unemployment rates have been exacerbated by the pandemic and levelling up to provide opportunities for all within the city remains a priority.
- **The tech and creative sector offer growth potential, if supported:** Building on existing strengths, strong tech investment and sector forecasts, there is an opportunity to capture tech and creative growth. With a focus on start-up and

early stage businesses, a supportive ecosystem is needed to capture the opportunity, including through co-location, training/development and collaboration.

- **The accommodation offer is key:** There is a shortage of accommodation to satisfy sector needs – demand outstrips supply. Creative businesses are being displaced as buildings are redeveloped for uses offering higher commercial returns and to meet wider growth objectives. Modern accommodation needs to be made available on flexible terms and at affordable rates and under-used and deteriorating buildings in the city centre could serve the market.

Inputs and activities

The requested £19.8m of LUF support, alongside £2.8m of match funding will support the refurbishment of vacant, under-used, historic buildings within under-developed parts of the city centre to provide space that is tailored to the needs of the creative sector. The accessible, high quality yet affordable work and performance spaces will be offered on terms that meet the sector's needs and can facilitate growing programmes of activity.

Outputs

The direct output of supported activities will be the completion of 8,440m² of high-quality tech and creative work, production, performance and training space.

This output represents the accommodation needed to allow creative businesses to be retained, attracted and to grow within the city, as well as supporting new creative talent. All accommodation will be let at subsidised rates to meet the sector's needs, including free to access accommodation.

By addressing dilapidated and hoarded buildings, the street scene will also be enhanced.

Outcomes

By providing an appropriate and accessible accommodation offer, that is supportive of the creative sector's requirements and with on-site support, **immediate outcomes** include the delivery of an expanded talent development programme and support for growing businesses.

Intermediate outcomes will be:

- **A stronger sector:** Signified by new employment creation (including opportunities for young people), higher rates of business start-up and survival and increased creative sector GVA.
- **Improved resident prospects:** Evident in higher resident engagement in creative production, new skills developed (with up to 3,500 young people a year trained in creative skills) and reduced unemployment rates, particularly amongst young people.
- **Place based benefits:** Including heritage buildings returned to active use, improved perceptions of place and local environment, increased footfall, fewer incidents of anti-social behaviour and increased land values.

Impacts

The ultimate impacts of LUF intervention will be:

- **Sector specific:** Establishment of a creative and tech workspace and talent development ecosystem that allows individuals and businesses to launch, grow, be attracted and retained within Manchester, creating a sustainable, larger and strong creative and tech sector that builds on existing strengths.
- **Economy wide:** Economic growth in support of Manchester's post-COVID-19 recovery and strengthening Manchester's contribution to the national economy, in support of the levelling up agenda. Residents will benefit from reduced benefits dependency, increased earnings potential and improved health and well-being. Sustainable end uses will have been secured for heritage buildings.

Explain how your bid aligns to and supports relevant local strategies (such as Local Plans, local economic strategies, or Local Transport Plans) and local objectives for investment, improving infrastructure and levelling up.

The LUF proposal is strategically aligned with local strategies, recognising:

- The considerable and growing role of the tech and creative sectors within the city's economy and across Greater Manchester;
- Manchester city centre's role as the driver of the Greater Manchester economy and leading role in the success of the North – supporting the national economic recovery and levelling up agendas; and
- The city's focus on securing growth and providing opportunities for local people and businesses.

Strategic links include:

Strategy	Fit
<p>Greater Manchester Cultural Strategy</p>	<p>Recognises the contribution of the cultural economy and scope for further growth. The project will support ambitions to:</p> <ul style="list-style-type: none"> • secure a 20% increase in cultural, heritage or creative businesses; • increase cultural participation amongst residents; and • raise uptake of cultural subjects in the education system.
<p>Culture Recovery Plan</p>	<p>Highlights the role of the sector's stabilisation and stimulus within the city's economic and social recovery. The sector is noted to have played a key role in pre-COVID growth and ability to support future growth.</p>
<p>Manchester Economic Recovery Plan</p>	<p>Highlights the importance of science and technology, creative and cultural and digital sectors, and refers to a lack of affordable creative workspace within the city.</p> <p>Campfield Yard and HOME Arches are named as key projects within the cultural and creative investment plan, acknowledging a priority to increase the space available for cultural and creative industries in the city, particularly small, flexible space suitable for micro enterprises and the self-employed.</p>
<p>Our Manchester Industrial Strategy</p>	<p>Cites Manchester's sector strengths in digital, creative and media as well as Manchester having the largest tech sector in the UK outside London. The Strategy highlights the city's strong track record of converting older buildings into more productive uses, supporting environmental sustainability and zero carbon ambitions.</p> <p>Affordable and flexible workspaces was noted to encourage entrepreneurship and innovation. The LUF proposal supports the Strategy's aims to be an international hub for tech and creative industries and an innovative and entrepreneurial city, by providing affordable flexible tailored space and supporting start-ups.</p>
<p>Area regeneration frameworks</p>	<p>St John's: Sets out plans for a new mixed-use city centre neighbourhood, delivering significant workspace for Manchester's economic growth sectors including creative industries and the technology, media, and telecom sector alongside residential uses.</p> <p>The Campfield offer will form part of a continuum of workspace, catering for entrepreneurs and small businesses in their start-up and development phases, alongside the Enterprise City offer. A creative Enterprise Zone application is also being prepared that would strengthen the Campfield</p>

	<p>development as an opportunity to support small businesses and start-ups.</p> <p>First Street: The 2015 Framework identified potential to deliver significant employment space and attract key growth sectors including the media and technology sector, to add value to Manchester’s economic base. HOME’s intention to introduce active uses into three of the railway arches was recognised in the framework, as well as HOME’s role as an anchor in the north.</p> <p>The 2020 update reemphasises the ability of the area to continue to support the creation of substantial employment opportunities.</p>
--	--

Explain how the bid aligns to and supports the UK Government policy objectives, legal and statutory commitments, such as delivering Net Zero carbon emissions and improving air quality

Manchester has committed to becoming zero-carbon by 2038 at the latest, 12 years ahead of the national target, and the Council declared a Climate Emergency in July 2019.

