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**Manchester City Council  
Report for Resolution**

**Report to:** Executive – 7 February 2018  
Council – 7 March 2018

**Subject:** Capital Strategy and Budget 2018/19 to 2022/23

**Report of:** Chief Executive and City Treasurer

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**Summary**

The purpose of the report is to present the 2017/18 capital programme and forward commitments, alongside the capital strategy for the City Council.

**Recommendations**

The Executive is requested to:

1. Approve and recommend the report to Council.
2. Note the capital strategy.
3. Delegate authority to the City Treasurer in consultation with the Executive Member for Finance and Human Resources to make alterations to the schedules for the capital programme 2017/18 to 2022/23 prior to their submission to Council for approval, subject to no changes being made to the overall estimated total cost of each individual project.

The Council is requested to:

1. Approve the budget changes for the 2017/18 capital programme.
2. Approve the capital programme as presented in Appendix 3 (for £595.4m in 2018/19, £497.4m in 2019/20, £204.4m in 2020/21, £286.3m in 2021/22 and £3.1m in 2022/23) which will require prudential borrowing of £1,020.3m to fund non-HRA schemes over the five year period for which provision has been made in the revenue budget for the associated financing costs (within limits previously agreed).
3. Delegate authority to:
  - a) The Chief Executive and Director of Highways in consultation with the Executive Member for Environment for the approval of the list of schemes to be undertaken under the Highways capital programme.
  - b) The Chief Executive and Director of Highways to implement the Highways schemes in accordance with the Capital Approval process and after consultation with the Executive Member for Environment on the final details and estimated costs.

- c) The City Treasurer in consultation with the Executive Member for Finance and Human Resources to add qualifying spend to save projects to the capital budget accordingly up to a maximum of £5m in 2018/19 and then £5m per year thereafter.
- d) The City Treasurer, in consultation with the Executive Member for Finance and Human Resources to accelerate spend from later years when necessary within the programme subject to resource availability.
- e) The City Treasurer in consultation with Executive Member for Finance and Human Resources to agree and approve where appropriate:
  - i. The programme of schemes for the delivery of the corporate asset management programme; and
  - ii. Proposals relating to Corporate Compulsory Purchase Orders.

**Wards Affected:** Various

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The capital programme contributes to various areas of the economy including investment in public and private sector housing, education and children's social care, transport infrastructure, major regeneration activities, environmental, cultural and leisure services.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The capital programme includes substantial investment in education and also provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The capital programme includes investment in adult and children's social care, education, housing and the environment, cultural and leisure services, all of which contribute towards the strategy.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in all areas of the capital programme contributes towards the strategy, notably investment in sustainable and affordable housing, building schools for the future, transport, environmental and major regeneration programmes.
A connected city: world class infrastructure and connectivity to drive growth	Through investment in areas such as ICT and the City's infrastructure of road networks and other travel routes

**Full details are in the body of the report, along with any implications for:**

- Equal Opportunities Policy
  - Risk Management
  - Legal Considerations
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**Financial Consequences – Revenue**

The capital programme report as presented will require £1,020.3m (all non-HRA) of prudential borrowing over the five year period, with £792.2m required for Manchester City Council projects and £228.1m required for projects carried out on behalf of Greater Manchester. Provision has been made in the proposed revenue budget for the associated financing costs, and for the revenue contributions to capital outlay (RCCO) which are forecast to be received from the General Fund and HRA.

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**Financial Consequences – Capital**

The latest forecast spend for 2017/18 is £366.0m, of which £139.4m is forecast to be funded from borrowing.

The proposals contained in this report would create a capital programme of £595.4m in 2018/19, £497.4m in 2019/20, £204.4m in 2020/21, £286.3m in 2021/22 and £3.1m in 2022/23.

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**Attachments**

Appendix 1: Capital Approval Process flowchart  
Appendix 2: Proposed Amendments to the Capital Budget  
Appendix 3: Detailed Capital Programme 2017/18 – 2022/23

## Appendix 4: Comparison of Capital Financing Requirement to External Debt and Internal Borrowing

### **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.

- Report to the Executive 8 February 2017 Capital Programme (Budget 2017/18 – 2021/22)
- Report to Council 3 March 2017 Capital Programme (Budget 2017/18 – 2021/22)
- Report to the Executive 28 June 2017 (Capital Programme Outturn)
- Report to the Executive 26 July 2017 (Capital Monitoring – Q1)
- Report to the Executive 15 November 2017 (Capital Monitoring – Q2)
- Report to the Executive 7 February 2018 (Capital Monitoring – Q3)

## **1 Introduction**

- 1.1 As part of the suite of budget reports submitted as part of this agenda, Executive and Council are recommended to approve the updated Capital Strategy for 2018-23. This report details the latest position on the Strategy, the governance process and progress on delivery.
- 1.2 The Council's capital strategy also meet the new requirements in the CIPFA Prudential Code. The capital strategy provides the long term context in which capital investment decisions are made and the governance for those decisions, and also gives a summary to the Council's approach to investments and treasury management strategy which is elsewhere on the agenda.

## **2 Strategic Context**

- 2.1 Manchester is an ambitious city with a strong track record of delivery through partnerships and effective strategic leadership, improving the quality of life for the residents and delivering a vision of making Manchester a world class city. As encapsulated in the Manchester Strategy the vision is for Manchester in 2025 to be in the top flight of world class cities:
- with a competitive, dynamic and sustainable economy that draws on our distinctive strengths in science, advanced manufacturing, culture, creative and digital business, cultivating and encouraging new ideas;
  - with highly skilled, enterprising and industrious people;
  - that is connected, internationally and within the UK;
  - that plays its full part in limiting the impacts of climate change;
  - where residents from all backgrounds feel safe, can aspire, succeed and live well; and
  - that is clean, attractive, culturally rich, outward looking and welcoming.
- 2.2 To be internationally competitive the city council has grasped the need to:
- deliver on meeting the need to reduce dependency and improve the productivity outcomes for our residents;
  - embrace the need to be a low carbon exemplar;
  - invest in, and strengthen, the council's existing economic and infrastructure asset base; and
  - support the City's cultural and sporting offer.
- 2.3 Our Manchester demands an integrated approach to the deployment of revenue and capital spend against a clear set of priorities. The development of a longer term, five-year, Capital Strategy forms a critical part of the City Council's strategic and financial planning from 2017/18.
- 2.4 The last 12 months have witnessed a number of significant developments that have had, and will continue to have, a major influence on the future shape and approach to capital investment within the City. These include the "Our Manchester" Strategy, the Manchester Residential Growth Strategy, commercial developments, devolution and reviews of the Highways Estate,

the Operational Built Estate and ICT.

- 2.5 The challenge for the future is to maximise the capital resources available to the Council in order to deliver the priorities for the City. This will require continued investment for transformation to define Manchester as an attractive place to live and further improve the quality of life for residents. Important to achieving this will be:
- to support, promote and drive the role and continuing growth of the City Centre as a major regional, national and international economic driver;
  - to support businesses and residents to create thriving district centres with appropriate retail, amenities and public service offer;
  - to support employment growth through a strengthening and diversification of its economic base and through the efficient use of land;
  - to support investment in transport infrastructure;
  - to provide an expanded, diverse, high quality housing offer, ensuring that the growth is in sustainable locations supported by local services and the public transport infrastructure;
  - to support the delivery of a Schools Capital Programme to support new and expanded high quality primary and secondary school facilities for a growing population; and
  - continuing to promote investment to secure an internationally competitive cultural and sporting offer and sustaining core lifestyle assets such as parks, leisure facilities and libraries within the City.
- 2.6 Within a wider City Region and regional context the ambition is for Greater Manchester to become a financially self-sustaining city, sitting at the heart of the Northern Powerhouse with the size, the assets, the skilled population and political and economic influence to rival any global city.
- 2.7 Greater Manchester has been working hard, with Government, to turn that vision into a reality. The conurbation's priorities around growth and reform are widely recognised to be distinctive, evidenced and wholly appropriate for the long term success of the area. The City Region is one of a few economic geographies capable of becoming a national engine of growth for the North and the UK as a whole, and in doing so, becoming a net contributor to the economy. Greater Manchester has made a strong, evidence-based case for the devolved, place-based management of local services, alongside innovative funding arrangements that remove unnecessary ring-fences to enable consistent prioritisation against Greater Manchester and Northern Powerhouse growth objectives.
- 2.8 Against this backdrop the Greater Manchester Strategy sets out the Vision for the future "By 2020 the Manchester City region will have pioneered a new model for sustainable economic growth based around a more connected, talented and greener city region where the prosperity secured is enjoyed by the many and not by the few". The Devolution Agreement places Greater Manchester in a better position to deliver on the key requirements for economic growth.

- 2.9 From a capital programme perspective, the last 12 months has seen significant activity across the Council. Works funded from the £100m Highways Investment Fund have begun, with resurfacing works and preventative measures being undertaken on the road network.
- 2.10 Since 2014 £50m of investment has been agreed for the leisure estate, with works on leisure centres at Beswick, Hough End and Arcadia in Levenshulme complete. Completing this investment will be works at Moss Side and Abraham Moss, which have begun.
- 2.11 Investment in schools has continued, with the creation of a new high school at Lytham Road and numerous other new builds and expansions taking place. Work has also begun on making permanent school expansions in the primary school estate.
- 2.12 Investment proposals for supported housing for adults with learning disabilities and for housing with on-site care for older people have been progressed, with significant work being undertaken to ensure the proposals are robust and provide a long-term benefit to residents, and capital works are due to begin in the near future.
- 2.13 Investment in waste reduction measures has taken place to increase recycling rates and save on revenue costs, and there has been investment in facilities across the library estate, introducing Wi-Fi printing and on-line payment systems.

### **3 Development of the Capital Strategy**

- 3.1 The Capital Strategy has been developed to ensure that the Council can take capital expenditure and investment decisions in line with Council priorities and properly take account of stewardship, value for money, prudence, risk, sustainability and affordability. The Strategy, therefore, sets out the longer term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and the impact on the achievement of priority outcomes.
- 3.2 The Council makes a clear distinction between capital investments, where the achievement of strategic aims will be considered, alongside affordability; and treasury management investments, which are made for the purpose of cash flow management. However, there are clear principles that govern investment decisions which are described below.
- 3.3 Council investments, as opposed to pure cash flow management decisions, will be made in line with the Capital Strategy priorities which are set out in this document. These decisions are clearly within the economic powers of the Council and there are strong governance arrangements that underpin the decision making. Longer term capital investment decisions will not be made purely on the basis of commercial decisions and chasing yield, however, inevitably some schemes will be financed all or in part from returns on investment. There may also be:

- externally funded programmes such as those for schools or the Factory;
- schemes funded from ring-fenced resources such as those within the Housing Revenue Account (HRA); or
- required investment from Council resources, including capital receipts, to support strategic priorities such as investment in the highways infrastructure, ICT and asset management.

3.4 All capital investment decisions will be underpinned by a robust business plan that sets out any expected financial return alongside the broader outcomes including economic and social benefits.

