

**Manchester City Council
Report for Resolution**

Report to: Executive - 28 June 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. Under powers delegated to the Executive, to approve:
 - a) Highways Programme – The Green Bridge at Airport City. To increase the capital budget by £3,000k; £100k in 2017/18, £1,850k in 2018/19 and £1,050k in 2019/20 funded by external contributions from Transport for Greater Manchester (TfGM).
 - b) Highways Programme – Manchester and Salford Inner Relief Road (MSIRR) Regent Road and Water Street. To increase the capital budget by £1,242k in 2017/18, funded by external contributions from the Greater Manchester Combined Authority.
 - c) Growth and Neighbourhoods – Armitage Sports Centre Hockey Pitches. To increase the capital budget by £77k in 2017/18, funded by the Stadium Rental Reserve.
 - d) Private Sector Programme 17/18 – Disabled Adaptations 17/18. To increase the capital budget by £591k in 2017/18 funded by the Disabled Facilities Grant.
 - e) Northwards Programme – North Manchester New Builds. To increase the capital budget by £1,480k in 2017/18 funded by HCA grant funding.
 2. To note increases to the programme of £4,543k 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 leisure 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 £3,490k in 2017/18, £1,850k in 2018/19, and £1,050k in 2019/20.

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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 8th February 2017 (Budget 2017/18 - 2021/22)

1 Introduction

- 1.1 This report outlines the requests for increases to the five year capital budget 2017/18 to 2021/22.

2 Background

- 2.1 In February each year, the Executive receives a report on the capital budget for the forthcoming five 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 2017/18 to 2021/22 capital budget were presented to the Executive on 8^h February 2017.
- 2.2 The following requests for a change to the programme has been received since the previous report to the Executive.

3 Proposals Not Requiring Specific Council Approval

- 3.1 Highways Programme – The Green Bridge at Airport City. This project will provide a critical public access route from Wythenshawe to a key transport interchange at Airport City. The design and installation of a pedestrian and cyclist footbridge will enable easier, safer and faster access to the Enterprise Zone for all users, whilst access improvements to the bridge route and a further package of highways and infrastructure works will enhance connectivity and enable a sustainable transport spine for future business growth. This budget increase was not included in the annual budget setting process as the supporting details had not been finalised. A capital budget increase of £3,000k is requested; £100k in 2017/18, £1,850k in 2018/19 and £1,050k in 2019/20 funded by external contributions from Transport for Greater Manchester (TfGM).
- 3.2 Highways Programme – Manchester and Salford Inner Relief Road (MSIRR) Regent Road and Water Street. This project will facilitate development and reduce congestion in the eastern section of the Regional Centre's Inner Relief Route. Manchester City Council and Salford City Council are delivering the scheme in partnership, which includes highways works around Regent Road and Water Street junction. These works will contribute to improving conditions for pedestrians and commuters by reducing congestion and pollution. This budget increase was not included in the annual budget setting process as the supporting details had not been finalised. A capital budget increase of £1,242k is requested in 2017/18, funded by external contributions from the Greater Manchester Combined Authority.
- 3.3 Growth and Neighbourhoods – Armitage Sports Centre Hockey Pitches. This scheme is for the re-provision of two Hockey pitches at the Armitage Sports Centre from the Belle Vue Leisure Centre. This investment will enable the provision of community services including club training, junior and senior leagues, club fixtures, competitions and holiday programmes. This budget increase was not included in the annual budget setting process as the

supporting details had not been finalised. A capital budget increase of £77k in 2017/18 is requested, funded by borrowing against the Stadium Rental Reserve.

- 3.4 Private Sector Programme – Disabled Adaptations 17/18. Disabled Adaptations is a statutory requirement in respect of disabled owner-occupiers and private tenants including Registered Provider tenants. This is an increase to the existing budget following the additional grant settlement. This budget is included within the Strategic Housing (Private Sector) Capital Programme and contributes to city-wide priorities and the Community Strategy objectives and will deliver disabled adaptations for vulnerable residents. A capital budget increase of £591k in 2017/18 is requested, funded by the Disabled Facilities Grant.
- 3.5 Northwards Programme – North Manchester New Builds. The North Manchester New Builds scheme is the development of 56 new homes to be managed by Northwards Homes and let at an affordable rent. The scheme will deliver 2-bed houses and bungalows on in-fill sites across Moston, Collyhurst and Blackley. This budget increase was not included in the annual budget setting process as the supporting details had not been finalised. A capital budget increase of £1,480k in 2017/18 is requested, funded by HCA grant funding.

