
**Manchester City Council
Report for Resolution**

Report to: Executive - 1 June 2016

Subject: Capital Programme - Proposed Increases

Report of: Chief Executive and the City Treasurer

Summary

This report informs members of requests to increase the capital programme, seeks approval for those schemes that can be approved under authority delegated to the Executive, and asks Executive to recommend to the City Council proposals that require specific Council approval.

Recommendations

Members are requested to recommend that the City Council approve:

1. Libraries Programme - Refresh of Radio Frequency Identifier (RFID) Equipment. To increase the capital budget by £510k in 2016/17, funded by the use of borrowing.
2. Libraries Programme - Introduction of On-line Payments. To increase the capital budget by £30k in 2016/17, funded by the use of borrowing.
3. Libraries Programme - Upgrade to Customer Facing Furniture in Libraries. To increase the capital budget by £50k in 2016/17, funded by the use of borrowing.
4. Leisure Programme - Alexandra Park. To increase the capital budget by £48k in 2016/17, funded by the use of borrowing.

Members are requested under powers delegated to the Executive to approve the following:

5. Northwards Housing Capital Programme - Plymouth Grove Women's Direct Access Centre. To increase the capital budget by £399k (£379k in 2016/17 and £20k in 2017/18) funded by funded by; £100k revenue contributions to capital, £139k HRA reserves and £160k external grant funding from the Homes & Communities Agency.
6. Private Sector Housing Capital Programme - Disabled Adaptations Scheme. To increase the capital budget by £2,279k in 2016/17, funded by a net increase in the use of external grant funding from the Department for Communities and Local Government (DCLG).

7. Private Sector Housing Capital Programme - Redrow Development. To increase the capital budget by £11,010k (£5,510k in 2016/17 and £5,500k in 2017/18) funded by matching capital receipts.
8. Adult Services Programme - Manchester Equipment and Adaptations Partnership (MEAP) Capitalisation of Community Equipment. To increase the capital budget by £350k in 2016/17, funded by a revenue contribution to capital.
9. Children's Services Programme - Education Capital Maintenance. To increase the capital budget by £3,075k in 2016/17, funded by the use of external grant funding from the Department of Education.
10. Environment and Operations Programme - Additional CCTV Enforcement Vehicle. To increase the capital budget by £59k in 2016/17, funded by the use of the Parking Reserve.

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	Contributions to various areas of the economy including investment in private sector housing, education and social care, transport infrastructure, regeneration activities, environmental works and library services.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Investment to provide 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	Investment in social care equipment and housing adaptations, environmental improvements and enhanced library services.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in sustainable and affordable housing, school building maintenance, environmental and regeneration programmes.
A connected city: world class infrastructure and connectivity to drive growth	Investment in infrastructure improvements and enhanced provision of library services.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Approvals under powers delegated to the City Treasurer and Executive Member for Finance and Human Resources, have resulted in a decrease to the capital budget of £267k and a corresponding increase to the revenue budget in 2016/17.

Financial Consequences – Capital

The recommendations in this report, if approved, will increase the capital budget by £17,810k (£12,290k in 2016/17 and £5,520 in 2017/18).

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Background documents (available for public inspection):

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

Report to the Executive 17 February 2016 (Budget 2016/17 - 2018/19)

1. Introduction

- 1.1 Requests for increases to the forthcoming three year capital budget have been identified. This report outlines those requirements.

2. Background

- 2.1 In February each year, the Executive receives a report on the capital budget for the forthcoming three financial years and approves a series of recommendations to make to the City Council. The City Council's resolutions on these recommendations constitute the approval of the three year capital programme for Manchester City Council. Proposals for the 2016/17 to 2018/19 Capital Budget were presented to the Executive on 17th February 2016.
- 2.2 A summary of the requests for additions to the programme is shown in Appendix 1 and represents requests received since the previous report to the Executive.

3. Proposals Requiring Specific Council Approval

- 3.1 Libraries Programme - Refresh of Radio Frequency Identifier (RFID) Equipment. The existing RFID estate was rolled out in 2010 and the equipment is reaching the end of its economic life. This project will include the upgrade of equipment which facilitates the running of customer self service kiosks for self issue and discharge of books and payment of fines. The project will also upgrade the self service telephone renewal system. Within the library service 80% of customer transactions are now delivered via a self service mechanism which has significantly reduced running costs in prior years and where capital investment is now needed to support continued efficiency gains. A capital budget increase of £510k is requested in 2016/17, funded by the use of borrowing.
- 3.2 Libraries Programme - Introduction of On-line Payments. Currently the Council does not have an online payments facility for library fines and charges, payments can only be made by visiting a library. This investment will introduce online payments for customers and improve customer service. A capital budget increase of £30k is requested in 2016/17, funded by the use of borrowing.
- 3.3 Libraries Programme - Upgrade to Customer Facing Furniture in Libraries. This Scheme will upgrade the furniture and fittings in a number of libraries across the city. These improvements will enable all libraries to be brought up to an acceptable standard, increase customer satisfaction and the use of our facilities. A capital budget increase of £50k is requested in 2016/17, funded by the use of borrowing.
- 3.4 Leisure Programme - Alexandra Park. Additional work is required for drainage to prevent erosion to park pathways from surface water run-off and the

completion of refurbishment works to Chorlton Lodge. A capital budget increase of £48k is requested in 2016/17, funded by the use of borrowing.

