
**Manchester City Council
Report for Resolution**

Report to: Executive – 7 March 2018

Subject: Capital Programme – Proposed Increases

Report of: Chief Executive and 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 the following changes to Manchester City Council's (MCC) capital programme:

1. Growth and Neighbourhoods – Parking Improvements. An increase to the capital budget of £0.924m in 2018/19, funded by a revenue contribution to capital outlay from the Parking Reserve.
2. Asset Management Programme – Ross Place Refurbishment. An increase to the capital budget of £0.096m in 2018/19, funded by Capital Fund.
3. Growth and Neighbourhoods – Blackley Crematorium. An increase to the capital budget of £0.115m in 2017/18, funded by capital receipts.

Members are requested under powers delegated to the Executive to approve the following changes to MCC's capital programme:

1. Highways – Safe Routes to Loreto High School. An increase to the capital budget of £0.050m (£0.005m in 2017/18 and £0.045m in 2018/19), funded by government grant.
2. Highways – Stretford Road Cycling Scheme. An increase to the capital budget of £0.050m (£0.030m in 2018/19 and £0.020m in 2019/20), funded by government grant.
3. Growth & Neighbourhoods – Didsbury Park Play Area. An increase to the capital budget of £0.050m in 2017/18, funded by a Section 106 contribution.
4. Growth & Neighbourhoods – Wythenshawe Park. An increase to the capital budget of £0.129m in 2018/19, funded by a Section 106 contribution.

5. Private Sector Housing – Armitage Nursery & Community Centre. An increase to the capital budget of £0.020m in 2018/19, funded by a contribution from the school.
6. ICT – Corporate Telephony and Contact Centre Solution. A decrease in the capital budget of £0.037m in 2017/18, and the transfer of £0.037m to the revenue budget, funded by capital fund.
7. ICT – Education System. A decrease in the capital budget of £0.178m in 2017/18, and the transfer of £0.178m to the revenue budget, funded by capital fund.
8. Highways – Manchester/Salford Highways Survey. A decrease in the capital budget of £0.074m in 2017/18, and the transfer of £0.074m to the revenue budget, funded by capital fund.

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 ICT services, Highways, and leisure facilities.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Investment in ICT services.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Improvements to services delivered to communities and enhanced ICT services.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in public buildings and in the highways network.
A connected city: world class infrastructure and connectivity to drive growth	Investment in the enhanced provision of ICT 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

The recommendations in this report, if approved, will increase the revenue budget by £0.289m, funded from a corresponding decrease in the capital budget.

Financial Consequences – Capital

The recommendations in this report, if approved, will increase the City Council's capital budget by £1.145m, across financial years as detailed in Appendix 1.

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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 7th February 2018 – Capital Strategy and Budget 2018/19 - 2022/23)

1 Introduction

- 1.1 This report outlines the requests for increases and decreases 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 2018/19 to 2022/23 capital budget were presented to the Executive on 7^h February 2018, including a revised 2017/18 budget.
- 2.2 The following requests for a change to the programme has been received since the previous report to the Executive on 7 February 2018.
- 2.3 Please note that where requests are made in the report to switch funding from capital to revenue, and to fund the revenue spend from Capital Fund, this is a funding switch from within the capital programme and will not have a negative impact on the Fund itself.

3 MCC's Proposals Requiring Specific Council Approval

The proposals which require Council approval are those which are funded by the use of reserves above a cumulative total of £2.0m or where the use of borrowing is required. The following proposals require Council approval for changes to MCC's capital programme.

- 3.1 Growth and Neighbourhoods – Parking Improvements. This capital increase is to create a budget for improvements to the parking service, for example through replacing obsolete parking meters. All such improvements will be subject to approval of a business case through the capital approval process. A capital budget increase of £0.924m in 2018/19 is requested funded by RCCO (Parking Reserve).
- 3.2 Asset Management Programme – Ross Place Refurbishment. The wider refurbishment scheme is to be funded from an insurance claim, however there are £0.096m of fees to be incurred which cannot be included in the claim. A capital budget increase of £0.096m in 2018/19 is requested, funded by Capital Fund.
- 3.3 Growth and Neighbourhood – Blackley Crematorium. Legislation introduced approximately 10 years ago dictates that every Crematorium must abate 50% of the cremations it carries out through a mercury abatement filtration plant. The heat exchanger, which is an integral part of the plant, requires replacing to ensure the Council can meet its duties under the legislation. A capital budget increase of £0.115m in 2017/18 is requested, funded from capital receipts.

4 Proposals Not Requiring Specific Council Approval

The proposals which do not require Council approval and only require Executive approval are those which are funded by the use of external resources, the use of capital receipts, the use of reserves below £2.0m or where the proposal can be funded from existing revenue budgets and where the use of borrowing on a spend to save basis is required. The following proposals require Executive approval for changes to MCC's capital programme.