Our climate change action plan 2020-5 establishes clear and measurable actions to reduce our direct carbon emissions by 50% by 2025. The Council’s Zero Carbon Coordination Group (ZCCG) is chaired by the Deputy Chief Executive, and reports to the newly established Environment and Climate Change Scrutiny Committee.

This framework is reflected in our project plans. If successful, the project will go through our Gateway process to ensure compliance with our zero carbon targets. A 10% environmental weighting will be included in our procurement from September 2021, following a pilot within Highways, and a Manchester Build Standard is going through sign-off and should be in place for this project.

Through the repurposing of existing buildings, the project reduces the environmental impact of creating new provision with carbon reduction considerations at the design and construction stages. The buildings are located close to Deansgate and Oxford Road railway stations, a Metrolink stop, bus routes and secure cycle parking, making them accessible to workers from across the conurbation.

GMAC is a founding member of the Manchester Arts Sustainability Team (MAST) initiative – a national and international exemplar of collective carbon reduction

targets and engaging audiences and customers. HOME is the first arts and cultural venue in the world to have 100% of staff trained in Carbon Literacy (certified by the Carbon Literacy Project) and is one of the first organisations worldwide to be recognised with Platinum Carbon Literate Organisation status. This leading practice will be implemented in the development and management of the Arches.

Where applicable explain how the bid complements / or aligns to and supports other investments from different funding streams

The project will:

- Align with the £16m Additional Restrictions Grant received by the city – £2.3m focused on culture – to support the sector and city's recovery.
- Build on the success of the DCMS and Manchester City Council seed funded Bonded Warehouse, recognising strong demand for space, known business needs and levelling up/growth opportunities.
- Complement public sector funding to HOME, including NPO grant support from ACE and a strategic funding relationship with the BFI for Film Hub North, allowing work with communities and artists to expand.
- Following receipt of ACE Emergency grant aid and DCMS Cultural Recovery Fund support, provide HOME with additional commercial income streams (in the main building) to support its sustainable future.
- Sit alongside private sector investment in the adjacent St John's (including the £500m Enterprise City development and DCMS funded Factory) and First Street neighbourhoods where new development is delivering significant change.
- Complement the Creative Enterprise Zone application being prepared for the St John's neighbourhood that will harness opportunities generated by the Factory, Enterprise City at St. John's and the wider creative economy.
- Provide a productive use for the Lower Campfield Market once the Science Museum Group has relocated its plane exhibits, a DCMS approved decant, as part of their £22m site redevelopment plans.
- Link to the Factory Academy and Science Museum STEM programmes, providing people with opportunities to develop their careers and own businesses in the creative industries. The Factory Futures programme will benefit 10,500 unemployed young people over the next five years, including 1,400 Kickstart, and traineeship places. It is expected that a proportion of these trainees will go on to set up their own businesses.

By aligning investment, the project enhances the impacts that public investment can secure, supporting the levelling up agenda and improving the prospects of key economic sectors that can provide opportunities for people with varied interests and skills sets.

Please explain how the bid aligns to and supports the Government’s expectation that all local road projects will deliver or improve cycling and walking infrastructure and include bus priority measures (unless it can be shown that there is little or no need to do so).

Not applicable to the project scope.

The project location does however seek to take advantage of walking and cycling routes within the city centre as well as links to nearby public transport and secure cycle parking provision. The recently refreshed City Centre Transport Strategy seeks to make improvements to streets linked to both facilities, including Deansgate and Whitworth Street, to make them more pedestrian and cycle friendly.

Manchester City Council is one of 10 local authorities covered by the Greater Manchester Transport Strategy 2040 which set out Greater Manchester’s long term ambition for transport. Our vision is for Greater Manchester to have ‘World-class connections that support long-term sustainable economic growth and access to opportunity for all’. By 2040 we want 50% of all journeys in Greater Manchester be made by walking, cycling and public transport. The central aim of the City Centre Transport Strategy is the ambitious goal for 90% of all trips to the city centre to be made on foot, by cycle or using public transport by 2040 in the morning peak. For travel within the city centre, there is an aspiration that walking will become the mode of choice.

VALUE FOR MONEY

Please use up to date evidence to demonstrate the scale and significance of local problems and issues

Challenge	Current position
Loss of creative workspace	Between 2016-2019, 4 studio sites in Manchester closed (despite 100% occupancy) as higher value development opportunities have been taken
Demand for creative space outstrips supply	A 2019 study found all studio providers consulted reported 100% occupancy with strong waiting lists
Unaffordable market rents	Average price for a desk in city centre private office c.£350/month. 2016 survey of studio-tenants/graduates found 80% would be able to pay up to £150/month. Limited supply of new/refurbished floorspace means gap between market and affordable rents is likely to persist.

