



Executive

Date: Wednesday, 14 September 2022

Time: 2.00 pm

Venue: Council Antechamber, Level 2, Town Hall Extension

This is a **supplementary agenda** containing additional information about the business of the meeting that was not available when the agenda was published.

Access to the Public Gallery

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. There is no public access from any other entrance.

Filming and broadcast of the meeting

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Membership of the Executive

Councillors

Craig (Chair), Akbar, Bridges, Hacking, Igbon, Midgley, Rahman, Rawlins, T Robinson and White

Membership of the Consultative Panel

Councillors

Ahmed Ali, Butt, Collins, Douglas, Foley, Johnson, Leech, Lynch and Stanton

The Consultative Panel has a standing invitation to attend meetings of the Executive. The Members of the Panel may speak at these meetings but cannot vote on the decisions taken at the meetings.

Supplementary Agenda

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|----|---|-----------------------------|
| 6. | Capital Programme Monitoring 2022/23
Report of the Deputy Chief Executive and City Treasurer attached | All Wards
3 - 44 |
| 7. | Capital Programme Update
Report of the Deputy Chief Executive and City Treasurer attached | All Wards
45 - 60 |

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on **09 September 2022** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension, Manchester M60 2LA

**Manchester City Council
Report for Resolution**

Report to: Executive – 14 September 2022

Subject: Capital Programme Monitoring 2022/23

Report of: The Deputy Chief Executive and City Treasurer

Summary

This report informs members of:

- (a) Progress against the delivery of the 2022/23 capital programme to the end of July 2022.
- (b) The latest forecast of capital expenditure and the major variances since the Capital Programme Outturn report submitted in June 2022.
- (c) The proposed financing of capital expenditure for 2022/23 and affordability of the Capital Programme.

Recommendations

Executive and Council are asked to note the report.

Wards Affected: All

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city

Under the governance process for capital expenditure decision making, zero and low carbon measures are a key component. All capital projects are reviewed throughout the approval process with regard to the contribution they can make to Manchester being a Zero-Carbon City. Projects will not receive approval to incur costs unless the contribution to this target is appropriate.

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	The capital programme contributes to various areas of the economy including investment in public and private sector housing, education and children's social care, transport infrastructure, major regeneration activities, environmental, cultural and leisure services.

A highly skilled city: world class and home-grown talent sustaining the city's economic success	The capital programme includes substantial investment in education and also provides 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	The capital programme includes investment in adult and children's social care, education, housing and the environment, cultural and leisure services, all of which contribute towards the strategy.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in all areas of the capital programme contributes towards this community strategy, notably the investment in sustainable and affordable housing, building schools for the future, transport, environmental and major regeneration programmes.
A connected city: world class infrastructure and connectivity to drive growth	The capital programme includes investment in highways infrastructure, and broadband expansion.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

All revenue consequences are included in the current Revenue Budget.

Financial Consequences – Capital

The latest forecast of expenditure for 2022/23 for Manchester City Council is £506.8m compared to the current approved budget of £535.5m. Spend as of 31st July 2022 was £91m. The £991m multi-year programme is subject to continual review to establish whether the forecast remains achievable. Whilst the intention is for the City Council to progress the programme as stated, some projects and their sources of funding may require re-profiling into future years.

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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 16th February 2022 – Capital Strategy and Budget 2022/23 to 2024/25
- Report to the Executive 29th June 2022 – Capital Outturn Report
- Report to the Executive 22nd July 2022 – Capital Update Report

1. Introduction

1.1 The purpose of the report is to:

- Provide an update to members on the progress of the global capital programme in the four months to the end of July 2022, including activity, benefits realised, financial implications and risk;
- Provide a more detailed update on the major projects within the programme;
- Confirm that there are adequate levels of resources available to finance the capital programme.

2 Background

2.1 The Executive approved the Capital Budget for the period 2022/23 to 2024/25 in June 2022 as part of the Capital Outturn Report. Since then, subsequent capital budget update reports were submitted to the Executive, the cumulative effects of which can be seen at Appendix B. The revised capital budget for 2022/23 is therefore £535.5m, with a further £455.6m budgeted to be spent across 2023-2025, taking the whole programme to £991.1m.