#### 4 Governance

4.1 Capital expenditure is spent on the purchase or improvement of assets that have a long-term value to the Council, such as land and buildings. The Council and its residents receive a benefit from the capital expenditure invested in the assets for a long period of time (i.e. more than a year). It is the Council's policy to capitalise any expenditure, over a total value of £10,000, which fulfils this criteria.

4.2 The Council has recently revised the approval process for capital expenditure, and the new process strengthens the decision making criteria highlighted above. This strategy seeks to detail the framework in which those decisions are made, and the principles to which the Council adheres, in the context of the current capital budget.

4.3 The capital expenditure and investment decision making process is the governance framework used by the Council when making decisions relating to the capital programme. The process has five distinct stages to cover project initiation, project design and costs, democratic process, capital expenditure approval and monitoring/review. The process is shown diagrammatically at Appendix 1.

4.4 For any project seeking capital expenditure approval a business case must be drafted, covering:

- **Strategic Fit:** how the project links to the City Council's strategic priorities, social value, and any statutory requirements.
- **Economic Value:** what economic value the project will provide to the City.
- **Financial Implications:** funding model, with evidence of cost and capital and revenue implications
- **Risk and Deliverability:** timescale for delivery and identification of risks to the project, including legal issues.
- **Outcomes to be delivered:** what the project will achieve, and the benefits that will be realised.

4.5 The business cases must be agreed by the relevant directorate board, and approved by the Executive member for the relevant portfolio before being



submitted into the process. Once submitted, the business cases are subject to peer review within the Council and then discussed by the Strategic Capital Board chaired by the Chief Executive. The Board will then make recommendations to members.

- 4.6 Throughout the decision making process the risks and rewards for each project are reviewed and revised, and form a key part of the monitoring of the capital programme. The Strategic Capital Board receive monthly updates from each directorate board on each board's part of the capital programme, detailing financial forecasts, risks, and expected outcomes.
- 4.7 The governance process for approving capital investments is the same as that for the wider capital programme. As with any proposed capital expenditure, any investment is peer reviewed and the risks associated with the investment explored. Within the finance function there are commercial and public sector professionals who are responsible for supporting investment proposals, and establishing investment structures which mitigate the risks such investments would create for the Council. There may be occasion when the nature of a particular proposal requires additional support, for example in performing due diligence or in supporting the creation of the business case. In these circumstances the Council will seek external advice.
- 4.8 The capital programme is monitored monthly, with quarterly reports to Executive. Within that monitoring, new approved capital investment proposals will be included. Once an investment has been made, it will be reviewed regularly. As a minimum it will be reviewed annually as part of the accounts process, which will take into account any material changes to the standing of the investment.
- 4.9 The capital budget is reported to Executive and Council as part of the budget process each year, and quarterly monitoring reports are provided to Executive. New projects are reported to Executive in capital increases reports, detailing the aims of the project, the source of the funding and the funding required.

## **5 Changes to the Capital Programme**

- 5.1 New proposals that have emerged during 2017/18 and from 2018/19 onwards have been assessed against
- strategic fit;
  - the economic value they can add to the City;
  - the financial implications of undertaking the scheme and the deliverability and risk associated with the project; and
  - fulfilment of statutory duties and social impact were also included as part of the assessment.
- 5.2 The projects have been assessed with those put forward within this report meeting the criteria for inclusion around strategic fit, i.e. the contribution to support priorities around growth, reform and place.

- Priority – the proposal scores highly, is a good strategic fit and deemed to be deliverable. These schemes will form part of the capital budget and will move forward subject to certain conditions being met and these will be determined on an individual scheme basis to ensure outcomes are met;
- In Principle Agreement – the scheme meets the criteria for strategic fit and/or economic value but further work is required to detail the financial implications and deliverability and to support output definition. The funding for these schemes may be reserved as part of the capital budget, but further submissions will be required into the Capital Approval process to determine the basis upon which resources are released; and
- In Abeyance – further work is required prior to submission to the Capital Approval process.

5.3 There are some minor amendments to the capital programme and confirmation of the Department for Education funding for Basic Needs and Special Educational Needs. These have been assessed through the checkpoint process and are summarised below. A summary of the schemes, funding and the profile of spend can be found at appendix 2:

- Automatic Bollard replacement – the replacement of automatic bollard systems in the City Centre, as they have reached the end of their natural life, at a cost of £0.5m funded £0.3m capital receipts and £0.2m borrowing;
- Didsbury West Section 106 scheme – introduction of bollards and kick rails and other road traffic regulation measures to resolve parking issues, at a cost of £0.063m funded through Section 106 funding from developments in the area.
- Whalley Grove S106 scheme – resurfacing of Whalley Grove carriageway and reconstruction of footpaths at a cost of £0.075m funded through S106 funding.
- Somme 100 Year Commemoration – creation of a permanent commemoration in Heaton Park, at a cost of £0.1m funded from a grant from central government.
- Heaton Park Southern Play Area – creation of a play area in the southern part of Heaton Park, at a cost of £0.52m funded from the Clean and Green Reserve.
- Education Basic Need Grant – to be used to provide new permanent school places by expanding existing maintained schools, free schools or academies, or establishing new schools. The total grant award from government for 2019/20 is £48.39m.
- Special Educational Needs Grant – the government has established a fund to support local authorities to invest in education provision for children and young people with SEN and disabilities, and the City Council has been awarded £2.493m over 3 years.
- Gorton Youth Zone – in line with the recommendations within the report to Executive in December, funding is required for site remediation costs of £0.3m, to be funded from borrowing.
- Armitage Nursery & Community Facility – the school has additional

requirements for the scheme, and has provided a contribution to fully cover the £0.03m costs.

- 5.4 The following schemes require a reduction in the capital budget as the required expenditure has been classed as revenue in nature. In all cases the funding will be switched through the capital fund reserve, which means that there will be no impact on the resources available to the Council:
- Manchester Institute of Health and Performance – transfer of £0.230m to revenue to establish the first research programme, which will be aligned to the Council’s public health and transformation agenda.
  - Printing – transfer of £0.250m to revenue to fund the cost of printing.
  - ICT Collaboration Phase 2 – transfer of £0.725m to revenue to fund the costs of the second phase of collaboration, increasing the use of Google and reducing reliance on other software providers. This will be funded via a funding switch from borrowing to capital fund.
  - ICT Legal Case Management – to undertake procurement activity for the purchase of a new case management solution for Legal Services, a funding switch is required of £0.021m from borrowing to capital fund.
- 5.5 The Council’s revised capital budget for the 2017/18 and the next five years is set out below, including the new proposals discussed above. The proposed programme constitutes the expected capital activity required by the Council to support the achievement of the Council’s strategies and to maintain the operational estate.
- 6 Proposed Capital Programme from 2018/19**
- 6.1 The capital programme 2018/19 to 2022/23 comprises the continuation of the existing programme and the new proposals approved by the Capital Strategy Group shown above. The figures relating to the programme continuation are based on estimates compiled as at the end of December 2017, which is reported elsewhere in today’s agenda. It has been calculated on the expectation that budget for 2017/18 is £366.4m, of which £285.9m relates to City Council projects.
- 6.2 Details of the profile of the programme for schemes delivered on behalf of Greater Manchester are given at section 16.
- 6.3 The programme will need to be reviewed if the resource position changes from the indicative level. The funding resources available to the City Council are invested so that they focus on the key priorities for the Council and take a holistic view of all planned investment in a locality. Priority will be given to key recurring programmes and strategic investments. Projects that will secure 100% external funding can be added to the programme if they fit strategically.
- 6.4 The proposed programme budget represents the indicative profile of capital expenditure as forecast now. Over time it is likely that the profile could change, as projects develop both through design and on site. There are also risks within the programme around the timing of acquisitions, as whilst estimates can be made regarding when such acquisitions may be made it is

dependent on negotiations being conducted to that timescale. Through the governance and reporting process described above, changes in the profile and the reasons for them will be reported to members.

- 6.5 Further details of the major schemes included within the proposed programme, including current commitments, are given in the paragraphs below alongside the budgeted expenditure between 2018/19 and 2022/23, and the programme is summarised in the table below:

	2017/18 budget	2018/19 budget	2019/20 budget	2020/21 budget	2021/22 budget	2022/23 budget	Total
	£m	£m	£m	£m	£m	£m	£m
<b>Manchester City Council Programme</b>							
Highways	37.8	49.4	48.9	24.3	21.4	0.0	<b>181.8</b>
Growth and Neighbourhoods	11.5	34.1	16.5	11.8	0.1	0.0	<b>74.0</b>
Strategic Development	119.1	123.7	108.2	39.8	15.1	0.0	<b>405.9</b>
Town Hall Refurbishment	5.3	22.7	23.1	39.9	214.7	0.0	<b>305.7</b>
Housing – General Fund	16.5	23.4	30.8	14.5	6.2	0.0	<b>91.4</b>
Housing – HRA	19.5	27.4	41.9	44.3	19.0	3.1	<b>155.2</b>
Children’s Services (Schools)	69.1	62.1	58.7	3.9	3.0	0.0	<b>196.8</b>
ICT	4.9	14.2	13.0	15.3	6.4	0.0	<b>53.8</b>
Adults, Children’s and Corporate Services	1.8	65.7	82.8	0.4	0.4	0.0	<b>151.1</b>
<b>MCC TOTAL</b>	<b>285.5</b>	<b>422.7</b>	<b>423.9</b>	<b>194.2</b>	<b>286.3</b>	<b>3.1</b>	<b>1,615.7</b>
Projects carried out on behalf of Greater Manchester	80.5	172.7	73.5	10.2	0.0	0.0	<b>336.9</b>
<b>TOTAL</b>	<b>366.0</b>	<b>595.4</b>	<b>497.4</b>	<b>204.4</b>	<b>286.3</b>	<b>3.1</b>	<b>1,952.6</b>

- 6.6 A full list of the projects contained within the capital budget is shown at appendix 3.

## 7 Highways

- 7.1 The Highways capital programme consists of the investment in the City’s highways network, including work on bridges, cycle paths and bus priority lanes. The programme is forecast to be £144.0m between 2018/19 and 2022/23 and the primary schemes within the programme are detailed below.

- 7.2 The Highways Maintenance Investment Programme (£84.2m) will continue. The programme will seek to implement longer term preventative maintenance measures, which would result in the Council's highways assets being improved and reducing maintenance costs. Work is ongoing on the delivery mechanisms for elements of the programme, with the service anticipating that this will be completed early in the 2018/19 financial year, which may inform a revised profile of spend.
- 7.3 The project widening A57 Hyde Rd (£4.0m) involves increasing the span of a disused railway bridge to allow removal of a pinch point, which currently reduces the number of traffic lanes from four to two. Heavy traffic congestion, particularly at peak times and journey times will both be reduced.
- 7.4 The Cycle City schemes (£4.5m) aim to provide a high-quality network of dedicated cycle routes across Manchester, encouraging people to make short journeys in a healthy and inexpensive way and reduce the environmental impact of private car use.
- 7.5 The project at Great Ancoats Street (£8.1m) will reduce barriers and restrictions for pedestrians on the Street and adjacent areas of the inner relief route. The project will also include more safe crossing places for pedestrians and improved signage to aid road users.
- 7.6 The Bridge Maintenance project (£7.2m) will continue to ensure that the Council's bridge assets across the highways network are maintained according to statutory guidelines.
- 7.7 The Green Bridge project (£2.5m) will continue and will provide a critical public access route from Wythenshawe to the transport interchange at Airport City.
- 7.8 Investment in School Crossing Patrols (£2.3m) will continue, with a programme to provide permanent highways improvements to improve road safety outside schools and reduce risks at existing crossings.
- 7.9 The Street Lighting Private Finance Initiative (PFI) project (£26.3m) will deliver the procurement and installation of modern, state of the art, low energy light emitting diode (LED) street lighting technology. Once operational the scheme is planned to provide revenue savings due to reduced energy charges, and lower maintenance costs for the Council's street lighting.