Unsatisfied rehearsal space demand	c.10% of requests for rehearsal space satisfied
Strong creative sector growth forecasts to accommodate	Forecast sector employment growth 18% in Manchester (9% UK) between 2020-2038 and GVA growth of c.50%.
Low level of engagement with culture	GM has a lower level of engagement with culture (60.1%) than Greater London (68.4%), West Midlands (66.6%) and LCR (62.3%)
Poor condition of heritage assets	Condition reports for Campfield sites reported several defects both internally and externally
Under-developed parts of the city centre	Several sites have been left undeveloped for many years, when left to market forces
High unemployment rate	Unemployment rate 8.6% in Manchester (4.8% nationally) in 2020. April 2021 – 35,755 claimants in Manchester, 9.2% of working age population (6.5% nationally).
Continued deprivation	Manchester is 6th most deprived LA in England - 46% of LSOA's within the most deprived 10%
Impact of Covid-19 on City Centre footfall	Footfall 80% lower in Feb-2021 than Feb-2020 89% drop in 2020 compared to 2019
Low incomes	£14,864 in Manchester per capita, £21,609 nationally
High levels of crime	Crime rates per 1,000: 164.08 Manchester, 88.43 nationally Recorded crimes: 2,307 within 1/4 mile radius of project sites

Bids should demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased

Overarching Approach

Evidence has been selected on the basis that it appropriately and accurately demonstrates challenges and provides a robust, up to date and locally specific picture. A wide range of evidence sources have been considered, including:

- National published datasets from recognised bodies such as ONS, widely recognised for the legitimacy of data. These datasets go through rigorous

checks to ensure robustness with caveats noted where necessary. There is no scope for bias in the statistics secured through these sources.

- Independently published reports for sector specific and local market insights from recognised specialist organisations who are well-respected in their field.
- Robust, detailed independent condition reports by well-respected, global engineering consultancies and chartered surveyors.
- Independently collected footfall data from leading providers of retail data analytics, widely used by public and private sector for footfall data and insights, known for the accuracy of data analytics.
- Manchester City Council intelligence of planning and development activity within the areas of interest.

Insights gathered through locally commissioned studies, have been assessed by the commissioning officers in terms of quality to ensure they are well evidenced and robust. All commissions have been required to provide a factual assessment of the position at the time they were commissioned and to evidence the results. This approach will have minimised potential biases in the results.

Whilst the none of the reports were commissioned specifically to support the preparation of this funding application, they have informed wider project and strategy planning and the need to develop responsive and deliverable proposals, including those contained within this bid.

Evidence Sources

The sources for evidence presented in the previous paragraph are detailed below.

Indicator	Source	Geography
Loss of creative workspace	Creative Workspaces in Manchester, Counterculture Partnership, 2019	Manchester
Demand for creative space continues to outstrip supply	Creative Workspaces in Manchester, Counterculture Partnership, 2019	Manchester
Strong creative sector growth forecasts	Greater Manchester Forecasting Model, 2018	Manchester
Continued deprivation	IMD 2019	Manchester

High unemployment rate	ONS Annual Population Survey, 2020 ONS Claimant Count, April 2021	Manchester
Low disposable household income	ONS GDHI per head of population at current basic prices, 2018	Manchester
Unsatisfied rehearsal space demand	HOME records, 2021	Manchester City centre
Growing under-developed parts of the city centre	MCC experience at Granada Studios, Listed Market buildings and Water Street site	Manchester City centre
Impact of Covid-19 on City Centre footfall	https://cityco.com/report/city-centre-monthly-footfall-trends/	Manchester City centre
High levels of crime	https://www.police.uk/your-area/greater-manchester-police/ ONS population estimates Office for National Statistics via LGINform: https://lginform.local.gov.uk/reports 2019 https://www.ukcrimestats.com/2019	Manchester wide rates and ¼ mile radius from intervention area
Market rents are unaffordable	https://www.savills.co.uk/research_articles/229130/314716-0 Artists' Studios in Greater Manchester, ekosgen, 2016	City Centre rents, Greater Manchester wide studio tenants
Low level of engagement with culture	www.artscouncil.org.uk/participating-and-attending/active-lives-survey	Greater Manchester
Poor condition of heritage assets	Property condition reports prepared by Jacobs (for Upper Campfield Market) and AHR (for Lower Campfield Market)	Site specific

Please demonstrate that data and evidence chosen is appropriate to the area of influence of the interventions

The Culture in the City project is designed to deliver benefits for Manchester. Given the city's prominence in the Greater Manchester economy, it will however also secure benefits for the sub-region as a whole by driving growth in the creative, digital and tech sector at the core of the conurbation.

The following geographies have been considered within the evidence base (see table in the previous paragraph), on the basis of the nature of the issue being explored and data availability:

- **Site specific:** Issues relating to property condition require consideration at the level of each property to benefit from LUF investment.
- **Small area:** Given that the scheme will help to regenerate a currently under-developed part of the city, including properties that are currently vacant, increasing vibrancy and footfall, a small area of influence has been selected for crime evidence. A ¼ mile radius from the midpoint between Campfield and HOME Arches has been applied.
- **Manchester City Centre:** As this scheme will deliver significant workspace for creative and tech industries within the city centre, it is appropriate to look at existing provision, demand for space, occupancy rates, footfall and current market rents within the city centre.
- **Manchester wide:** When considering the supply and demand of creative workspace and sector growth forecasts, Manchester wide evidence has been presented. In addition for issues such as deprivation, unemployment and income inequality it is important to consider Manchester wide data given that the project is intended to provide employment and training opportunities and engage with residents from across the city, including from within deprived parts of the city.

Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems. Quantifiable impacts should usually be forecasted using a suitable model

Challenge	Project Response
Loss of creative workspace	Directly create new affordable and flexible tech and creative workspace
Mismatch in demand and supply of affordable creative workspace	Delivering affordable creative workspace in an area of high demand, that would not otherwise be delivered by the market and is responsive to sector needs
High levels of unemployment	Support a range of new employment, entrepreneurial and training opportunities, supporting entry/ re-entry to employment
Supporting the economic recovery	Deliver workspace and a supportive business ecosystem through co-location, training/development and collaboration (including the Factory Academy), supporting job creation, business start-ups and higher rates of survival and economic growth in creative and high value tech sectors

Expanding under-developed areas of the city centre	Develop key sites in an under-utilised area of the city centre, providing new reasons for people to visit the area, recognising the role of culture in driving city centre footfall
Low level of engagement with culture	Free rehearsal space, a creative training programme (for up to 3,500 young people p.a.) and additional school engagement at HOME Arches will support higher resident engagement, including those from hard-to-reach groups
High deprivation	Deliver new employment and training opportunities, helping to increase earning potential and support greater health and wellbeing through engaging residents in creative production and culture (shown to improve both mental and physical health ⁷)
High incidences of crime	Return vacant units to active use in an under-utilised part of the city, increasing natural surveillance, driving footfall and reducing opportunities for crime and anti-social behaviour
Low resident median incomes	Provide training and employment opportunities for residents helping to increase residents' earning potential

The following Green Book compliant indicators, in support of the challenges above, are supported by the works and are quantified in the value for money assessment:

Benefit	Project Link
Land value uplift – site specific	Deliver new uses on sites that could not be developed in the absence of intervention, supporting a change of use that increases the land value and addresses the challenge of creative workspace
Land value uplift – wider catalytic	By delivering in regeneration areas, the project is expected to support increased developer confidence and greater buyer interest, thereby unlocking commercial and residential developments that support higher land values
Labour supply benefits	New employment opportunities to be accommodated on site will provide opportunities for those entering/re-entering the labour market, helping to address high unemployment levels in Manchester
Crime reduction benefit	Support an increase in footfall and improve perceptions in an underused area of the city, increasing natural surveillance and reducing incidences of crime
Training benefit	Provide physical space and enable a creative training programme to be delivered for c.3,500 young people p.a.
Distributional benefits	Manchester is the 6 th most deprived local authority in England. It has lower average median incomes and therefore a higher marginal utility of income, meaning that intervention in the city can support levelling up and the redistribution of growth

⁷ Arts Council England, The Value of Arts and Culture to People and Society, 2014

Please describe the robustness of the forecast assumptions, methodology and model outputs. Key factors to be covered include the quality of the analysis or model

The BCR value for money assessment has applied a bespoke excel-based model, developed by an independent economic development and regeneration consultancy, ekosgen, who have expertise in developing Green Book compliant economic cases. This ensured a robust approach was taken, drawing on relevant departmental guidance and local intelligence to model and assess outcomes.

Model outcomes/ forecast benefits	Methodology and Assumptions
Land value uplift – direct and wider	Land value estimates have been produced by Cushman & Wakefield (global commercial real estate services firm) to reflect DCLG values for Green Book policy appraisal 2019. Land values take into account the existing use value, the intended end use value and the uplift to be achieved as a consequence of project activities. The values applied are detailed in Section 5.4a. In accordance with MHCLG Appraisal Guide ⁸ , a 5% per annum uplift on base values has been applied.
Labour supply benefits	Based on labour market availability and the high current local level of unemployment it has been assumed that 5% of the estimated uplift in jobs will be taken up by labour market entrants/re-entrants with a 40% welfare impact in line with labour market availability and WebTAG guidance. A Greater Manchester GVA per job figure for creative, digital and tech sector calculated using ONS BRES and Regional Accounts has been applied to the jobs taken up by new entrants/re-entrants, in line with MHCLG guidance.
Crime reduction benefit	A modest 10% reduction in crimes over 5 years within a 1/4 mile radius of the midpoint of the intervention sites is modelled. This reflects the expected scale of the impact of returning vacant units to active use which will drive footfall and improve perceptions in an underused area of the city, reducing opportunities for crime and anti-social behaviour based on 2019 pre-covid-19 crime levels ⁹ . The economic benefit is estimated applying cost savings per incident per annum, taken from the economic cost of crime in the Greater Manchester Unit Cost Database. ¹⁰

⁸ MHCLG Appraisal Guide recommends in the absence of data specific to the local market, land values be uprated at 5% per year in real terms

⁹ <https://www.ukcrimestats.com/2019>

¹⁰ The Economic and Social Costs of Crime, 2018

Training benefits	The impact of the creative training programme for c.3,500 young people each year has been estimated using the value of vocational training (outside of London) from the HACT Social Value Bank.
Distributional benefits	Following HMT's Green Book guidance, a welfare weight has been calculated to estimate the distributional benefits using disposable household income per head to estimate the marginal utility of income in Manchester relative to the England average.

Further detail of the values applied can be found in Section "How the economic benefits have been estimated".

Additional key assumptions include:

- Use of a 30-year appraisal period
- The timing of benefits coincides with the anticipated timing of development
- Benefits have been discounted by 3.5% per annum from the base year, in line with HMT guidance, to determine the NPV of benefits
- Additionality adjustments have been applied

Please describe how the economic benefits have been estimated. These must be categorised according to different impact. Depending on the nature of intervention, there could be land value uplift, air quality benefits, reduce journey times, support economic growth, support employment, or reduce carbon emissions.

