
**Manchester City Council
Report for Resolution**

Report to: Executive – 8 March 2017

Subject: Capital Programme – Proposed Increases

Report of: Chief Executive and City Treasurer

Summary

This report informs members of requests to increase the capital programme and seeks approval for schemes that can be approved under authority delegated to the Executive.

Recommendations

1. Members are requested to recommend that the City Council approve:
 - a) Growth and Neighbourhoods – Princess Road Safety Review - Phase 1. This first phase of works is for a speed limit reduction along the entire length of Princess Road / Parkway and associated safety measures. To increase the capital budget by £375k (£46k in 2016/17; £317k in 2017/18; and £12k in 2018/19), funded by borrowing.
 - b) Growth and Neighbourhoods – Acquisition of Gala Bingo site. To increase the capital budget by £1,951k in 2016/17, funded by borrowing on an invest to save basis.
 - c) Projects undertaken on behalf of Greater Manchester – Greater Manchester Housing Fund. This project will provide loans for delivery of residential property developments across Greater Manchester. To increase the capital budget by £13,922k (£250k in 2016/17; £4,750k in 2017/18; £5,000k in 2018/19 and £3,922k in 2019/20), funded by borrowing from the Homes and Communities Agency (HCA).
 2. Members are requested under powers delegated to the Executive to approve:
 - a) Growth and Neighbourhoods – Wythenshawe Hall. The restoration of the interiors of the Wythenshawe Hall damaged by the fire in March 2016. To increase the capital budget by £1,750k (£250k in 2016/17 funded by Revenue Contributions from the Insurance Fund; £1,250k in 2017/18 and £250k in 2018/19 funded by contributions from the Insurance company).
 3. To note increases to the programme of £85k as a result of delegated approvals.
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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, transport infrastructure, and regeneration activities.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Investment in residential property developments 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	Improvements to services delivered to communities.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in public buildings and residential developments.
A connected city: world class infrastructure and connectivity to drive growth	Investment in infrastructure improvements.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The capital financing consequences of additions to the capital programme can be financed from existing revenue budgets.

Financial Consequences – Capital

The recommendation in this report, if approved, will increase Manchester City Council's capital budget by £2,247k in 2016/17, £1,567k in 2017/18, and £262k in 2018/19.

The recommendation in this report, if approved, will also increase the capital budget of projects undertaken on behalf of Greater Manchester by £250k in 2016/17, £4,750k in 2017/18, £5,000k in 2018/19 and £3,922k in 2019/20.

Contact Officers:

Name: Carol Culley
Position: City Treasurer
Telephone: 234 1647
E-mail: c.culley@manchester.gov.uk

Name: Tim Seagrave
Position: Finance Lead – Capital and Treasury Management
Telephone: 234 3459
E-mail: t.seagrave@manchester.gov.uk

Name: Helen Fountain
Position: Principal Finance Manager (Capital)
Telephone: 234 3456
E-mail: h.fountain@manchester.gov.uk

Background documents (available for public inspection):

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

Report to the Executive 6th February 2017 (Budget 2016/17 - 2021/22)

1 Introduction

- 1.1 This report outlines the requests for increases to the four year capital budget 2016/17 to 2019/20.

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 five year capital programme for Manchester City Council. Proposals for the 2016/17 to 2021/22 capital budget were presented to the Executive on 6th February 2016.
- 2.2 The following request for a change to the programme has been received since the previous report to the Executive.

3 Proposals Requiring Specific Council Approval

- 3.1 Growth and Neighbourhoods – Princess Road Safety Review - Phase 1. This first phase of works is for a speed limit reduction along the entire length of Princess Road/Parkway and associated safety measures comprising installation of overhead signal gantries at the Darley Avenue puffin crossing, amendments to the Traffic Regulation Orders at Darley Avenue and relining of the slip road merge at Darley Avenue. In response to the outcome of the public consultation for the speed limit reduction, undertaken over summer 2016, the reduction in speed limit will be introduced as a Temporary Order. The impact on traffic will be monitored before a decision is taken whether to permanently introduce the speed limit reduction. To increase the capital budget by £375k (£46k in 2016/17; £317k in 2017/18; and £12k in 2018/19), funded by borrowing.
- 3.2 Growth and Neighbourhoods – Acquisition of Gala Bingo site. This investment is to acquire the Gala Bingo site, which is to be let to Gala on a 25 year lease. In the future this site could be used for redevelopment purposes. The annual rental income generated from this investment will be used to fund the acquisition on an invest to save basis. To increase the capital budget by £1,951k in 2016/17, funded by borrowing on an invest to save basis.
- 3.3 Projects undertaken on behalf of Greater Manchester – Greater Manchester Housing Fund. As part of the City Deal agreed with Government in 2012 which runs to 2022, the HCA has agreed to make receipts from the disposal of its land and property in Greater Manchester available for investment in schemes which support the objectives of the GM City Deal. This project will provide loans for delivery of residential property developments across Greater Manchester. To increase the capital budget by £13,700k (£250k in 2016/17; £4,750k in 2017/18; £5,000k in 2018/19 and £3,922k in 2019/20), funded by borrowing from the Homes and Communities Agency (HCA).