## **8 Growth and Neighbourhoods**

- 8.1 The Growth and Neighbourhoods capital programme includes the capital investment required to support the City's neighbourhoods and well being, such as street lighting, libraries and leisure centres. The programme is forecast to be £62.5m between 2018/19 and 2022/23, as shown in the table below, and the primary schemes within the programme are also detailed below:

	2017/18 budget	2018/19 budget	2019/20 budget	2020/21 budget	2021/22 budget	2022/23 budget	<b>Total</b>
	£m	£m	£m	£m	£m	£m	£m
Environment and Operations	1.4	6.4	1.6	0.0	0.0	0.0	<b>9.4</b>
Leisure	8.3	27.4	14.9	11.8	0.1	0.0	<b>62.5</b>
Libraries	1.8	0.3	0.0	0.0	0.0	0.0	<b>2.1</b>
<b>Total Growth and Neighbourhoods</b>	11.5	34.1	16.5	11.8	0.1	0.0	<b>74.0</b>

### *Environment and Operations*

- 8.2 As part of the waste and street cleaning contract, a loan will continue to be available to the contractor to upgrade vehicles (£6.4m) on a spend to save basis. The loan will be repaid through reduced service costs.
- 8.3 Work will be undertaken to improve recycling rates in properties with shared waste arrangements such as apartments and homes served by passageways (£1.5m), through the use of appropriate waste receptacles.

### *Leisure*

- 8.4 The Parks Investment Programme (£20.5m) will focus on three key objectives, specifically the development of the Hall, Stables and Lake Hubs at Heaton Park, the development of Wythenshawe Park including restoration of the Hall, and improvements to the quality of the community and local parks, green spaces and allotments across Manchester.
- 8.5 Investment will continue in two leisure centres, Abraham Moss and Moss Side (£19.7m). These works will reduce revenue costs associated with the upkeep of the buildings, and provide long-term savings to the Council.
- 8.6 As part of the Football Association's plan to transform the grassroots of the game, the Manchester Football Hubs programme (£13.0m) will provide football facilities including pitches, changing rooms and education suites at several sites across the City.

### *Libraries*

- 8.7 The roll out of the Central Library ICT model (£0.3m) will standardise the library ICT delivery model across the city, improving the customer experience and streamlining the ICT support process.

## **9 Strategic Development**

- 9.1 Strategic Development also includes the programme for the Council's property assets, and investment in neighbourhood development and cultural facilities. The programme is forecast to be £286.8m between 2018/19 and 2022/23, as shown in the table below, and the primary schemes within the programme are also detailed below:

	2017/18 budget	2018/19 budget	2019/20 budget	2020/21 budget	2021/22 budget	2022/23 budget	<b>Total</b>
	£m	£m	£m	£m	£m	£m	<b>£m</b>
Culture	9.3	26.9	50.6	21.2	0.0	0.0	<b>108.0</b>
Corporate Property	48.9	49.6	36.3	18.6	15.1	0.0	<b>168.5</b>
Development	60.9	47.2	21.3	0.0	0.0	0.0	<b>129.4</b>
<b>Total Strategic Development</b>	119.1	123.7	108.2	39.8	15.1	0.0	<b>405.9</b>

### *Culture*

- 9.2 The continuing Factory project (£98.7m) is a cultural facility within the City Centre. This will receive significant financial support from the Government, and will create an estimated 2,400 jobs.

### *Corporate Property*

- 9.3 The Asset Management Programme (£34.5m) will ensure that the Council's assets, including its elite assets, are well-maintained.
- 9.4 The Strategic Acquisitions budget (£12.0m) will provide funding for the Council to acquire key sites throughout the city, provided they become available, which can further the aims and objectives of the corporate plan.
- 9.5 The Hammerstone Road project (£15.0m) will invest in the depot to allow the Council to consolidate all depots into one site. This investment will allow other sites to be released, and reduce the maintenance costs associated with these sites.
- 9.6 There will be continuing investment in Heron House (£8.0m) to refurbish the building.
- 9.7 The Carbon Reduction Programme (£9.9m) will be used to explore schemes which can support the Council's aim of reaching zero carbon emissions by 2050. Such schemes will include the use of combined heat and power plant, solar photovoltaic panels, and the use of LED lighting within the Council's estate.
- 9.8 The Sustaining Key Initiatives (£20.5m) investment provides the Council with the capacity to intervene to ensure key commercial and mixed use development priorities are secured in the city. It is expected that any intervention would be done on an investment basis.
- 9.9 The continuing Estates Transformation plan (£18.8m), built on the findings of stock condition surveys commissioned by the Council, aims to maximise the use of the Council's estate through focussing investment on key properties to ensure that the operational estate is fit for purpose, and rationalising the estate.

### *Development*

- 9.10 The capital work at the Space Project (£0.5m) will continue, to expand the capacity of the site. Similarly, the refurbishment of One Central Park (£8.1m) will continue to support the development of the digital economy.
- 9.11 Following the acquisition of Central Retail Park at Great Ancoats Street as part of the Eastern Gateway programme, there is a budget (£3.1m) for remediation works ahead of future development. The project to fund remedial works at New Islington Marina (£5.2m) will also continue, to rectify the issues with the public promenade, water run-off, boardwalks and other areas.
- 9.12 The Northern Gateway investment plan (£23.7m) seeks to promote significant residential growth in the neighbourhoods of New Cross, Lower Irk Valley and Collyhurst through land assembly and the provision of core infrastructure, with the regeneration completed with an investment partner.
- 9.13 The Heat Network (£21.0m) project aims to provide a heat network throughout the Civic Quarter of the City. This will reduce energy costs, and also help achieve the City's aim of reducing carbon emissions by 41% by 2020.
- 9.14 The Medieval Quarter Public Realm (£1.8m) scheme will continue, providing public realm improvements in the north of the city centre around the Rover Irwell, Manchester Cathedral, Cheetham's and Victoria Station.
- 9.15 The grants to create Digital Business Incubators (£3.5m) will continue, with further approvals expected in 2018/19.

### **10 Town Hall Refurbishment**

- 10.1 The Town Hall and Albert Square Refurbishment programme is for the full refurbishment and upgrade to modern standards of the Town Hall and the associated costs for Albert Square. The programme is forecast to be £300.4m between 2018/19 and 2022/23. Work has begun on the procurement of intrusive survey work, the results of which will inform the future programme of works.
- 10.2 The forecast profile of spend is based on a number of assumptions, and the forecast will be subject to review following the design stage and at other points throughout the programme. Once design works have progressed, the profile of spend will be reviewed, and it is expected to change.

### **11 Housing – General Fund**

- 11.1 The Housing – General Fund capital programme includes housing regeneration schemes, such as the Council's housing Private Finance Initiative (PFI) schemes. It also includes funding for disabled facilities and energy efficiency schemes. The programme is forecast to be £74.9m between 2018/19 and 2022/23 and the primary schemes within the programme are detailed below.



- 11.2 Funding remains set aside within the programme for commercial and residential acquisitions (£9.2m) which will support the existing Brunswick and Collyhurst PFI schemes. Similarly funding is available for the acquisition of properties relating to regeneration in West Gorton (£1.4m), and for potential commitments from historical CPOs.
- 11.3 Major adaptations funding is available (£27.8m) to assist in works to make social rented properties suitable for disabled residents.
- 11.4 The West Gorton Regeneration Programme is currently being delivered. Further investment in residential development will be undertaken, and regeneration in the area (£3.0m) will focus on the provision of a new community park and a new nursery and community facility.
- 11.5 Further investment plans include support for the development of Extra Care accommodation within Manchester (£6.0m), acquisitions to support the regeneration of the Moston Lane area (£7.5m), and new equity products for existing home owners and for a “market rent to purchase” scheme (£1.0m).
- 11.6 The regeneration of the Ben Street area (£12.8m) of Ancoats and Clayton will continue, to deliver new housing.
- 11.7 The programme also includes funding for new build re-provision (£2.6m) of some of the existing shared supported housing accommodation for clients with learning disability, on an invest to save basis.

## **12 Housing – Housing Revenue Account (HRA)**

- 12.1 The Housing – HRA capital programme consists of the investment in the Council’s public sector housing estate, including acquisitions and capital works on existing Council housing assets. The programme is forecast to be £135.7m between 2018/19 and 2022/23 and the primary schemes within the programme are detailed below.
- 12.2 Provision is also made in the budget to reflect the delivery of new works in future years that will support the ongoing 30-year HRA asset management plan (£87.8m). The funds will be used to maintain the Decent Homes Standard within Manchester’s housing stock and, in addition, will support innovative climate change investment; essential health and safety works; public realm environmental works; and, where appropriate, it will support estate regeneration and re-modelling.
- 12.3 The programme includes funding for the ongoing regeneration works in Collyhurst (£24.0m), including proposals for new social housing new builds, and land assembly linked to the Northern Gateway.
- 12.4 Work will continue on the North Manchester New Builds project (£7.4m), developing 56 new HRA homes on a number of sites across Collyhurst and Higher Blackley. Phase 2 will also be delivered (£11.2m), with the aim of creating 75 new build homes across a number of sites in North Manchester.

- 12.5 The land assembly around Parkhill Avenue (£4.2m) will continue to facilitate the regeneration of the area.