Benefit Specific Assumptions

Economic benefits have been calculated following HMT Green Book guidance, recognising the nature and expected impacts of the proposed intervention. The assumptions for each monetised economic benefit considered within the value for money assessment is detailed below:

- **Land value uplift – direct:** Land value uplift has been calculated for the sites benefiting from LUF investment that will undergo a change of use as a direct result of intervention. A land value of £12,960,000 per hectare of commercial land has been determined by Cushman & Wakefield, in line with DCLG land values for policy appraisal 2019 for Manchester edge of city centre. Some sites were assessed to have zero existing economic value.
- **Land value uplift – wider:** An uplift has been applied to sites which are expected to see a change in use and associated uplift in value as an indirect impact of interventions. Cushman & Wakefield applied the same assumptions

as above plus £2,130,000 per hectare of residential land in Manchester. Given the city centre location of development, this is expected to underplay the potential uplift.

- **Labour supply benefits:** Employment impacts of the scheme have been estimated based on the experience of existing Tech Hubs and the targets to apply to Campfield. It is estimated that 6% of these jobs will be taken up by new entrants/ re-entrants, applying the Greater Manchester GVA per job figure (£48,109, updated to reflect 2020 prices) and assuming a 40% welfare impact for these jobs in line with WebTAG guidance¹¹.
- **Reduction in crime:** The interventions will return vacant and under-used units in need of investment to active use, driving footfall and improving perceptions in an underused area of the city, reducing opportunities for crime and anti-social behaviour, increasing natural surveillance and reducing incidences of crime. Assuming on a 10% reduction in crime within a ¼ mile radius of the intervention area suggests 231 less crimes will be committed over 5 years, generating a crime reduction benefit based on cost savings sustained for 10 years. A value of £1,309 saved per incident per annum (updated to reflect 2020/21 prices) has been applied, in line with the Greater Manchester Unit Cost Database.
- **Training benefits:** are based on the expected number of additional people who benefit from HOME's training offer each year each year as a result of the interventions. These benefits have been calculated based on HACT's Social Value Bank value for vocational training outside of London of £1,167 (updated to reflect 2020 prices).
- **Distributional benefits:** a distributional welfare weight of 1.58 has been applied to benefits following HM Treasury Green Book guidance for intervention in Manchester.

Additionality Assumptions

Consideration of additionality through the calculation of gross and net benefits has been made, with adjustments made to each strand of benefits to take account of deadweight (what would have happened anyway), leakage (benefits which would accrue outside of the sub-region) and displacement (benefits that would occur at the expense of activity elsewhere), drawing on the Homes and Communities Agency

¹¹ Department for Transport, (2018); TAG Unit A2.1: Wider Economic Impacts Appraisal

(HCA) additionality guide gross to net adjustments. The assumptions for each indicator described above are set out below:

Factors Applied	Adjustments Made	Key Assumptions
Land Value Uplift – Direct	Land Value Uplift – Direct	Land Value Uplift – Direct
Deadweight	0%	Sites would not be taken forward without LUF investment
Leakage	0%	Benefit occurs on the site
Displacement	15.0%	Modest level of displacement
Land Value Uplift – Wider	Land Value Uplift – Wider	Land Value Uplift – Wider
Deadweight	7.5%	Based on the sub-regional averages for regeneration through physical infrastructure from the HCA Additionality Guide.
Leakage	0%	Benefit occurs on the site
Displacement	15.0%	Modest level of displacement
		Assumptions regarding the extent to which the LUF project influences wider development have also been applied on a plot by plot basis
Labour Supply Benefits	Labour Supply Benefits	Labour Supply Benefits
Deadweight	26.3%	Based on the sub-regional averages for people and skills from the HCA Additionality Guide.
Leakage	10.0%	Relatively low level of leakage as almost all jobs are expected to go to Greater Manchester residents
Displacement	17.9%	Based on the sub-regional averages for people and skills from the HCA Additionality Guide.
Crime Reduction Benefits	Crime Reduction Benefits	Crime Reduction Benefits
Deadweight	0%	The value is associated with interventions
Leakage	0%	The benefit does not accrue elsewhere
Displacement	75%	High level of displacement following MHCLG appraisal approach for Future High Streets Fund
Training Benefits	Training Benefits	Training Benefits
Deadweight	15%	Based on HACT Social Value Bank deadweight for vocational training benefit
Leakage	13.5%	Based on the sub-regional averages for people and skills from the HCA Additionality Guide.
Displacement	17.9%	Based on the sub-regional averages for people and skills from the HCA Additionality Guide.
Distributional Analysis	Distributional Analysis	Distributional Analysis
Deadweight	N/A	Additionality assumptions already applied to benefits which the distributional analysis covers, and therefore no further additionality adjustments are required

Leakage	N/A	Additionality assumptions already applied to benefits which the distributional analysis covers, and therefore no further additionality adjustments are required
Displacement	N/A	Additionality assumptions already applied to benefits which the distributional analysis covers, and therefore no further additionality adjustments are required

Wider benefits assessment

The intervention will also generate wider economic benefits, not permitted by Green Book within the BCR assessment, most notably **employment and corresponding GVA uplift**. The new employment space is expected to support 4,000 jobs over 15 years as new businesses are established and grow within the city. GVA impact is estimated applying a GVA per job benchmark for Greater Manchester for the creative, digital and tech sector of £48,109, taken from 2018 ONS BRES and Regional Accounts (updated to reflect current prices).

Other non-monetised impacts are considered in Section “What other non-monetised impacts the bid will have”.

Please describe what other non-monetised impacts the bid will have and provide a summary of how these have been assessed.