- 4.1 Highways – Safe Routes to Loreto High School. The scheme is part of the Greater Manchester Cycling Cities Ambition Grant (CCAG) Programme to provide safe cycling routes to Schools & Colleges. This element of the CCAG programme comprises of converting the pavement to a two way cycleway and parallel footway. A capital budget increase of £0.050m (£0.005m in 2017/18 and £0.045m in 2018/19) is requested, funded by CCAG grant.
- 4.2 Highways – Stretford Road Cycling Scheme. The scheme will improve cycling access by widening the approach to the junction from Stretford Road to accommodate a cycle lane to the signals and relocating the existing pedestrian refuges to accommodate continuous cycle lanes to the traffic signals from both Chorlton Road approaches to the junction. A capital budget increase of £0.050m (£0.030m in 2018/19 and £0.020m in 2019/20) is requested, funded by Department for Transport Growth Fund grant.
- 4.3 Growth & Neighbourhoods – Didsbury Park Play area. The project will enhance the existing play provision within the park and will complement the equipment that is already in place. This project will support delivery of the existing ward and park plans by contributing to the neighbourhood offer for family activities within green spaces which enhance and contribute to a better quality of life and wellbeing. A capital budget increase of £0.050m in 2017/18 is requested, funded by Section 106 contribution.
- 4.4 Growth & Neighbourhoods – Wythenshawe Park. The current sport facilities at Wythenshawe Park do not reach modern standards and have reached the end of their natural life which has a detrimental effect on increasing participation and widening access. It is proposed to complete floodlighting improvements, track works, improvements to the changing facilities and improvements to the entrance lighting. This proposal will act as an early intervention framework for the park, supporting the Wythenshawe Park master plan. A capital budget increase of £0.129m in 2018/19 is requested, funded by Section 106 contribution.
- 4.5 Private Sector Housing – Armitage Nursery and Community Centre. A capital budget increase of £0.020m in 2018/19 is requested, for additional works to the scheme which have been requested by the school and community groups. These works will be fully funded by a contribution from the school and community groups.

- 4.6 ICT – Corporate Telephony and Contact Centre Solution. The current telephony system reaches end of life in 2019, creating an opportunity to migrate to a new system which will better support the Council's approach to new ways of working. To support the migration to a new platform, procurement activity is required to identify the new solution. A capital budget decrease of £0.037m is requested in 2017/18, and approval of a corresponding transfer of £0.037m to the revenue budget funded by capital fund.
- 4.7 ICT – Education System. The Council will need to undertake a procurement exercise for a new Education system, which support school admissions, school attendance, and statutory assessments and returns, for when the existing contract ends. The procurement exercise presents an opportunity to integrate the Education system with other systems used by the Children and Families directorate, such as those relating to social care and youth justice. To undertake the procurement activity and associated feasibility works, a capital budget decrease of £0.178m is requested in 2017/18, and approval of a corresponding transfer of £0.178m to the revenue budget funded by capital fund.
- 4.8 Highways – Manchester / Salford Highways Survey. Work has begun on developing a joint highways and transport strategy for Manchester and Salford. The next phase of this work requires survey work to identify the primary highways network within the strategy, define the vision for the network, and then develop a range of potential interventions to address the differences between that vision and current performance. Within the Highways Investment Plan funding was included to complete feasibility works for the future highways network. A capital budget decrease of £0.074m is requested in 2017/18, and approval of a corresponding transfer of £0.074m to the revenue budget funded by capital fund.

5 Prudential Performance Indicators

- 5.1 If the recommendations in this report are approved the General Fund capital budget will increase by £1.145m, across financial years 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 include a recommendation to increase the Capital Expenditure indicator as detailed above.
- 5.3 There is an increase in the 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 Conclusions

- 6.1 The capital budget of MCC will increase by £1.145m, if the recommendations in this report are approved.

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 ICT services, Highways and Leisure and Sports services.

(b) A highly skilled city

7.3 Investment in public buildings and ICT services, which will create employment opportunities.

(c) A progressive and equitable city

7.4 Improvements to services delivered to communities and enhanced ICT services.

(d) A liveable and low carbon city

7.5 Investment in public buildings and Leisure and Sports services.

(e) A connected city

7.6 Investment in enhanced provision of ICT services.

8 Key Polices 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 Capital Checkpoint 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							
Dept	Scheme	Funding	2017/18	2018/19	2019/20	Future	Total
			£'000	£'000	£'000	£'000	£'000
Council Approval Requests							
Growth & Neighbourhoods	Parking Improvements	RCCO		924			924
Asset Management Programme	Ross Place	Capital Fund		96			96
Growth & Neighbourhoods	Blackley Crematorium	Council resources	115				115
Total Council Approval Requests			115	1,020	0	0	1,135
Executive Approval Requests							
Highways	Safe Routes to Loreto High School	Grant	5	45			50
Highways	Stretford Rd Cycling	Grant		30	20		50
Growth & Neighbourhoods	Didsbury Park Play Area	Section 106	50				50
Growth & Neighbourhoods	Wythenshawe Park	Section 106		129			129
Private Sector Housing	Armitage	School contribution		20			20
ICT	Telephony and Contact Centre solution procurement		(37)				(37)
ICT	Education system procurement		(178)				(178)
Highways	Manchester/Salford Highways Survey		(74)				(74)
Total Executive Approval Requests			(234)	224	20	0	10
Total Budget Increase Requests			(119)	1,244	20	0	1,145