4 Approvals under authority delegated to the City Treasurer

- 4.1 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 – Fletcher Moss Wetland Boardwalk. The project is to replace the existing wetland boardwalk at Fletcher Moss Gardens which is now approaching the end of its useful life and is now in need of a replacement to maintain access and improve accessibility to the wetland and river valley environment. The boardwalk enables public access to the attendant bird, wildflower and wildlife of these varied habitats. The new boardwalk will allow double file walking (and/or passing points) and handrails usable for families with small children and/or pushchairs/ wheeled vehicles. An increase to the capital budget of £64k in 2017/18 has been approved, funded by £46K Grant funding and £18k Clean City Funding.
 - Growth and Neighbourhoods Programme – Smedley Lane Park. This project will improve the service provision at the Park, through a programme of works including; installation of some new children's play equipment, installation of cricket facilities, improvements to the multi-use sports zone and a new trim-trail (eco path with exercise stations) will provide active recreational opportunities for a wide range of users and abilities. The project also seeks to create a small orchard and wild flower area. These improvements will bring back the provision of an exciting and stimulating experience for young people and families. It will

provide a platform for increased usage and will greatly improve the visual amenity and the service offer for all users of the park. An increase to the capital budget of £201k in 2017/18 has been approved, funded by Section 106 Contributions.

- Growth and Neighbourhoods Programme – Citywide Cycle Parking. This is a part of the wider Citywide Cycle Parking scheme that will deliver 2,000 parking spaces across the City Centre and key areas. This investment will enable the installation of innovative cycle parking products across the City Centre. An increase to the capital budget of £20k in 2017/18 has been approved, funded by External Contributions.
- Growth and Neighbourhoods Programme – National Performance Centre Event Seating. This project will deliver motorised retractable event seating at Belle Vue's National Performance Centre for Basketball, Netball. The seating will enable the venue to better deliver major sporting events without the need for the operators to rent in the seating requirements for programmed events and matches. The seating will also be more accessible for all users who attend such events and will improve the look and feel of the venue when in event mode, especially for televised events. An increase to the capital budget of £543k in 2017/18 has been approved, funded by borrowing on a Spend to Save basis.
- Growth and Neighbourhoods Programme – CCTV Bus Lane Enforcement. This investment will provide two new CCTV enforcement units to enable enforcement of a number of additional Bus Lanes implemented as a result of the Bus Priority Package and other Bus Lane improvement works. An increase to the capital budget of £32k in 2017/18 has been approved, funded by the Bus Lane Reserve.
- Growth and Neighbourhoods Programme – Piccadilly Undercroft Gating. This investment is for the completion of the gates and security improvements for the section of the Rochdale Canal, between Dale Street Bridge Lock No 84 and Auburn Street. This area is subject to significant anti-social behaviour, crime incidents, members of the public have drowned and there has been some deaths. The installation of lockable gates to the undercroft will interrupt the anti-social behaviour and prevent public access in the evenings maintaining safety and well-being of individuals. An increase to the capital budget of £23k in 2017/18 has been approved, funded by the Capital Fund.
- Growth and Neighbourhoods Programme – National Cycling Centre Naming Rights. This investment is to meet the requirements of naming rights and associated sponsorship rights of the National Cycling Centre, through the implementation of permanent exterior and interior signage. This agreement will generate a revenue stream of £2 million pounds to the Council over the agreement period which will flow into the Stadium Right Reserve and will be utilised for Sport and Leisure purposes. An

increase to the capital budget of £140k in 2017/18 has been approved, funded by borrowing on a Spend to Save basis.

- Growth and Neighbourhoods Programme – Irish Diaspora Foundation Limited Loan. This investment is for a £250k loan to be advanced to the Irish Diaspora Foundation Limited which is to be provided on a competitive interest rate, complying with State Aid rules. An increase to the capital budget of £250k in 2017/18 has been approved, funded by the Capital Fund.
- Growth and Neighbourhoods Programme – ICT Tools Business Case. A funding switch request of £30k to revenue from the Infrastructure and Mobile Working budget to fund the project. A funding switch of £30k Capital Budget to Revenue in 2017/18 has been approved, this has reduced the borrowing requirement.

4.2 Under powers delegated to the Leader and the Chief Executive, the following scheme has been approved:

- Children and Families – Manchester Enterprise Academy (MEA). This investment will enable MEA to deliver site enhancements. These enhancements will include the provision of a full-size 3G pitch, refurbishment to the existing sports hall and changing facilities and provision of additional staff and visitor parking. The provision of the funding follows the sale of part of MEA school site to Wythenshawe Community Housing Group Ltd (WCHG) and the agreement to provide proceeds from the sale to the school for reinvestment into site enhancements. An increase to the capital budget of £3,300k in 2017/18 has been approved, funded by Capital Receipts.