Above the monetised benefits permissible by HMT’s Green Book included in the BCR assessment, the project will deliver wider monetised and non-monetised benefits, supporting the strategic ambitions of intervention and the project’s theory of change. Examples include:

Impact	Assessment approach/rationale
The creation of 8,440m ² of new and refurbished creative and tech workspace	The project will complete the construction needed to deliver new workspace
Employment uplift of 4,000 jobs over 15 years	Based on targets sets, the experience of the Exchange Tech Hub and focus on supporting tech businesses to grow
New start businesses established and sustained	The project will deliver new incubator and flexible workspace at subsidised rents, and provide the support needed by new and growing businesses to succeed and expand by identifying their direction in the market
Support a gross direct GVA impact for the local economy of	Based on the anticipated employment impact of intervention and GVA per job for the creative, digital and tech sector taken from ONS BRES and Regional Accounts

approximately £39.5m per annum	
Securing sustainable uses for heritage buildings	The project will return two Grade II listed buildings and three historic railway arches to active economic use, establishing their sustainable future and protecting heritage assets
Greater developer and investor confidence	As sites are successfully developed and the sectors grow, developer and investor confidence will continue to grow
Improve health and well-being	For residents, freelancers and businesses benefiting from talent development and the provision of accommodation and support to need their needs
Reduced deprivation	Through greater employment and training opportunities, health and wellbeing and increased earnings potential

Please provide a summary assessment of risks and uncertainties that could affect the overall Value for Money of the bid

The value for money assessment has been undertaken to ensure costs and benefits are relevant to interventions, achievable and robust, with optimism bias already factored into costs within the assessment.

Further consideration of potential risks or uncertainties for the achievement of benefits and costs, which could affect the value for money assessment, has been considered in this section.

The following further sensitivities have been tested to ensure that the project continues to offer value for money under a range of potential scenarios, impacting on the primary benefit indicators:

- Realised land values are lower than anticipated
- Development happening a year later than expected
- Labour supply benefits are lower than anticipated
- Reductions in crime are lower than expected
- Training benefits are lower than expected
- Distributional benefits are lower than expected
- Public sector costs increase
- Benefits reduce and public costs increase

The assessment results are as follows:

	Initial BCR	Initial and Adjusted BCR
Land values are 10% lower than anticipated	1.56	3.79
Development occurs one year later than anticipated	1.68	3.98

Labour supply benefits are 10% lower than anticipated	1.61	3.86
Reductions in crime are 10% lower than expected	1.67	3.95
Training benefits are 10% lower than expected	1.67	3.83
Distributional benefits are 10% lower than expected	1.67	3.81
Public sector costs increase by 10%	1.52	3.60
Benefits reduce by 10% and public costs increase by 10%	1.36	3.23
Baseline position	1.67	3.96

Switching value analysis shows that the net benefits could reduce by 24% of the forecast level and public sector costs could increase by 25% before the BCR falls below 1, the threshold for demonstrating value for money. Project management will, however, ensure that the programme of works will be delivered within the available budget, using cost engineering where necessary to ensure deliverability.

DELIVERABILITY

Please summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted. The procurement route should also be set out with an explanation as to why it is appropriate for a bid of the scale and nature submitted.

Campfield

Procurement strategy:

Options considered:

Option A

MCC Appoint Allied London (with whom a MoU is in place and discussions have been progressed to realise wider ambitions for Campfield and the St John's SRF) to develop and subsequently operate the Campfield Market Buildings

Option B

MCC directly contract consultants and contractors and (ultimately) choose to operate the facility themselves.

Option C

MCC go to market for a new development partner and operator

Option A is the preferred option due to:

- Representing the lowest risk to delivering a successful economic recovery plan
- Allowing comprehensive links to the wider St John's district to be established
- The ability to draw on considerable project, property management and Tech Hub operational skills
- Transferring the maintenance liability to a third party

Commercial structure:

Manchester City Council will appoint Allied London as the development partner for the repurposing of Upper and Lower Campfield Markets. On completion of the works (and refurbishment of Castlefield House, outside the LUF project), Manchester City Council will retain ownership of the buildings and Allied London will be granted a 250 year lease on the buildings to provide tech workspace.

A 15 year grant agreement will require KPIs to be satisfied, including 4,000 jobs, a zero carbon and environmental and social value outputs, and to undertake the procurement of the contract works in line with the Public Contracts Regulation 2015. All Work and Social (an AL company) will be issued 25 year sub lease to operate the Tech Hub.

Risk allocation:

All risk passes to Allied London and on to their contractors, through works specific procurements. Regular monitoring reports will provide updates on progress, justify the drawn down of spend and, during operations, how the facility is performing with intervention to occur should any issues arise.

HOME Arches

Procurement strategy:

Options considered:

Option A

Appoint a design and build contractor

Option B

Procure separate providers for the design and construction works packages

An **Option A** appointment has been made, due to:

- The nature of the works meaning that the design requirement was small scale and may struggle to attract interest.
- A preference to ensure that deliverability was considered by a contractor as part of the design process.
- A desire to ensure a project was ready to proceed, in the event of a funding opportunity becoming available.

If LUF support is not forthcoming, activity will pause after reaching RIBA 3.

Commercial structure:

Manchester City Council has appointed Robertson Construction under a D&B contract. If LUF support is not forthcoming, activity will pause after reaching RIBA 3.

The operation of HOME Arches will be incorporated as an extension to HOME's existing lease for the main building and existing KPIs for levels of engagement and activities delivered.

Risk allocation:

The contracted terms place the risk associated with the HOME Arches programme with Robertson Construction.

Manchester City Council's legal team has reviewed the proposals to ensure compliance with procurement regulations and subsidy controls.