### **13 Children's Services (Schools)**

- 13.1 The Children's Services capital programme is predominantly focused on the building of new schools, to meet school place demand, and investment in the existing school estate. The programme is forecast to be £127.7m between 2018/19 and 2022/23 and the primary schemes within the programme are detailed below.
- 13.2 Works will continue on the secondary expansion at Co-op Academy (£4.3m) to provide the secondary pupil places required in the City.
- 13.3 There is budget provision for a new high school (£34.4m) at Matthews Lane, to increase the number of secondary places in the central and eastern area of the City.
- 13.4 Budget provision has also been made (£24.5m) to complete works to permanently expand the number of primary places through new builds or expansions to existing schools.
- 13.5 The City Council has been notified of the Basic Need grant allocation for 2018/19 (£48.4m), which will be used to fund accommodation for the increased number of school places anticipated to be required in the future.
- 13.6 A Government grant-funded schools maintenance programme (£13.3m), to help maintain the Council's school assets, is included within the budget. Officers expect this funding stream to continue, however the annual budgets will be revised once confirmation of the level of funding is received.
- 13.7 The Council has been awarded grant (£2.5m) to invest in the provision of education places for children and young people with SEN and disabilities

### **14 Information and Communication Technology (ICT)**

- 14.1 The ICT capital programme provides investment to the Council's ICT estate. The programme is forecast to be £48.9m between 2018/19 and 2022/23 and the primary schemes within the programme are detailed below.
- 14.2 The ICT Investment Plan (£48.9m) will continue. The programme of works will include measures aimed at service stability, compliance, technology refresh, and business transformation. It is expected that some of this budget may need to be transferred to revenue, depending on the type of works required, and this decision can only be made when the appropriate ICT solution has been identified. Such transfers will be proposed on a case by case basis, and reported to members through the regular capital increases reports.
- 14.3 The proposed ICT programme contains investment in the Council's network capacity using fibre. Alongside this, at a GM level, there is a bid in progress to access Government funding to further expand network capacity across the

region. If the bid is successful, it is anticipated that additional capital works would be incorporated into the programme, with details of the outcomes of the bid expected early in 2018/19.

## **15 Adults, Children's and Corporate Services**

- 15.1 The Adults, Children's and Corporate Services capital programme provides investment for the health and social care work of the City Council. The programme is forecast to be £149.3m between 2018/19 and 2022/23 and the primary schemes within the programme are detailed below.
- 15.2 To provide integrated health and community services it is proposed to invest in a new facility at the Gorton District centre (£22.7m). The proposal is on an invest to save basis with the expectation that public sector partners and the City Council will lease space in the facility and in doing so provide an income stream from which the financing costs can be funded.
- 15.3 The City Council will provide funding to Manchester Airport (£125.0m), as one of the shareholders, to support the transformation plan of the Airport and to maintain the projected dividend return to the Council.

## **16 Projects carried out on behalf of Greater Manchester**

- 16.1 The capital programme for projects carried out on behalf of Greater Manchester consists of schemes where Manchester is acting as the lead body but the expenditure relates to projects across the conurbation. The programme is forecast to be £256.5m between 2018/19 and 2022/23 and the primary schemes within the programme are detailed below.
- 16.2 The Housing Investment Fund (£256.5m) aims to invest in local housing schemes to stimulate the market, accelerate growth and increase housing supply by lending to the private sector to bring forward housing developments across Greater Manchester. It is funded through a grant from Government which has to be classed as borrowing, and the risks of lending to the private sector are shared between the Greater Manchester authorities and Government.
- 16.3 Each of the investments under the Fund is funded by borrowing at relatively low risk, with funds borrowed from either Government, or with guarantees from the Combined Authority or other Greater Manchester authorities, or by capital receipts generated as investments mature.
- 16.4 The Combined Authority has sought borrowing powers for economic regeneration which would enable the Authority to become the responsible body for these investments. Once these powers are granted the investments and the associated capital receipts and debt will be novated over to the Combined Authority. This will be reported to members through the quarterly capital monitoring.

## **17 Asset Management Planning**

- 17.1 The current capital programme includes several asset management streams, for the current operational estate, housing, highways and schools.
- 17.2 The Executive Member Estates Board, supported by the officer-led Estates Board, is responsible for the strategic direction and decision making for the operational estate, including estate asset management and estates transformation. These decisions will support the activity contained within the Asset Management Programme contained within the Council's capital budget.
- 17.3 The Council also holds significant assets on the basis of expected future regeneration projects. Work is undertaken to ensure that these assets are maintained until such time as the regeneration project can come to fruition. This may mean that the asset, such as land, could gain or lose value in the intervening period, but the overarching aim of the Council is to release the value in the asset once the regeneration has been completed, and such benefits may be wider than financial considerations.

## **18 Capital Financing**

- 18.1 The Council has several funding streams available to fund capital expenditure. Alongside external grants and contributions that the Council may be eligible to receive, the Council can also use revenue funding, capital receipts and prudential borrowing.
- 18.2 Capital receipts are generated through the sale of assets. These receipts are ring-fenced, under legislation, to fund capital expenditure and cannot be used to fund the revenue budget.

### ***Restrictions around funds***

- 18.3 The capital financing strategy is set in the context of restrictions around certain capital funds, some statutory and some which are at the Council's discretion.
- 18.4 The Housing Revenue Account (HRA) is a restricted fund, and funding from the HRA can only be used to fund capital expenditure on HRA assets.
- 18.5 The Council also operates the following fund restrictions:
- Housing capital receipts (both General Fund and Housing Revenue Account) are reserved for use on new Housing projects;
  - General Fund capital receipts will be used, in the first instance, to support the Asset Management Programme.
  - Grants received will be used for the specific purpose intended, even if the terms of such grants are not restrictive, unless alternative use promotes the same aims.

### ***Prudential Borrowing***

- 18.6 The use of prudential borrowing allows the Council to spread the cost of funding the asset over its useful economic life. Using prudential borrowing as a funding source increases the Council's capital financing requirement (CFR),

and will create revenue costs through interest costs and minimum revenue provision (MRP).

- 18.7 The projection of the Council's CFR and external debt, based on the proposed capital budget and treasury management strategy, is shown at Appendix 4. This highlights the level to which the Council is internally borrowed (being the difference between the CFR and external debt), and the expected repayment profile of the existing and forecast external debt.
- 18.8 Where the Council has funded expenditure through borrowing, it is required to make a minimum revenue provision towards the repayment of the debt. This ensures that the revenue cost of repaying the debt is spread over the life of the asset, similar to depreciation.
- 18.9 As part of the budget process, the estimated financing costs for the capital programme and for existing debt have been calculated as part of the revenue budget, and this has determined that the proposed programme and the existing debt liabilities are affordable within the existing revenue budget.
- 18.10 In line with the Prudential Code requirements, the Local Authority must have explicit regard to option appraisal and risk, asset management planning, strategic planning, and the achievability of the forward plan.
- 18.11 It is proposed that the City Council capital programme, excluding the projects carried out on behalf of Greater Manchester, for 2018/19 is funded as follows:

Fund	Housing Programmes		Other Programmes	Total
	HRA	Non-HRA		
	£m	£m	£m	£m
Borrowing		8.0	234.3	<b>242.3</b>
Capital Receipts		7.5	12.7	<b>20.2</b>
Contributions	1.8	1.1	5.8	<b>8.7</b>
Grant	0.7	6.8	114.1	<b>121.6</b>
Revenue Contribution to Capital Outlay	24.9		5.0	<b>29.9</b>
<b>Grand Total</b>	<b>27.4</b>	<b>23.4</b>	<b>371.9</b>	<b>422.7</b>

- 18.12 As noted above, the projects carried out on behalf of Greater Manchester will be funded via borrowing and capital receipts received as loans mature.
- 18.13 Prudential borrowing of up to £792.2m over the five-year period will be needed to support the City Council programme in line with the new schemes and previous planning and profile approval. The breakdown over 2018-2023 is:

- 2018/19 - £242.3m
- 2019/20 - £212.5m
- 2020/21 - £94.4m
- 2021/22 - £243.0m

- 2022/23 - £0.0m
- a. The Housing HRA programme will not require prudential borrowing.
  - b. The Corporate programme requires £792.2m of prudential borrowing which includes:

<b>Scheme</b>	<b>£m</b>
Highways Investment Plan	69.1
Hyde Road (A57) Pinch Point Widening	0.7
Velocity	0.2
Congestion Target Performance	0.2
Princess Rd Safety Review	0.1
School Crossing Patrols	1.4
Bridge maintenance	7.2
Street Lighting PFI	26.3
Automatic Bollard Replacement	0.2
Waste Contract	6.4
Heaton Park Pay & Display	0.2
Parks Investment Programme	12.3
Indoor Leisure Provision at Moss Side and Abraham Moss	19.7
FA Hubs	4.1
Velodrome Track	0.3
Libraries investment	0.3
The Factory	0.5
Asset Management Programme	0.7
Hammerstone Road	14.9
Heron House	8.0
Carbon Reduction	9.9
Sustaining Key Initiatives	20.5
Estates Transformation	18.8
Ross Place refurbishment	1.1
Refurbishment of the Town Hall and Albert Square	300.4
Space Project	0.5
One Central Park	8.1
Eastern Gateway	8.3
Northern Gateway	23.7
St. Peters Square	1.0
Civic Quarter Heat Network	18.0
Acquisitions in West Gorton	1.2
Supported Accommodation for Learning Disability	2.6
Regeneration of Ben St	8.4
Gorton Youth Zone	0.3
ICT Investment Plan	48.9
Gorton integrated health development;	22.7
Airport Strategic Investment	125.0

18.14 A number of these schemes will be on an invest to save basis, and will

generate savings. The remainder are affordable within the existing capital financing budget.

- 18.15 In addition further “spend to save” investment opportunities may arise and in order to deliver these types of projects delegated authority is given to the City Treasurer, in consultation with the Executive Member for Finance and Human Resources to increase the capital budget accordingly. The extent of this delegation is currently restricted to an annual limit of £5,000,000. This is on the understanding that the costs of borrowing (interest and principal) of any such additions to the capital budget are financed in full by additional income, revenue budget savings, or cost avoidance.
- 18.16 Work will continue to confirm the position for the capital programme from 2018/19 to 2022/23 and the final capital budget will be reported to Council in March. This will include confirmation of Government funding and the effect of any changes in the delivery of the current programme in 2017/18. Any such changes should simply require a re-profiling of the programme between financial years, with no overall change to the estimated total funding requirement for the City Council.

## **19 Investments and Liabilities**

- 19.1 The Council’s capital programme and balance sheet contain investments made by the Council to support the achievement of strategic aims. A key part of the monitoring arrangements for the Council’s capital programme is reviewing such investments once they are made. Existing investments are, by their nature, historic and require monitoring to ensure that they continue to perform as expected. The Council has traditionally focused in the capital programme on the delivery of capital schemes. With the increased national focus on council’s investment activities the Capital Strategy has been expanded to take a broader overview and to include relevant investments and liabilities.

### ***Approach, Due Diligence and Risk Appetite***

- 19.2 Council investments are managed in line with MHCLG investment guidance principles of security, liquidity and yield. The Council also recognises that the application of these principles will differ when considering capital investment rather than treasury management investment, and that this is appropriate given that the aims of such investments are wider than simply the return on them.
- 19.3 The Council makes a clear distinction between capital investments, where the achievement of strategic aims will be considered, and treasury management investments which are made for the purpose of cash flow management. It is also appropriate that the risk appetite for these two distinct types of investment may differ, given the difference in expected outcomes.
- 19.4 Details of the approach to treasury management investments is detailed later in this report, but the primary aims are security and liquidity. Further details on treasury management can be found within the Council’s Treasury

Management Strategy Statement.

- 19.5 The Council focuses its investments in line with its strategic objectives and priorities of the City and will take a more rounded view taking into account the economic and regeneration benefits to the city as well as security and liquidity. This may lead to a higher appetite for risk for the delivery of the City’s priorities and the broader economic gains. Each investment is considered on its own merit in line with the Checkpoint process outlined above, and the risks, mitigations and benefits carefully assessed.
- 19.6 Schemes could include lending to organisations with low credit ratings if the appropriate security over the organisations assets can be provided, or guarantees from parent companies or organisations given.