5 Prudential Performance Indicators

5.1 If the recommendations in this report are approved the General Fund capital budget will increase by £6,390k; £3,490k in 2017/18, £1,850k in 2018/19, and £1,050k in 2019/20, as detailed in Appendix 1.

5.2 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 26th July 2017, which will include a recommendation to increase the Capital Expenditure indicator as detailed above.

5.3 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.

5.4 The increases to the programme totalling £4,543k as a result of delegated approvals have been included within the prudential indicators.

6 Conclusions

6.1 The capital budget of Manchester City Council will increase by £6,390k; £3,490k in 2017/18, £1,850k in 2018/19, and £1,050k in 2019/20, if the recommendations in this report are approved.

6.2 The capital budget has increased by £4,543k as a result of the delegated approval detailed in Appendix 2.

7 Contributing to the Manchester Strategy

7.1 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

7.2 Contributions to various areas of the economy including investment in private sector housing, transport infrastructure, and leisure activities.

(b) A highly skilled city

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

(c) A progressive and equitable city

7.4 Improvements to services delivered to communities.

(d) A liveable and low carbon city

7.5 Investment in public buildings and residential developments.

(e) A connected city

7.6 Investment in infrastructure improvements.

8 Key Policies and Considerations

(a) Equal Opportunities

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

(b) Risk Management

8.2 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

8.3 None in this report.

Appendix 1

Requests for Adjustments to the Capital Budget Provision

28th June 2017 EXECUTIVE

Dept	Scheme	Funding	2017/18 £'000	2018/19 £'000	2019/20 £'000	Future £'000	Total £'000
<u>Executive Approval Requests</u>							
Highways Programme	The Green Bridge at Airport City	External Contributions from Transport for Greater Manchester	100	1,850	1,050	0	3,000
Highways Programme	Manchester and Salford Inner Relief Road (MSIRR) Regent Road and Water Street	External Contributions from Greater Manchester Combined Authority	1,242	0	0	0	1,242
Growth and Neighbourhoods	Armitage Sports Centre Hockey Pitches	Borrowing against the Stadium Rental Reserve	77	0	0	0	77
Private Sector Programme	Disabled Adaptations 17/18	Disabled Facilities Grant	591	0	0	0	591
Northwards Programme	North Manchester New Builds	Grant	1,480	0	0	0	1,480
<u>Total Executive Approval Requests</u>			<u>3,490</u>	<u>1,850</u>	<u>1,050</u>	<u>0</u>	<u>6,390</u>
<u>Total Budget Increase Requests</u>			<u>3,490</u>	<u>1,850</u>	<u>1,050</u>	<u>0</u>	<u>6,390</u>

Appendix 2

Approvals under authority delegated to the City Treasurer

28th June 2017 EXECUTIVE

Dept	Scheme	Funding	2017/18 £'000	2018/19 £'000	2019/20 £'000	Future £'000	Total £'000
Delegated Approval Requests							
Growth and Neighbourhoods Programme	Fletcher Moss Wetland Boardwalk	Grant	46	0	0	0	46
Growth and Neighbourhoods Programme	Fletcher Moss Wetland Boardwalk	Clean City	18	0	0	0	18
Growth and Neighbourhoods Programme	Smedley Lane Playing Fields	Section 106 Contributions	201	0	0	0	201
Growth and Neighbourhoods Programme	Citywide Cycle Parking	External Contributions	20	0	0	0	20
Growth and Neighbourhoods Programme	Event Seating - Basketball	Spend to Save	543	0	0	0	543
Growth and Neighbourhoods Programme	CCTV Enforcement – Bus Lane	Bus Lane Reserve	32	0	0	0	32
Growth and Neighbourhoods Programme	Piccadilly Undercroft Gating	Capital Fund	23	0	0	0	23
Growth and Neighbourhoods Programme	National Cycling Centre – Naming Rights	Spend to Save	140	0	0	0	140
Growth and Neighbourhoods Programme	Irish World Heritage Centre	Capital Fund	250	0	0	0	250
ICT Programme	ICT Tools Business Case	Borrowing	(30)	0	0	0	(30)
Children and Families	Manchester Enterprise Academy (MEA)	Capital Receipts	3,300	0	0	0	3,300
Total Delegated Approval Requests			4,543	0	0	0	4,543