

**Manchester City Council
Report for Resolution**

Report to: Executive – 11 July 2018
Subject: Capital Programmes Update
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. Strategic Development – Heron House Refurbishment. A capital budget increase of £2.000m in 2018/19, funded by borrowing.

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

Financial Consequences – Capital

The recommendations in this report, if approved, will increase Manchester City Council's capital budget by £2.0m, across financial years as detailed in Appendix 1.

Contact Officers:

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

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

Name: Tracey Read
Position: Principal Finance Manager (Capital)
Telephone: 234 1830
E-mail: t.read@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 7th February 2018 - Capital Strategy and Budget 2018/19 - 2022/23)

Report to the Executive 7th March 2018 - Capital Programme – Proposed Increases

Report to the Executive 21st March 2018 - Capital Programme – Proposed Increases

Report to the Executive 30th May 2018 - Capital Programme Monitoring 2017/18
Outturn

Report to the Executive 30th May 2018 - Capital Programme – Proposed Increases

Report to the Executive 27th June 2018 - Capital Programme – Capital Programmes
Update

1 Introduction

- 1.1 This report outlines the requests for increases and decreases to the five-year capital budget 2018/19 to 2022/23.

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 the 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 27th June 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.
- 2.4 For the changes requested below, the profile of the increase, decrease or virement is shown in appendix 1 for each of the projects.

3 MCC's Proposals Requiring Specific Council Approval

- 3.1 Strategic Development – Heron House Refurbishment. This scheme comprises a programme of refurbishment and fit out works to the 5 floors of the building, associated reception areas, shared spaces and external works including window replacements. A budget increase of £1.6m is needed for additional security and other works to communal areas which will benefit all occupiers and enhanced specifications for fit out works to the two upper floors as part of the property letting strategy. Final fit out requirements have been scoped and agreed along with associated rental streams. The Registrars space requires an increase of £0.4m to reflect additional end user requirements and the inclusion of an appropriate level of contingency to complete the project. A total capital budget increase of £2.0m is requested funded by borrowing.

4 Prudential Performance Indicators

- 4.1 If the recommendations in this report are approved the General Fund capital budget will increase by £2.0m, across financial years as detailed in Appendix 1.
- 4.2 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.

- 4.3 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.

5 Conclusions

- 5.1 The capital budget of MCC will increase by £2.0m, if the recommendations in this report are approved.

Appendix

Requests for Adjustments to the Capital Budget Provision 27 June 2018 EXECUTIVE							
Dept	Scheme	Funding	2018/19	2019/20	2020/21	Future	Total
			£'000	£'000	£'000	£'000	£'000
<u>Council Approval Requests</u>							
Strategic Development	Heron House Refurbishment	borrowing	2,000				2,000
<u>Total Council Approval Requests</u>			<u>2,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,000</u>