**Summary of material investments, guarantees and liabilities**

- 19.7 The Council has the current historic investments on the balance sheet as at 31<sup>st</sup> March 2017:

	Value as at 31/3/17
	£m
Long-term Debtors	201.7
Long-term Investments	132.0
Investment Property	394.2
<b>Total</b>	<b>727.9</b>

- 19.8 The long-term debtors represent loan finance provided by the Council to other parties, and include the loans to Manchester Airport (£83.2m), Housing Investment Fund loans (£42.0m) and Public Finance Initiative prepayments (£21.9m). These figures include the short-term element of the debtor. These loans are regularly reviewed, and would be impaired if there was a risk of default. Some of the loans, such as the Housing Investment Fund investments, are provided under guarantee from other organisations, and these guarantees will form part of the loan reviews.
- 19.9 The long-term investments are equity investments held by the Council, and include Manchester Airport (£112.4m), Destination Manchester (£10.2m) and Matrix Homes (£3.8m). These investments are valued on an annual basis.
- 19.10 Investment property is held by the Council on the basis that it will generate a revenue return, for example land at Manchester Airport and at Eastlands. Some of the properties held are being held for regeneration purposes, but provide a return and therefore are shown as investment property. Investment properties are independently valued on an annual basis.
- 19.11 The current capital programme contains the following expected capital investments, which will create either long-term debtors, investments or investment properties, to be made:
  - Waste Contract
  - Civic Quarter Heat Network
  - Private Sector Housing Equity Loans



- Manchester Airport Strategic Investment
- Greater Manchester Loans Fund
- Housing Investment Fund – note this is due to transfer to the Combined Authority in April 2018.

There may be other projects which become capital investments, such as strategic acquisitions or land acquisitions under the Eastern and Northern Gateways, but which are intended to ultimately be used for regeneration purposes.

19.12 Work is also underway to assess the impact of the recent changes to accounting standards which govern how the Council accounts for its financial assets. There is the potential that the gains and losses on assets which are not held purely for cash flow purposes will have an impact on the revenue position of the authority. An update will be provided when the Capital Programme is refreshed for the year end position.

## **20 Treasury Management**

20.1 The nature and scale of the Council's capital programme means that it is a key factor in the Council's treasury management, including the need to borrow to fund capital works. The treasury management strategy for the Council is the subject of a separate report on the agenda, but the main issues are highlighted below.

20.2 The Council has operated under the CIPFA Prudential and Treasury Management Codes since their inception. The Codes contain a requirement for the Council to agree a treasury management strategy on an annual basis. The Council also has regard to the DCLG Investment Guidance, and the importance of security, liquidity and yield in treasury management investment decisions. CIPFA defines treasury management as:

*“The management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

20.3 On an annual basis the treasury management strategy is approved by Executive and Council as part of the budget process. This defines the types of investments the Council will make during the year, and the framework for decision making around new debt. The strategy delegates treasury management decision making and monitoring to various bodies and officers, with responsibility for the delivery of the treasury management function delegated to the City Treasurer.

20.4 Interim and outturn monitoring reports are reported to Audit Committee on the activities undertaken by the treasury management function during the year.

### ***Long Term Planning (inc. MRP)***

- 20.5 The treasury management strategy provides the framework within which treasury management decisions will be made during the financial year, but the consequences of those decisions will be longer lasting. In particular with regard to debt planning, treasury management decisions are made with the impact on future treasury management decisions in mind.
- 20.6 Under the Prudential Code, the Council must make an annual revenue provision for the repayment of debt, called the minimum revenue provision (MRP). This provision spreads the cost of repaying the debt for an asset over the useful economic life of that asset. It is important to consider MRP when making capital investment decisions as it is a real cost and will impact revenue position.
- 20.7 The Council has regard to DCLG's guidance on the application of MRP, and applies the principles. The Council applies the following asset lives when calculating MRP, unless there are asset-specific reasons for deviating from them – such deviation will be guided by qualified valuers recommendations on maximum useful lives:
- Land: 50 years
  - Property: 50 years
  - Highways: 25 years
  - ICT: 5 years
- 20.8 When making debt decisions the Council takes into consideration the forecast MRP in each future financial year, and in the current market environment will seek to match debt repayments to MRP in each of those years as this is the most prudent approach.

### ***Risk appetite, key risks and sensitivities***

- 20.9 For treasury management investments and debt the Council's risk appetite is extremely low, with security of funds the primary concern. This means that the Council seeks to invest surplus cash in instruments with high credit quality and for relatively short periods, and to have debt options available at all times.
- 20.10 The role of the treasury management teams is to balance the risks associated with the management of cash, acknowledging that they cannot all be mitigated, and within that balance seek optimum performance in terms of liquidity and return.
- 20.11 The key sensitivities for the Council are changes in market conditions, particularly with regard to credit standing and interest rates, and the availability of debt. The team responsible for the treasury management function are in regular contact with brokers in the market and liaise regularly with the Council's treasury management advisors to review market conditions, and are continually reviewing debt opportunities to explore whether the Council could make use of them.

20.12 The Council's treasury management position and activities will be reported to Audit Committee throughout the financial year, with any changes in market conditions or the Strategy highlighted to members.

## **21 Skills and Knowledge**

21.1 For the capital programme, it is the approval process, and the requirements of the business case needed as part of that process, which provides the framework for the knowledge needed to pursue a capital project. Information, advice and training on the requirements of the process is available for officers and Members.

21.2 The Council has experience of delivering capital projects through the Capital Programme team, and uses this experience to evaluate new proposals. All proposals are reviewed by the Senior Management Team, including the City Treasurer.

21.3 Capital investments are reviewed under the same approval process, and receive input from appropriately qualified and skilled Finance professionals.

21.4 From January 2018 the Markets in Financial Instruments Directive II (MiFID II) regulations come into force. For the Council to continue to invest as before, it is required to opt up to become a "Professional Status" counterparty. To achieve this status those with responsibility for the delivery of the treasury management function must be able to demonstrate that they have significant skills and experience of working in a market environment, and the existing team fulfils this requirement.

## **22 Conclusions**

22.1 This capital strategy provides an overview of how capital expenditure, capital financing and treasury management activity support service delivery, and should be taken in context with the capital budget and the treasury management strategy statement.

22.2 The proposed capital programme is described within the report, and is affordable within the existing revenue budget based on the estimated capital financing costs associated with the programme.

22.3 There are risks associated with the delivery of the capital strategy, specifically regarding delays to the programme or treasury management risks, and measures are in place to mitigate these risks through both the Strategic Capital Board and the treasury management strategy.

## **23 Key Policies and Considerations**

### **(a) Equal Opportunities**

23.1 The proposals have been drawn up in awareness of Council policy on equality.

**(b) Risk Management**

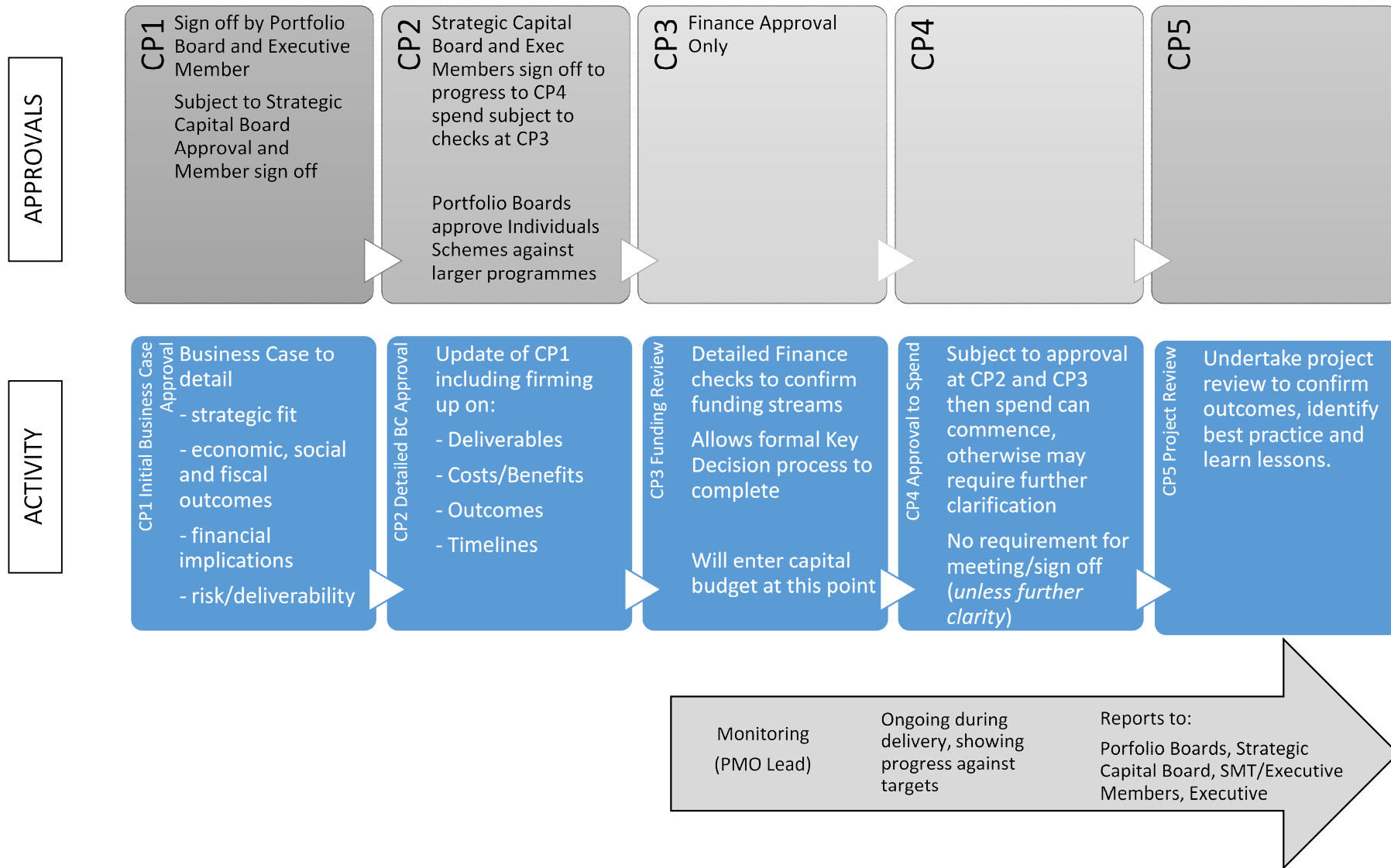
- 23.2 As a result of the national economic downturn the amount of usable capital receipts included in the resources calculation for the original capital budget is no longer achievable. In response to these circumstances the City Treasurer instigated a review of the whole capital programme in order to establish the most efficient and effective way to fund the programme. The review will be ongoing.

**(c) Legal Considerations**

- 23.3 None in this report.