Please summarise the delivery plan

Key project milestones - including work being progressed at risk ahead of a LUF decision – are:

Milestone	Target date
Start project design process	May 2021 (HOME) July 2021 (Campfield)
Begin contractor tendering process	October 2021 (Campfield)
Prepare planning application	October 2021 (HOME) October 2021 (Campfield)
Finish project design process	November 2021 (Campfield) December 2021 (HOME)
Completion of contractor tendering	February 2022 (Campfield)
Planning permission secured	February 2022 (HOME) March 2022 (Campfield)
Start of site construction	March 2022 (Campfield) March 2022 (HOME)
Completion of construction and fit out works	November 2022 (HOME) February 2023 (Campfield)
Opening of site (soft launch for Campfield)	November 2022 (HOME) February-March 2023 (Campfield)

The primary dependencies, which are being managed through programming and risk management, are:

- Securing Levelling Up Fund resource
- The Science Museum Group decanting planes out of the Lower Campfield Market Building to allow for repairs and repurposing to begin
- Signing a legal agreement with ArchCo to allow the HOME Arches works to proceed
- Signing a development agreement with Allied London for Campfield
- Securing listed building and planning permissions

Key parties with a role to play in delivering the project are:

Organisation	Role
Manchester City Council	Project applicant and accountable body for the LUF funding award. Direct commissioner of the HOME Arches works and appointment of Allied London as the developer for Campfield.
Allied London	Developer of the Campfield Market Buildings, ensuring alignment with the wider tech offer, and operator of the facility (through All Work and Social).
Robertson Construction	Design and build contractor for the HOME Arches project.

HOME	Operator of the HOME Arches, expanding their existing role as a key source of talent development in the city.
-------------	---

Experienced, named personnel within each organisation have been identified to deliver the project.

Governance – Manchester City Council’s Economic Recovery Group and Strategic Capital Board will provide overall governance. Below this, a project board will operate for each component, providing oversight of all project activities and ensuring delivery against stated objectives and contractual requirements.

Required consents and approvals are:

	Consent/permission	Status	Planned completion	Judicial Review period
HOME	Planning permission	Pre-planning design	February 2022	6 weeks
HOME	Legal Agreement to hang structures in the Arches (Arch Co., Southside Regeneration Limited, MCC, HOME)	In negotiation	October 2021	N/A
HOME	Arches Lease (MCC and HOME) aligned to existing lease with HOME's main building	In negotiation	On handover – October 2022	N/A
Campfield	Listed Building Consent for exhibition decant	Consent secured: 129991/LO/2021	Approved 4 th June 2021	6 weeks
Campfield	Planning permission (including LBC)	Concept Design	March 2022	6 weeks
Campfield	Lease with Allied London	In negotiation	August 2021	N/A

Stakeholder communications – Stakeholders will be engaged at key points in the project’s development and delivery to ensure their interests are understood and can be effectively managed where necessary. A communications plan is included in the delivery plan and will be subject to ongoing development.

Occupiers/users for the new facilities will be confirmed, as plans advance. Strong demand for the space is already known with an ongoing need to manage expectations until funding is confirmed.

Can you demonstrate ability to begin delivery on the ground in 2021-22?

Yes

Risk Management: Places are asked to set out a detailed risk assessment which sets out:

- **the barriers and level of risk to the delivery of your bid**
- **appropriate and effective arrangements for managing and mitigating this risk**
- **a clear understanding on roles / responsibilities for risk**

Overarching Assessment

The overall project risk is assessed to be moderate, acknowledging the risk register (Appendix 10) and recognition of:

- The nature of proposed works and works progressed to date
- The skills and experience of project partners and named staff members
- The timescales for delivery
- Known dependencies within the programme and the potential for other challenges to arise as works get underway

Risk Management Approach

Manchester City Council has considerable experience of managing risk for capital projects. In preparing the LUF proposals, risks have been identified and assessed in line with HMT Green Book guidance and good practice outlined through the Orange Book (HM Treasury Guidance on Risk Management). The approach has included:

- Identifying potential risks in advance of them arising to allow appropriate mitigating actions to be identified and team members and partners to be alert to key considerations for the scheme.
- Where risks have been identified, considering the likelihood of risks arising and the impact if they do. A ratings scale of green, amber, red is used to assess the likelihood and potential impact of each risk factor, where green is unlikely/low impact and red is very likely/high impact.
- Considering how best to manage each risk and who is best placed to do so (with details of the latter provided in the risk register).
- Making arrangements for the monitoring of risks over time and consideration of risk management as part of governance plans.

The risk arrangements include identifying a risk owner for each risk, the steps to ensure higher risk are being monitored by senior management and close monitoring, and a commitment to updating the risk register on a regular basis.

Risk management will remain a live process as the project moves forward, ensuring that the City Council and partners are alert to changing risk profiles (by likelihood and potential impact as well as the potential for new risks to be identified over time and current risks to be closed) and the need to continue to develop mitigating actions in response. Detailed risk registers will be prepared at each project stage, ensuring appropriate considerations are highlighted and remain under review.

It will be a standing item on project meeting agendas and will be reported upon through both the project management and governance structures. Any risks that are found to be increasing in likelihood or significance will be escalated through the project's structures for consideration, where appropriate.

This response highlights key considerations at the time interventions are being designed with the team alert to the need to remain alert and responsive to risks over time. Conscious and proportionate management of risk will be maintained throughout the scheme's lifetime. The Delivery Plan sets out the experience of the senior staff involved and the delivery structure, ensuring extensive experience can be drawn upon.

Assurance: We will require Chief Financial Officer confirmation that adequate assurance systems are in place.