4. Proposals Not Requiring Specific Council Approval

- 4.1 Northwards Housing Capital Programme - Plymouth Grove Women's Direct Access Centre. A scheme has been developed to improve the physical environment and make more flexible use of the Centre's space. The proposed works include external repairs and improvements. A capital budget increase of £399k is requested, £379k in 2016/17 and £20k in 2017/18 funded by; £100k use of revenue contributions to capital, £139k use of HRA reserves and £160k use of external grant funding from the Homes & Communities Agency.
- 4.2 Private Sector Housing Capital Programme - Disabled Adaptations Scheme. Disabled adaptations to properties are a statutory requirement in respect of disabled owner-occupiers and private tenants. The Disabled Facilities Grant (DFG) award for 2016/17 has been increased to £5,746k from the original allocation of £2,967k. In line with new service level agreements and new delivery mechanisms, there has also been a reduction in the level of contributions from the registered providers to the Council. A capital budget increase is requested for £2,279k in 2016/17, funded by £2,779k additional Disabled Facilities Grant (DFG), offset by a £500k decrease in the registered providers' contributions.
- 4.3 Private Sector Housing Capital Programme - Redrow Development. The 2016/18 Redrow Development Programme costs are to be funded from property sales for the value of £11,010k. This represents 83.5% of the projected sale completions over the two years 2016/17 and 2017/18. A capital budget increase of £11,010k is requested (£5,510k in 2016/17 and £5,500k in 2017/18), funded by the use of matching capital receipts.
- 4.4 Adult Services Programme - Manchester Equipment and Adaptations Partnership (MEAP) Capitalisation of Community Equipment. The service has a policy of capitalising any individual item of community equipment purchased with a value over £100. The service has calculated a 2016/17 capital equipment cost based on actual purchasing data from the last 3 years. A capital budget increase of £350k is requested in 2016/17, funded by the use of revenue contributions to capital.
- 4.5 Children's Services Programme - Education Capital Maintenance. The Capital Maintenance Programme is aligned based on prioritising works to provide a well maintained portfolio of high quality schools and early learning provision. Grant allocation is provided to the Council by the Department for Education and is ring fenced for the purposes of tackling condition issues at local authority maintained schools. A capital budget increase is requested of £3,075k in 2016/17, funded by the use of the Department of Education Maintenance grant.
- 4.6 Environment and Operations Programme - Additional CCTV Enforcement Vehicle. This investment is for the purchase of a bespoke vehicle with

Automatic Number Plate Recognition CCTV technology. This will increase the Council's ability to enforce traffic regulations, affecting the safety of all road users and the free flow of traffic. A capital budget increase is requested of £59k in 2016/17, funded by the use of the Parking Reserve.

5. Approvals under authority delegated to the City Treasurer and Executive Member for Finance and Human Resources

- 5.1 Under powers delegated to the City Treasurer and Executive Member for Finance and Human Resources the following schemes have been approved. A summary of the approvals is outlined in Appendix 2.
- 5.2 Highways Capital Programme - Piccadilly Undercroft Gating. The project is to provide gates and security improvements to the Rochdale Canal tow-path Piccadilly in Manchester City Centre. An increase to the capital budget of £68k in 2016/17 has been approved, funded by £48k external contributions and £20k revenue contributions to capital.
- 5.3 Libraries Programme - WIFI Printing. Capital investment of £75k is required to enhance the current system to allow customer printing over a WIFI network at; Central Library, North City, Longsight, Withington and Wythenshawe libraries. Enabling wireless printing will provide customers with an enhanced ICT experience whilst also increasing income generation at libraries across the city. An increase to the capital budget of £75k in 2016/17 has been approved, funded by Spend to Save.
- 5.4 Highways Capital Programme - A6 Manchester Airport Relief Route Scheme. The project relates to mitigation measures for traffic on local roads as a result of the new relief road Scheme. An increase to the capital budget of £180k in 2016/17 has been approved, funded by the use of external contributions from Stockport MBC.
- 5.5 Highways Capital Programme - Former BBC Site (Brancaster Road) Section 278. This project relates to the realignment of the Oxford Road/Charles Street junction layout, to improve the pedestrian crossing facilities, signage and works to reflect the closure of the Brancaster Road to traffic. An increase to the capital budget of £181k in 2016/17 has been approved, funded by external contributions from a Section 278 agreement.
- 5.6 ICT Programme - Communications Rooms Review and Upgrade. The ICT service has identified a need to undertake an audit of all communication sites. The outcome of this will be recommendations and proposals for upgrade works, which will link to planned property portfolio works across the city. A reduction to the capital budget of £117k in 2016/17 and a corresponding transfer of £116k to revenue has been approved, funded by the capital fund.
- 5.7 Growth & Neighbourhoods Programme - Watercourses. In addition to capital works already in progress, a scheme of works has been identified to undertake clean up works to a number of watercourses which will improve water quality and support community revitalisation. A reduction to the capital

budget of £150k in 2016/17 and a corresponding transfer of £150k to revenue has been approved, funded by the Clean City reserve.