**Capital Approval Process and Governance**

**Appendix 1**



**Appendix 2 – amendments to the capital budget introduced as part of this report**

*Please note that the additional budgets for 2017/18 are not included in the Capital Monitoring report for quarter 3, as they are new approvals.*

<b>Amendments introduced to the capital budget 7 February 2018</b>							
<b>Department</b>	<b>Scheme</b>	<b>Funding</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>Future £'000</b>	<b>Total £'000</b>
Highways	Automatic Bollard Replacement	Borrowing		200			200
Highways	Didsbury West Section 106	External Contributions	20	43			63
Highways	Whalley Grove Section 106	External Contributions		75			75
Growth and Neighbourhoods	Somme 100 Year Commemoration	External Grant		100			100
Growth and Neighbourhoods	Heaton Park Southern Play Area	Clean and Green Reserve (RCCO)		480			480
Strategic Development	Manchester Institute of Health and Performance	Capital Fund	(230)				(230)
Private Sector Housing	Armitage Nursery and Community Facility	External Contribution	30				30
Education	Basic Need	External Grant			48,390		48,390
Education	SEN	External Grant		831	831	831	2,493
Education	Gorton Youth Zone	Borrowing		300			300
ICT	Printing	Capital Fund	(250)				(250)
ICT	Legal Case Management Tool	Capital Fund	(21)				(21)
ICT	Collaboration Phase 2	Capital Fund		(725)			(725)
<b>Total Budget Increase Requests</b>			<b>(451)</b>	<b>1,304</b>	<b>49,221</b>	<b>831</b>	<b>50,905</b>

**Appendix 3 – the proposed Capital Programme**

<b>Project Name</b>	<b>2017/18 Proposed Budget</b>	<b>2018/19 Proposed Budget</b>	<b>2019/20 Proposed Budget</b>	<b>2020/21 Proposed Budget</b>	<b>2021/22 Proposed Budget</b>	<b>2022/23 Proposed Budget</b>
	£'000s					
<b>Highway Programme</b>						
<b>Highways Planned Maintenance Programme</b>						
Local Roads (A6 Stockport under South East Manchester Multi Modal Strategy (SEMMMS))	4,886	0	0	0	0	0
Planned Highways Maintenance Programme	158	767	0	0	0	0
Highway Asset Surveys	150	150	150	150	150	0
Drainage	695	1,305	500	500	500	0
Large Patching repairs	482	1,228	1,250	1,000	0	0
Disabled Bays/ line markings	10	90	50	50	50	0
Network Maintenance	0	100	50	50	50	0
Carriageway Resurfacing	6,278	5,522	5,900	6,000	6,000	0
Footway schemes	900	3,250	1,900	2,000	2,000	0
Carriageway Preventative	5,144	6,256	6,000	6,000	6,000	0
Other Improvement works	0	4,000	4,000	4,000	3,000	0
Project Delivery Procurement	0	1,400	1,250	1,350	1,000	0
Capitalised Repairs	1,040	0	0	0	0	0
<b>Highways Stand Alone Projects Programme</b>						
Ardwick Grove Village Parking	0	23	0	0	0	0
Didsbury Village Tram Stop Traffic Mitigation	0	18	0	0	0	0
North Manchester Hospital Residents Parking	9	0	0	0	0	0
Section 106 Highways work around Metrolink	0	47	0	0	0	0
Hyde Road (A57) Pinch Point Widening	17	1,856	2,132	0	0	0
New Islington Free School Road	5	0	0	0	0	0

<b>Project Name</b>	<b>2017/18 Proposed Budget</b>	<b>2018/19 Proposed Budget</b>	<b>2019/20 Proposed Budget</b>	<b>2020/21 Proposed Budget</b>	<b>2021/22 Proposed Budget</b>	<b>2022/23 Proposed Budget</b>
	£'000s					
Barlow Moor Road	0	27	0	0	0	0
Birley Fields Campus highways work	72	0	0	0	0	0
Etihad Expansion - Public Realm	337	0	0	0	0	0
Etihad Expansion - S278	5	0	0	0	0	0
Velocity	1,149	219	0	0	0	0
Cycle City Phase 2	201	2,719	1,808	0	0	0
Congestion Target Performance	0	235	0	0	0	0
Piccadilly Undercroft Gating	82	0	0	0	0	0
20mph Zones (Phase 3)	19	58	0	411	0	0
ITB Minor Works	20	91	0	0	0	0
Great Ancoats St/Pollard St S106	8	0	0	0	0	0
Flood Risk Management - Hidden Watercourses	49	0	0	0	0	0
Flood Risk Management - Calve Croft Flood Risk	25	0	0	0	0	0
Flood Risk Management - Higher Blackley Flood Risk	66	0	0	0	0	0
Manchester/Salford Inner Relief Road (MSIRR)	1,069	589	0	0	0	0
Great Ancoats Improvement Scheme	193	495	7,462	167	0	0
Highways Maintenance Challenge Fund	5,425	0	0	0	0	0
Cycle Parking	57	0	0	0	0	0
Shadowmoss Rd / Mossnook Rd	26	0	0	0	0	0
Birley Fields Campus improvements	36	0	0	0	0	0
Edge Lane	0	5	0	0	0	0
Cringlebrook Primary School Crossing	15	0	0	0	0	0
Former BBC site Section 278	50	0	0	0	0	0
GM Casualty Reduction Partnership (GMCRP) Multi Sites	28	0	0	0	0	0
GMCRP Kingsway/Moseley Rd	75	0	0	0	0	0



<b>Project Name</b>	<b>2017/18 Proposed Budget</b>	<b>2018/19 Proposed Budget</b>	<b>2019/20 Proposed Budget</b>	<b>2020/21 Proposed Budget</b>	<b>2021/22 Proposed Budget</b>	<b>2022/23 Proposed Budget</b>
	£'000s					
Bridge Maintenance	0	1,388	1,276	2,268	2,268	0
Princess Rd Safety Review	207	136	0	0	0	0
School Crossings	300	1,405	868	0	0	0
Kingsway Speed Cameras	70	0	0	0	0	0
Green Bridge at Airport City	475	1,475	1,050	0	0	0
North Manchester Hospital RPZ Expansion	24	56	0	0	0	0
Public Realm	394	635	400	400	400	0
Street Lighting PFI	6,103	13,430	12,830	0	0	0
CCTV Enforcement Bus Lanes	32	0	0	0	0	0
Automatic Bollard Replacement	0	200	0	0	0	0
Didsbury West S106	20	43	0	0	0	0
Whalley Grove S106	0	75	0	0	0	0
<b>SEMMMS PROGRAMME</b>						
SEMMMs A6 to Manchester Airport	65	70	0	0	0	0
<b>Bus Priority Package Programme</b>						
Bus Priority Package - Rochdale Road	16	0	0	0	0	0
Bus Priority Package - Oxford Road	838	0	0	0	0	0
Bus Priority Package - Princess Street/Brook Street	190	0	0	0	0	0
Bus Priority Package - Regional Centre	318	0	0	0	0	0
Bus Priority - Complementary Measures	16	0	0	0	0	0
<b>Total Highways Programme</b>	<b>37,849</b>	<b>49,363</b>	<b>48,876</b>	<b>24,346</b>	<b>21,418</b>	<b>0</b>
<b>Environment Programme</b>						
City Centre Litter Bins	20	0	0	0	0	0

<b>Project Name</b>	<b>2017/18 Proposed Budget</b>	<b>2018/19 Proposed Budget</b>	<b>2019/20 Proposed Budget</b>	<b>2020/21 Proposed Budget</b>	<b>2021/22 Proposed Budget</b>	<b>2022/23 Proposed Budget</b>
	£'000s					
City Wide Litter Bins	12	0	0	0	0	0
Fleet Collaboration	22	0	0	0	0	0
Waste Reduction Measures	300	1,000	491	0	0	0
Waste Contract	1,088	5,369	1,065	0	0	0
<b>Leisure Services Programme</b>						
<b>Parks Improvement Programme</b>						
Hollyhedge Park Drainage	107	0	0	0	0	0
Heaton Park Pay & Display	543	151	0	0	0	0
Harpurhey Park	37	0	0	0	0	0
PIP - Park Events Infrastructure	431	200	0	0	0	0
PIP - Unallocated	348	8,460	10,050	1,740	0	0
Citywide Play Equipment	49	0	0	0	0	0
Fletcher Moss Tennis	127	0	0	0	0	0
Fletcher Moss Wetlands Walkway	64	0	0	0	0	0
Smedley Lane Playing Fields S106	201	0	0	0	0	0
Somme 100 Year Memorial	0	100	0	0	0	0
Heaton Park Southern Play Area	0	480	0	0	0	0
<b>Leisure &amp; Sports Facilities</b>						
Hough End Leisure Centre	2	0	0	0	0	0
Arcadia (Levenshulme) Leisure Centre	10	0	0	0	0	0
National Taekwondo Centre	7	0	0	0	0	0
Clayton Vale Mountain Bike Trail	9	0	0	0	0	0
National Squash Centre - refurbishment for rental	74	0	0	0	0	0
Belle Vue Sports Village	43	0	0	0	0	0
Indoor Leisure - Abraham Moss	142	852	4,894	10,051	41	0

<b>Project Name</b>	<b>2017/18 Proposed Budget</b>	<b>2018/19 Proposed Budget</b>	<b>2019/20 Proposed Budget</b>	<b>2020/21 Proposed Budget</b>	<b>2021/22 Proposed Budget</b>	<b>2022/23 Proposed Budget</b>
	£'000s					
Indoor Leisure - Moss Side	4,205	3,852	25	0	0	0
Armitage Sports Centre Hockey Pitches	77	0	0	0	0	0
FA Hubs	50	12,950	0	0	0	0
Boggart Hole Clough - Visitors Centre	535	0	0	0	0	0
Mount Road S106	87	0	0	0	0	0
Event Seating Basketball	543	0	0	0	0	0
Velodrome Track	602	329	0	0	0	0
<b>Libraries and Info Services Programme</b>						
Central Library Wolfson Award	13	36	0	0	0	0
Library Refresh	6	0	0	0	0	0
Wolfson Children's Digital Libraries	5	0	0	0	0	0
Roll Out of Central Library ICT	317	212	0	0	0	0
Libraries - Wi-Fi Printing	68	0	0	0	0	0
Refresh of Radio Frequency Identifier Equipment	510	0	0	0	0	0
Introduction of On-Line Payments	21	0	0	0	0	0
Newton Heath Library	187	0	0	0	0	0
Library 2020	630	70	0	0	0	0
<b>Total Growth and Neighbourhoods Programme</b>	<b>11,492</b>	<b>34,061</b>	<b>16,525</b>	<b>11,791</b>	<b>41</b>	<b>0</b>
<b>Cultural Programme</b>						
First Street Cultural Facility	12	0	0	0	0	0
The Factory (Build)	7,296	26,911	48,184	21,169	0	0
The Factory (Public Realm)	2,000	0	2,450	0	0	0
<b>Corporate Property Programme</b>						