The Chief Financial Officer confirms that adequate assurance systems are in place through the governance proposals for the scheme alongside the City Council's Financial Regulations and Standing Orders which will be followed in this case. The officers involved in the delivery of the project, via the SRO Pat Bartoli, have appropriate skills and experience to deliver the scheme as proposed and the City Council governance is robust and appropriate to ensure effective delivery and compliance with our Financial Regulations and Standing Orders.

Monitoring and Evaluation Plan: Please set out proportionate plans for M&E

Objectives and Research Questions

Monitoring and evaluation activities will allow the team to:

- Maintain an up to date picture of project's progress against programme, budget and outputs.
- Secure a strategic perspective on the project's performance, exploring both overarching achievements but also the factors that have influenced it.
- Ensure that the full breadth of benefits arising from LUF investments are captured to assess impacts over time.

We recognise the importance of the process to both learn lessons specifically for the LUF project but also how future projects and programmes go on to be designed, delivered and monitored and evaluated.

Key research questions will be:

- Has the project proceeded as planned?
- Have project delivery and governance arrangements been fit for purpose?
- What, if any, issues have been encountered how have they been overcome?
- How has the project performed against expenditure, output, outcome targets?
- What are the emerging impacts of the project? Are they as anticipated?
- Has the project delivered value for money?
- To what extent have initial objectives (both project specific and for the Levelling Up Fund) been satisfied (or progress been made)?
- What have been the lessons learned?

Approach

Monitoring and evaluation activities will be undertaken in line with funder requirements. As further guidance is issued for the fund, proposed approaches will be reviewed and amended as necessary to ensure requirements are satisfied and the greatest value is secured through the process. Our current assumptions are outlined below, reflecting project specific considerations and the ability to build on existing arrangements.

Ongoing Monitoring Arrangements

Monitoring of performance against targets will commence at the outset of the project, with systems established to allow the scheme's progress to be tracked throughout the delivery period.

The programme, expenditure profile and benefits described in this application will provide the basis for future scheme monitoring activity, with the key metrics (as set out in Tabs E and F of the accompanying spreadsheet) informed by bid objectives and the Theory of Change.

Accurate and timely records will be compiled by the project team with insights to be secured from contracted delivery partners to ensure they reflect the position on site to support the preparation of claims with supporting information to be assembled.

Monitoring of expenditure, outputs and impacts will be collected through the following routes:

- Manchester City Council's internal finance systems with expenditure against each element of the project to be tracked against the budget and profile of spend anticipated at the outset.

- Quarterly monitoring records prepared for the Tech Hub collecting data on members, building on the experience of the Bonded Warehouse.
- HOME KPIs, building on current KPI monitoring undertaken on a quarterly basis by HOME to capture both the scale of activity delivered against targets and the characteristics of participants.
- Manchester City Council Annual Cultural Impact Survey, building on the current annual survey.

Where monitoring builds on existing arrangements, the ability to separate out LUF project specific intelligence will be explored to ensure it is fit for purpose.

Arrangements for sharing data / management information will be confirmed at the contracting stage, it is however anticipated that regular (anticipated quarterly) claims will need to be prepared with supporting evidence to demonstrate progress made. Manchester City Council will draw on experience of successfully complying with requirements for a range of public funding sources to meet this requirement.

Internally, monitoring information will be reported to the Council's Member-led Economic Recovery Group on a regular basis.

Evaluation

As the programme draws to a close, an evaluation will be undertaken, in line with funder guidance. The evaluation will capture process and impact insights, considering the scheme's achievements as well as an assessment of the effectiveness of project delivery arrangements and the ability of interventions to achieve stated objectives. The theory of change prepared will be reviewed to test the extent to which anticipated linkages between activities, outputs and outcomes have materialised. The evaluation will explore the key research questions set out above.

The results will be captured in an evaluation report and key messages will be shared with stakeholders both internally and externally. Manchester City Council is keen to learn from the experience of delivering the project, valuing the insights to inform future project planning both within the scope of LUF supported activity and beyond.

Resourcing and Governance Arrangements

The project's SRO will maintain oversight of the project's monitoring and evaluation activities, ensuring funder requirements are satisfied and that they provide insights for the Council and partners. They will receive regular monitoring reports during both the construction phase and as the facilities become operational, allowing progress against targets and wider experiences and impacts to be assessed.

Manchester City Council's Resources and Programme's team have extensive experience of collating monitoring information and preparing claims to government for a wide range of public funding sources. This expertise will be applied to the Culture in the City project.

Regular monitoring reports and the final evaluation findings will be distributed through the project's management and governance structures, as well as with external parties where appropriate.

DECLARATIONS

Senior Responsible Owner Declaration

As Senior Responsible Owner for Culture in the City I hereby submit this request for approval to UKG on behalf of Manchester City Council and confirm that I have the necessary authority to do so.

I confirm that Manchester City Council will have all the necessary statutory powers and other relevant consents in place to ensure the planned timescales in the application can be realised.

Name: Pat Bartoli, Director City Centre Growth & Infrastructure

Signed: Pat Bartoli

Chief Finance Officer Declaration

As Chief Finance Officer for Manchester City Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Manchester City Council:

- has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs over and above the UKG contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties
- accepts responsibility for meeting any ongoing revenue requirements in relation to the scheme
- accepts that no further increase in UKG funding will be considered beyond the maximum contribution requested and that no UKG funding will be provided after 2024-25
- confirm that the authority commits to ensure successful bids will deliver value for money or best value.

- confirms that the authority has the necessary governance / assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to.

Name: Tom Wilkinson (Deputy Treasurer in Carol Culley's absence)

Signed: Tom Wilkinson