4 Proposals Not Requiring Specific Council Approval

- 4.1 Growth and Neighbourhoods – Wythenshawe Hall. This project is for the restoration works of the interiors of the Wythenshawe Hall damaged by the fire in March 2016. In advance of works commencing to areas not damaged by the fire, the Council has commissioned various conservation-focussed reports from heritage advisors to identify a prioritised scope of work to weather-proof the building. Investigation and design/specification works are ongoing and the full scope of repair works to the whole building are to be finalised. To increase the capital budget by £1,750k (£250k in 2016/17 funded by Revenue Contributions from the Insurance Fund; £1,250k in 2017/18 and £250k in 2018/19 funded by contributions from the Insurance company).

5 Approvals under authority delegated to the City Treasurer

- 5.1 Under powers delegated to the City Treasurer in consultation with the Executive Member for Finance and Human Resources, the following schemes have been approved;
- Growth and Neighbourhoods Programme – Greater Manchester Casualty Reduction Partnership Kingsway/Moseley Road. This project is to improve the road surface at the Kingsway/Moseley Road junction to reduce casualty collisions where skidding seems to be a contributory factor in a number of collisions that have taken place in the last few years. It is also proposed to review the road markings and signs in order to improve driver information. The scheme will include resurfacing of all approaches to and around the 2 roundabouts. An increase to the capital budget of £85k in 2016/17 has been approved, funded by a Greater Manchester Casualty Reduction Partnership grant from Transport for Greater Manchester.

6 Prudential Performance Indicators

- 6.1 If the recommendations in this report are approved the General Fund capital budget will increase by £2,247k in 2016/17, £1,567k in 2017/18, and £262k in 2018/19, as detailed in Appendix 1.
- 6.2 In addition, the capital budget for projects undertaken on behalf of Greater Manchester will increase by £250k in 2016/17, £4,750k in 2017/18, £5,000k in 2018/19 and £3,922k in 2019/20, as detailed in Appendix 1.
- 6.3 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 26th July 2017, which will include a recommendation to increase the Capital Expenditure indicator as detailed above.
- 6.4 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.

6.5 The increases to the programme totalling £85k as a result of delegated approvals have been included within the prudential indicators.

7 Conclusions

7.1 The capital budget of Manchester City Council will increase by £2,247k in 2016/17, £1,567k in 2017/18, and £262k in 2018/19, if the recommendations in this report are approved.

7.2 In addition, the capital budget of projects undertaken on behalf of Greater Manchester will increase by £250k in 2016/17, £4,750k in 2017/18, £5,000k in 2018/19 and £3,922k in 2019/20, if the recommendations in this report are approved.

7.3 The capital budget has increased by £85k as a result of the delegated approval detailed in Appendix 2.

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, transport infrastructure, and regeneration activities.

(b) A highly skilled city

8.3 Investment in residential property developments that could provide employment opportunities at least for the duration of contracts.

(c) A progressive and equitable city

8.4 Improvements to services delivered to communities.

(d) A liveable and low carbon city

8.5 Investment in public buildings and residential developments.

(e) A connected city

8.6 Investment in infrastructure improvements.

9 Key Polices and Considerations

(a) Equal Opportunities

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

(b) Risk Management

- 9.2 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

- 9.3 None in this report.

Appendix 1

Requests for Adjustments to the Capital Budget Provision - 8th March 2017 EXECUTIVE							
Dept	Scheme	Funding	2016/17	2017/18	2018/19	Future	Total
			£'000	£'000	£'000	£'000	£'000
Council Approval Requests							
Growth and Neighbourhoods	Princess Road Safety Review - Phase 1	Borrowing	46	317	12	0	375
Growth and Neighbourhoods	Acquisition of Gala Bingo site	Borrowing on an invest to save basis	1,951	0	0	0	1,951
Manchester City Council Capital Budget			1,997	317	12	0	2,326
Projects undertaken on behalf of Greater Manchester							
Projects undertaken on behalf of Greater Manchester	Greater Manchester Housing Fund	Borrowing from the HCA	250	4,750	5,000	3,922	13,922
Total Council Approval Requests			2,247	5,067	5,012	3,922	16,248
Executive Approval Requests							
Growth and Neighbourhoods	Wythenshawe Hall	Revenue Contributions from the Insurance Fund	250	0	0	0	250
Growth and Neighbourhoods	Wythenshawe Hall	External Contributions from the Insurance company	0	1,250	250	0	1,500
Total Executive Approval Requests			250	1,250	250	0	1,750
Total Budget Increase Requests			2,497	6,317	5,262	3,922	17,998

Appendix 2

Approvals under authority delegated to the City Treasurer							
8th March 2017 EXECUTIVE							
Dept	Scheme	Funding	2016/17	2017/18	2018/19	Future	Total
			£'000	£'000	£'000	£'000	£'000
Delegated Approval Requests							
Growth and Neighbourhoods Programme	Greater Manchester Casualty Reduction Partnership Kingsway/Moseley Road	Grant	85				85
Total Delegated Approval Requests			85	0	0	0	85