<b>Project Name</b>	<b>2017/18 Proposed Budget</b>	<b>2018/19 Proposed Budget</b>	<b>2019/20 Proposed Budget</b>	<b>2020/21 Proposed Budget</b>	<b>2021/22 Proposed Budget</b>	<b>2022/23 Proposed Budget</b>
	£'000s					
Asset Management Programme	14,549	11,733	7,600	7,600	7,600	0
Strategic Acquisitions Programme	25,217	3,000	3,000	3,000	3,000	0
Town Hall Complex Transformation Programme	67	0	0	0	0	0
Hammerstone Road Depot	54	2,941	9,789	2,216	0	0
Heron House	6,000	7,459	0	0	0	0
Registrars	500	500	0	0	0	0
Carbon Reduction Programme	38	2,456	2,478	2,479	2,479	0
Sustaining Key Initiatives	1,200	12,100	8,400	0	0	0
Estates Transformation	200	4,328	5,000	3,500	2,000	0
Estates Transformation - Hulme District Office	0	3,972	0	0	0	0
Ross Place Refurbishment	1,012	1,108	0	0	0	0
<b>Development Programme</b>						
<b>Development Programme - East Manchester</b>						
New Islington Marina	79	0	0	0	0	0
The Space Project - Phase 2	11,473	0	0	0	0	0
Digital Asset Base - Space Project	60	540	0	0	0	0
Digital Asset Base - One Central Park	850	7,500	620	0	0	0
New Smithfield Market	150	400	0	0	0	0
Beswick Community Hub - Highway and Public Realm	2	0	0	0	0	0
Eastern Gateway - Central Retail Park	37,250	1,100	2,000	0	0	0
Eastern Gateway - New Islington Marina	45	4,082	1,081	15	0	0
<b>Development Programme - North Manchester</b>						
Irish World Heritage Centre	270	0	0	0	0	0
Collyhurst Police Station liabilities	844	0	0	0	0	0
Northern Gateway	1,300	13,700	10,000	0	0	0

<b>Project Name</b>	<b>2017/18 Proposed Budget</b>	<b>2018/19 Proposed Budget</b>	<b>2019/20 Proposed Budget</b>	<b>2020/21 Proposed Budget</b>	<b>2021/22 Proposed Budget</b>	<b>2022/23 Proposed Budget</b>
	£'000s					
<b>Development Programme - City Centre</b>						
Hulme Hall Rd Lighting	39	0	0	0	0	0
ST Peters Square	132	630	400	0	0	0
Civic Quarter Heat Network	0	15,000	6,000	0	0	0
Medieval Quarter Public Realm	250	550	1,200	0	0	0
City Labs 2	3,675	0	0	0	0	0
<b>Development Programme - Enterprise Zone</b>						
Airport City Power Infrastructure (EZ)	4,019	194	0	0	0	0
<b>Development Programme - Stand Alone Projects</b>						
Digital Business Incubators	500	3,500	0	0	0	0
<b>Total Strategic Development Programme</b>	<b>119,083</b>	<b>123,704</b>	<b>108,202</b>	<b>39,979</b>	<b>15,079</b>	<b>0</b>
<b>Town Hall Refurbishment Programme</b>						
Our Town Hall refurbishment	5,219	22,723	23,081	39,732	214,729	0
Our Town Hall THX Café	93	0	0	0	0	0
<b>Total Town Hall Refurbishment Programme</b>	<b>5,312</b>	<b>22,723</b>	<b>23,081</b>	<b>39,732</b>	<b>214,729</b>	<b>0</b>
<b>Private Sector Housing Programme</b>						
<b>Brunswick PFI (PSH)</b>						
Brunswick PFI Land Assembly	978	2,695	1,599	0	0	0
<b>Collyhurst (PSH)</b>						
Collyhurst PFI Land assembly	99	98	505	4,265	0	0
Collyhurst Environmentals	15	15	97	0	0	0

<b>Project Name</b>	<b>2017/18 Proposed Budget</b>	<b>2018/19 Proposed Budget</b>	<b>2019/20 Proposed Budget</b>	<b>2020/21 Proposed Budget</b>	<b>2021/22 Proposed Budget</b>	<b>2022/23 Proposed Budget</b>
	£'000s					
<b>Housing Investment Model</b>						
Site Investigation and Early Works Housing Investment Fund Pilot Sites	311	125	214	229	0	0
<b>Miles Platting PFI (PSH)</b>						
Miles Platting PFI Land Assembly	117	764	677	0	0	0
<b>Private Housing Asist Citywide Programme</b>						
Disabled Facilities Grant	6,000	8,034	7,400	6,200	6,200	0
Toxteth St CPO & environmental works	1	74	141	0	0	0
Bell Crescent CPO	0	0	482	0	0	0
<b>Redrow Development Programme</b>						
Redrow Development Phase 2 onward	4,312	0	0	0	0	0
<b>West Gorton (PSH)</b>						
West Gorton Compensation	4	0	0	0	0	0
West Gorton Ph 2A Demolition & Commercial Acquisitions	1,100	1,288	100	0	0	0
Armitage Nursery & Community Facility	835	630	2,086	0	0	0
<b>Private Sector Housing - Stand Alone Projects</b>						
HMRF	24	50	50	40	0	0
Collyhurst Acquisition & Demolition (Overbrook & Needwood Close)	20	5	661	0	0	0
Extra Care	0	2,500	3,500	0	0	0
Moston Lane Acquisitions	0	0	4,250	3,250	0	0
Equity Loans	0	100	400	500	0	0
Learning Disability (Supported Housing Accommodation)	500	2,550	0	0	0	0
West Gorton Community Park	0	250	0	0	0	0
Ben St. Regeneration	1,847	4,238	8,522	0	0	0
Longford Homelessness Centre	252	0	0	0	0	0
Canada St - Walking With Wounded	56	17	100	0	0	0

<b>Project Name</b>	<b>2017/18 Proposed Budget</b>	<b>2018/19 Proposed Budget</b>	<b>2019/20 Proposed Budget</b>	<b>2020/21 Proposed Budget</b>	<b>2021/22 Proposed Budget</b>	<b>2022/23 Proposed Budget</b>
	£'000s					
<b>Total Private Sector Housing Programme</b>	<b>16,491</b>	<b>23,433</b>	<b>30,784</b>	<b>14,484</b>	<b>6,200</b>	<b>0</b>
<b>Public Sector Housing</b>						
<b>01.00 Northwards - External Work</b>						
Charlestown - Victoria Ave multistorey window replacement - Phase 1	0	2,500	5,500	7,517	0	0
Door replacements - Phase 5	1	0	0	0	0	0
Riverdale ext. & cyclical works phase 1/4	-43	0	0	0	0	0
Riverdale ext. & cyclical works phase 2/4	10	0	0	0	0	0
New Lightbowne (Walderton Ave)	9	0	0	0	0	0
Newton Heath Daisybank Estate	1	0	0	0	0	0
External cyclical works phase 3a	419	137	0	0	0	0
Riverdale estate - External work and ECW (Phase 3 &4)	27	18	0	0	0	0
Charlestown, Clifford Lamb Court - External wall insulation and window replacement	11	3	0	0	0	0
Collyhurst Environmental programme	200	217	0	0	0	0
Updating of Electricity Northwest distribution network phase 2 to multi storeys, maisonettes and retirement blocks	46	46	0	0	0	0
Ancoats Anita St and George Leigh external cyclical works ph 3b	94	0	0	0	0	0
Cheetham Halliwell Lane external cyclical works ph 3b	264	3	0	0	0	0
Harpurhey Lathbury & 200 Estates external cyclical works ph 3b	402	3	0	0	0	0
Moston Mill estate (excl timber framed) external cyclical works ph 3b	391	100	0	0	0	0
Newton Heath Donleigh & Plantagenet estates external cyclical works ph 4a	18	0	0	0	0	0
Higher Blackley Central House solid wall insulation	83	0	0	0	0	0

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	£'000s					
Environmental works	112	100	0	0	0	0
Collyhurst environmental works	11	0	0	0	0	0
Harpurhey Shiredale Estate externals	624	0	0	0	0	0
Moston Miners Low Rise externals	980	0	0	0	0	0
Cheetham Smedley Rd externals	2	0	0	0	0	0
Newton Heath Limestone Drive externals	217	25	0	0	0	0
Moston Bannatyne/Lightbowne Rd/St Geroges Drive externals	6	0	0	0	0	0
Upgrade external lighting to retirement blocks	146	0	0	0	0	0
Renewal of 4 automatic pedestrian gates at Victoria Square	0	45	0	0	0	0
Replacement door entry Clifford Lamb Ct and Monsall multi storey blocks	143	94	0	0	0	0
Bin chute replacement at Mossbrook Ct	112	0	0	0	0	0
Updating of Electricity Northwest distribution network phase 3	0	52	0	0	0	0
External cyclical works ph 3b Harpurhey - Jolly Miller Estate ph 3b	622	7	0	0	0	0
External cyclical works ph 3b Moston Estates (Chauncy/Edith Cliff/Kenyon/Thorveton Sq)	224	0	0	0	0	0
External cyclical works ph 3b Ancoats Smithfields estate	5	88	0	0	0	0
External cyclical works ph 4b Charlestown Chain Bar low rise	605	111	0	0	0	0
External cyclical works ph 4b Charlestown Chain Bar Hillingdon Drive maisonettes	285	7	0	0	0	0
External cyclical works ph 4b Crumpsall Blackley Village	149	101	0	0	0	0
External cyclical works ph 4b Higher Blackley South	430	334	0	0	0	0
External cyclical works ph 4b Newton Heath Assheton estate	271	39	0	0	0	0
External cyclical works Ph 4b Newton Heath Troydale Estate	900	1,025	0	0	0	0
External cyclical works Ph 5 New Moston (excl corrolites)	311	138	0	0	0	0



Project Name	2017/18 Proposed Budget	2018/19 Proposed Budget	2019/20 Proposed Budget	2020/21 Proposed Budget	2021/22 Proposed Budget	2022/23 Proposed Budget
	£'000s					
Environmental improvements Moston corrolites	109	140	0	0	0	0
Delivery Costs	1,426	900	687	422	0	0
<b>02.00 Northwards - Internal Work</b>						
Digital Upgrade to CCTV Systems	3	0	0	0	0	0
2 and 4 blocks heating replacement with Ground source heat pumps - Phase 1	1,620	232	0	0	0	0
Decent Homes mop ups phase 8 and voids	258	0	0	0	0	0
One off rewires, boilers, doors, insulation etc	129	0	0	0	0	0
Retirement blocks lift programme	52	0	0	0	0	0
Charlestown Whitebeck Court communal areas	64	0	0	0	0	0
Multi-storey lift replacement	350	0	0	0	0	0
Retirement blocks lift programme	1	0	0	0	0	0
Boiler Replacement at Cheetham Hill Local Services Office	1	0	0	0	0	0
Lift replacement / refurbishment programme	410	210	0	0	0	0
Replacement warden call to Edward Grant Court	33	0	0	0	0	0
Fire precaution works - installation of fire seal box to electric cupboards on communal corridors in retirement blocks	71	0	0	0	0	0
Community Room emergency lighting at Victoria Square	17	0	0	0	0	0
Electrical surge protection	14	0	0	0	0	0
Decent Homes mop ups ph 9 and decent homes work required to voids	584	416	0	0	0	0
One offs such as rewires, boilers, doors, insulation	200	250	0	0	0	0
Whitemoss Road and Cheetham Hill Road Local Offices - Improvements	590	427	0	0	0	0
Delivery Costs	420	166	0	0	0	0
<b>05.00 Northwards - Off Debits/Conversions</b>						