6. Prudential Performance Indicators

- 6.1 If the recommendations in this report are approved the HRA capital budget will increase by £399k and the General Fund capital budget will increase by £17,411k across financial years as detailed in Appendix 1.
- 6.2 This will also result in an increase in the prudential indicator for Capital Expenditure in corresponding years. Monitoring of all prudential indicators is included within the Global Revenue Monitoring report. The next report to the Executive will be 27th July 2016, which will include a recommendation to increase the Capital Expenditure indicator as detailed above.
- 6.3 There is a requirement for prudential borrowing, however this has already been assumed within the Council's revenue budget and therefore there is no impact on the City's Council Tax.

7. Conclusions

- 7.1 The capital budget will increase by £17,810k if the recommendations in this report are approved. The adjustments to the programme, as summarised in Appendix 1 are financed by: £11,010k capital receipts, £6,014k capital grant, £638k borrowing, and £648k revenue contributions to capital, offset by a reduction in external contributions of £500k.

8. Contributing to the Manchester Strategy

- 8.1 The decisions provide resources for important projects to go forward, each project making its own contribution to the Manchester Strategy.

(a) A thriving and sustainable city

- 8.2 Contributions to various areas of the economy including investment in private sector housing, education and social care, transport infrastructure, regeneration activities, environmental works and library services.

(b) A highly skilled city

- 8.3 Investment to provide opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts.

(c) A progressive and equitable city

- 8.4 Investment in social care equipment and housing adaptations, environmental improvements and enhanced library services.

(d) A liveable and low carbon city

- 8.5 Investment in sustainable and affordable housing, school building maintenance, environmental and regeneration programmes.

(e) A connected city

- 8.6 Investment in infrastructure improvements and enhanced provision of library services.

9. Key Policies and Considerations

(a) Equal Opportunities

- 9.1 All proposals have been drawn up in awareness of Council policy on equality.
- 9.2 By investing in building adaptations, access for people with mobility difficulties is made easier.

(b) Risk Management

- 9.3 All capital projects go through the Gateway process and are subject to a risk assessment which includes a rapid risk check, risk workshops and the compilation of risk logs to support project delivery and risk management.

(c) Legal Considerations

- 9.4 None in this report.

Appendix 1							
Requests for Adjustments to the Capital Budget Provision							
1st June 2016 EXECUTIVE							
Dept	Scheme	Funding	2016/17	2017/18	2018/19	Future	Total
			£'000	£'000	£'000	£'000	£'000
<u>Council Approval Requests</u>							
Libraries Programme	Refresh of Radio Frequency Identifier (RFID) Equipment	Borrowing	510				510
Libraries Programme	Introduction of On-line Payments	Borrowing	30				30
Libraries Programme	Upgrade to Customer Facing Furniture in Libraries	Borrowing	50				50
Leisure Programme	Alexandra Park	Borrowing	48				48
<u>Total Council Approval Requests</u>			638	0	0	0	638
<u>Executive Approval Requests</u>							
Northwards Housing Capital Programme	Plymouth Grove Women's Direct Access Centre	Capital Grant	379	20			399
Private Sector Housing Capital Programme	Disabled Adaptations Scheme	Capital Grant	2,779				2,779
Private Sector Housing Capital Programme	Disabled Adaptations Scheme	External Contributions	-500				-500
Private Sector Housing Capital Programme	Redrow Development	Capital Receipts	5,510	5,500			11,010
Adult Services Programme	Manchester Equipment Adaptations Partnership (MEAP)	Revenue Contribution to Capital (RCCO)	350				350
Children's Services Programme	Education Capital Maintenance	Capital Grant	3,075				3,075
Environment and Operations Programme	Additional CCTV Enforcement Vehicle	Parking Reserve (RCCO)	59				59
<u>Total Executive Approval Requests</u>			11,652	5,520	0	0	17,172
<u>Total Budget Increase Requests</u>			12,290	5,520	0	0	17,810

Appendix 2								
Approvals under authority delegated to the City Treasurer and Executive Member for Finance and Human Resources								
1st June 2016 EXECUTIVE								
Dept	Scheme	Funding	2016/17	2017/18	2018/19	Future	Total	
			£'000	£'000	£'000	£'000	£'000	£'000
<u>Delegated Approval Requests</u>								
Highways Capital Programme	Piccadilly Undercroft Gating	External Contributions & Revenue Contribution to Capital (RCCO)	68					68
Libraries Programme	WIFI Printing	Spend to Save	75					75
Highways Capital Programme	A6 Manchester Airport Relief Route Scheme	External Contributions	180					180
Highways Capital Programme	Former BBC Site(Brancaster Road)	External Contributions	181					181
ICT Programme	Communications Rooms Review and Upgrade	Capital Fund	-117					-117
Growth & Neighbourhoods Programme	Watercourses	Clean City Reserve (RCCO)	-150					-150
Total Delegated Approval Requests			237	0	0	0	0	237