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	£'000s					
Bringing Studio Apartments back in use	75	75	100	0	0	0
Delivery Costs	12	13	0	0	0	0
<b>06.00 Homeless Accommodation</b>						
Improvements to Homeless accommodation city wide	480	258	0	0	0	0
Plymouth Grove Women's Direct Access Centre	22	0	0	0	0	0
Improvements to Homeless Accommodation Phase 2	0	500	500	213	0	0
Delivery Costs	120	63	5	0	0	0
<b>12.00 Northwards - Acquisitions</b>						
Northwards Acquisitions	0	102	0	0	0	0
Stock Acquisitions	119	81	0	0	0	0
Delivery Costs	19	10	0	0	0	0
<b>14.00 Northwards - Adaptations</b>						
Disabled Adaptations	350	0	0	0	0	0
Adaptations - Northwards	750	500	0	0	0	0
<b>Northwards - Unallocated</b>						
Northwards Housing Programme unallocated	0	8,470	19,490	16,500	18,900	0
<b>Retained Housing Programme</b>						
Collyhurst Maisonette Compensation & Dem	75	76	0	0	0	935
<b>West Gorton Regeneration Programme</b>						
West Gorton PH2A Low & High Rise Demolition	26	0	0	0	0	0
<b>Future Years Housing Programme</b>						
Collyhurst Estate Regeneration	0	700	10,295	10,476	0	0
Collyhurst Regen - Highways Phase 1	35	111	65	0	0	1,394
Collyhurst Regen - Churnett Street	0	0	0	0	0	790
Collyhurst Regen - Needwood & Overbrook acquisition / demolition	0	129	0	0	0	0

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	£'000s					
Willert Street Park Improvements	179	0	0	0	0	0
North Manchester New Builds	1,900	7,388	0	0	0	0
North Manchester New Builds 2	40	1,000	5,121	5,122	0	0
Parkhill Land Assembly	0	10	140	4,030	90	0
New Universal Housing System	127	0	0	0	0	0
Brunswick PFI HRA	722	0	0	0	0	0
<b>Total Public Sector Housing (HRA) Programme</b>	<b>19,491</b>	<b>27,420</b>	<b>41,903</b>	<b>44,280</b>	<b>18,990</b>	<b>3,119</b>
<b>Children's Services Programme</b>						
<b>Basic Need Programme</b>						
Cheetham Academy	0	0	0	0	0	0
Crab Lane - Increase capacity	9	0	0	0	0	0
Cavendish Community - Increase capacity	294	0	0	0	0	0
Ashbury Meadow - Increase capacity	90	0	0	0	0	0
E-Act Academy - increase capacity	47	0	0	0	0	0
Crosslee - Increase capacity	33	0	0	0	0	0
Claremont - Increase capacity	86	0	0	0	0	0
Wilbraham Primary School	21	0	0	0	0	0
Mauldeth Road - Increase capacity	87	0	0	0	0	0
Charlestown - Increase accommodation	50	0	0	0	0	0
St. John's CE Primary	65	0	0	0	0	0
Briscoe Land Academy	63	0	0	0	0	0
Holy Trinity VC Primary	36	0	0	0	0	0

<b>Project Name</b>	<b>2017/18 Proposed Budget</b>	<b>2018/19 Proposed Budget</b>	<b>2019/20 Proposed Budget</b>	<b>2020/21 Proposed Budget</b>	<b>2021/22 Proposed Budget</b>	<b>2022/23 Proposed Budget</b>
	£'000s					
Stanley Grove - contribution to PFI	123	0	0	0	0	0
Gorton Mount - New School	344	0	0	0	0	0
Manchester Communication Primary Academy	224	0	0	0	0	0
Dean Trust Ardwick	78	0	0	0	0	0
Ardwick Pupil Referral Unit	40	0	0	0	0	0
ULT William Hulme	1,220	0	0	0	0	0
Rodney House conversion	89	0	0	0	0	0
Lytham Rd	10,845	24	0	0	0	0
Abraham Moss Dining Hall	514	0	0	0	0	0
Manchester Health Academy expansion	5,988	0	0	0	0	0
Co-op Academy expansion	13,629	4,315	0	0	0	0
Manchester Enterprise Academy	4,853	0	0	0	0	0
Sacred Heart RC Expansion	41	0	0	0	0	0
St Margaret's C of E	2,830	15	0	0	0	0
St Matthews RC	2,422	20	0	0	0	0
Matthews Lane	7,040	28,000	6,357	73	0	0
Plymouth Grove Refurbishment	3,300	4,780	20	0	0	0
Beaver Rd Primary Expansion	2,385	6,076	20	0	0	0
Lily Lane Primary	1,283	2,834	11	0	0	0
St. James Primary Academy	1,283	2,866	12	0	0	0
Crossacres Primary School	1,283	2,887	12	0	0	0
Ringway Primary School	1,283	2,287	10	0	0	0
Webster Primary Schools	1,283	2,655	11	0	0	0
Basic need - unallocated funds	0	0	48,390	0	0	0
Universal Infant Free School Meals (UIFSM) - Allocated	250	0	0	0	0	0

<b>Project Name</b>	<b>2017/18 Proposed Budget</b>	<b>2018/19 Proposed Budget</b>	<b>2019/20 Proposed Budget</b>	<b>2020/21 Proposed Budget</b>	<b>2021/22 Proposed Budget</b>	<b>2022/23 Proposed Budget</b>
	£'000s					
Universal Infant Free School Meals (UIFSM) - Unallocated	338	0	0	0	0	0
<b>Schools Maintenance Programme</b>						
Loreto HS Highway Improvements	9	0	0	0	0	0
Abraham Moss - Hall Heating	17	0	0	0	0	0
Moston Lane - re-roof	1,000	0	0	0	0	0
Wilbraham Rewire	9	0	0	0	0	0
Ravensbury Highways Improvements	12	0	0	0	0	0
Abbot Community Primary Joinery	9	0	0	0	0	0
Alma Park Primary Roof ph 2	158	0	0	0	0	0
Armitage CofE Primary Joinery	49	0	0	0	0	0
Birchfields Primary Roof	327	0	0	0	0	0
Chorlton CofE Primary Rewire	406	0	0	0	0	0
Heald Place Primary roof	4	0	0	0	0	0
Moston Lane Primary	694	0	0	0	0	0
Ringway Primary roof ph 2	421	0	0	0	0	0
Wilbraham Primary Roof	540	168	0	0	0	0
Alma Park Gas Improvement	29	0	0	0	0	0
Pike Fold Primary School defects	66	0	0	0	0	0
Schools Capital Maintenance -unallocated	0	4,095	3,000	3,000	3,000	0
<b>Education Standalone Projects</b>						
Paintpots	37	0	0	0	0	0
Darley Ave. Children's Centre	7	0	0	0	0	0
Early Education for Two Year Olds	297	0	0	0	0	0
Gorton Youth Zone	1,200	300	0	0	0	0
Special Educational Needs grant	0	831	831	831	0	0

<b>Project Name</b>	<b>2017/18 Proposed Budget</b>	<b>2018/19 Proposed Budget</b>	<b>2019/20 Proposed Budget</b>	<b>2020/21 Proposed Budget</b>	<b>2021/22 Proposed Budget</b>	<b>2022/23 Proposed Budget</b>
	£'000s					
<b>Total Children's Services Programme</b>	<b>69,140</b>	<b>62,153</b>	<b>58,674</b>	<b>3,904</b>	<b>3,000</b>	<b>0</b>
<b>ICT Capital Programme</b>						
<b>ICT</b>						
One System Upgrade	18	0	0	0	0	0
SAP Business Planning and Continuity	231	0	0	0	0	0
Solaris	26	0	0	0	0	0
<b>ICT Infrastructure &amp; Mobile Working Programme</b>						
Infrastructure & Mobile Working	0	0	0	0	0	0
Citrix 7.6 Migration	275	0	0	0	0	0
Mobile Device Refresh	88	55	0	0	0	0
PSN Windows 2003	93	36	0	0	0	0
Data Centre UPS Installation	314	30	0	0	0	0
Core Switch Firmware	0	58	0	0	0	0
New Social Care System	700	1,978	0	0	0	0
End User Computing	400	948	0	0	0	0
Core Infrastructure Refresh	2,520	539	0	0	0	0
Income Management	54	0	0	0	0	0
CRM	54	0	0	0	0	0
ICT Investment Plan	0	10,525	13,000	15,300	6,399	0
<b>ICT Stand Alone Projects</b>						
Broadband Connection Vouchers (Phase 3)	5	0	0	0	0	0
<b>Infrastructure</b>						
Infrastructure Funding Unallocated	84	0	0	0	0	0

<b>Project Name</b>	<b>2017/18 Proposed Budget</b>	<b>2018/19 Proposed Budget</b>	<b>2019/20 Proposed Budget</b>	<b>2020/21 Proposed Budget</b>	<b>2021/22 Proposed Budget</b>	<b>2022/23 Proposed Budget</b>
	£'000s					
Wider Area Network Redesign	29	0	0	0	0	0
<b>Total ICT Programme</b>	<b>4,891</b>	<b>14,169</b>	<b>13,000</b>	<b>15,300</b>	<b>6,399</b>	<b>0</b>
<b>Corporate Capital Programme</b>						
Capitalisation of Community Equipment	350	368	386	405	425	0
Child Protection Info Systems (CPIS)	18	0	0	0	0	0
C&F ICT Projects	187	0	0	0	0	0
Phase 1 Implementation - Locality Plan Programme Office	1,168	0	0	0	0	0
Integrated Working - Gorton Health Hub	100	15,300	7,396	0	0	0
Airport Strategic Investment	0	50,000	75,000	0	0	0
<b>Total Corporate Capital Programme</b>	<b>1,823</b>	<b>65,668</b>	<b>82,782</b>	<b>405</b>	<b>425</b>	<b>0</b>
<b>Total Manchester City Council Capital Programme</b>	<b>285,552</b>	<b>422,694</b>	<b>423,827</b>	<b>194,221</b>	<b>286,281</b>	<b>3,119</b>
<b>Projects carried out on behalf of Greater Manchester</b>						
Housing Investment Fund	80,000	172,765	73,522	10,200	0	0
Greater Manchester Loan Fund	500	0	0	0	0	0
<b>Total GM projects</b>	<b>80,500</b>	<b>172,765</b>	<b>73,522</b>	<b>10,200</b>	<b>0</b>	<b>0</b>
<b>Total CAPITAL PROGRAMME</b>	<b>366,052</b>	<b>595,459</b>	<b>497,349</b>	<b>204,421</b>	<b>286,281</b>	<b>3,119</b>

**Appendix 4 – CFR & Internal Borrowing**