3 Contributing to a Zero-Carbon City

- 3.1 To reflect the climate change emergency that the Council has declared, capital expenditure business cases are now required to include carbon measures for both during the project progression stage and the ongoing lifecycle post completion. The intention is that the carbon footprint of a scheme is considered as part of the decision-making process. This work is ongoing and will reflect the decisions taken by the Council on how it will meet the future carbon reduction targets in order to become carbon neutral by 2038.
- 3.2 In February 2021 Executive agreed to the adoption of the Manchester Low Carbon Build Standard for future capital projects, and this has been implemented. Work is now ongoing to develop specific measurable carbon metrics across the capital programme, for both during and post-acquisition/construction phases of a project, that will enable comprehensive reporting on the intended and achieved carbon reductions created through the programme. It is intended that this will form part of these monitoring reports.
- 3.3 Current ongoing projects which feature carbon reduction works include the refurbishment of the National Cycling Centre and the Manchester Aquatic Centre, two of the highest gas and electricity consuming buildings in the estate. Full refurbishment of the buildings has seen the dependency on gas removed, full refurbishment of plant rooms, LED lighting installed throughout, fabric improvements and renewable generation installed. In the case of the National cycling Centre, the total impact of these works is forecast to achieve c60% reduction in carbon emissions.

4 Capital Programme Forecast 2022/23

- 4.1 The latest forecast of expenditure for the Manchester City Council Capital Programme in 2022/23 is shown in the table below. The main variances relate to active travel schemes, Housing Infrastructure Fund (HIF), Our Town Hall and ICT Network Refresh Programme, and are discussed in more detail in the following sections.

Manchester City Council Programme	2022/23					Spend to Date
	Current Budget	Forecast at P4	Forecast at Q2	Forecast at Q3	Variance to current budget	
	£'m					£'m
Highways	51.3	40.5			(10.8)	7.3
Neighbourhoods	80.7	82.9			2.2	17.5
The Factory and St John's Public Realm	46.4	46.4			0.0	10.2
Growth and Development	105.9	97.6			(8.3)	14.8
Our Town Hall Refurbishment	82.3	76.5			(5.8)	14.9
Housing – General Fund	25.0	24.1			(0.9)	5.6
Housing – Housing Revenue Account	37.4	34.8			(2.6)	6.2
Children's Services	43.6	42.6			(1.0)	8.2
ICT	7.0	4.9			(2.1)	0.7
Corporate Services	15.2	15.1			0.0	5.7
Total (exc. contingent budgets)	494.7	465.4			(29.3)	91.0
Contingent Budgets	40.7	41.4			0.7	0.0
Total	535.4	506.8			(28.6)	91.0

- 4.2 The all-years capital forecast is shown in the table below:

Manchester City Council Programme	2022/23	2023/24	2024/25	2025/26	All Years Variance to Current Budget
	£'m				
Highways	40.5	21.7	7.9	0.6	0.0
Neighbourhoods	82.9	13.2	4.4	2.9	(0.1)
The Factory and St John's Public Realm	46.4	0.0	0.0	0.0	0.0
Growth and Development	97.6	88.1	14.3	15.0	(1.1)
Town Hall Refurbishment	76.5	84.7	40.5	0.0	0.0

Housing – General Fund	24.1	36.9	7.7	7.5	0.0
Housing – Housing Revenue Account	34.8	30.2	17.1	8.3	0.1
Children’s Services	42.6	0.8	0.0	0.0	(1.1)
ICT	4.9	2.5	0.0	0.0	0.4
Corporate Services	15.1	1.4	0.5	0.0	0.0
Total (exc. Contingent budgets)	465.4	279.4	92.3	34.4	(1.7)
Contingent Budgets	41.4	40.8	36.2	0.1	0.6
Total	506.8	320.2	128.4	34.5	(1.1)

- 4.3 The report also shows an overall underspend of £1.1m against the programme. This includes:-
- £0.8m for Heron House,
 - £0.2m for St Peters Square and Medieval Qtr Public Realm, all completing within budget.
 - £0.1m for the Cremator & Mercury Abatement project which is nearing completion.
- 4.4 The budget will be reduced by these amounts when it is next revised. There are also a number of projects which are currently forecast to require reprofiling over years, which can be seen in Appendix A, and these will also be reflected in the February budget report.
- 4.5 A more focussed look at the top 10 projects is provided in Section 5 below. These projects cover 79.4% of the total programme. Section 6 provides details of any other material changes relating to other parts of the programme since the last report to Executive.
- 4.6 The programme contains some budgets yet to be allocated to specific projects but reserved for a particular purpose, such as Education Basic Need funding, Special Educational Needs Grant, Housing Affordability Fund, the ICT Fund, HRA Unallocated funding and the budget for inflation pressures. These will be allocated once the specific schemes are progressed and approved, or in the case of inflation the business case showing the impact of inflationary pressures on a scheme completed. They are then subject to approval through the Council’s capital approval process.
- 4.7 The most significant risk facing the programme and major projects overall is the continued high levels of inflation being experienced, as set out in Section 7 of this report.

5 Major Projects

5.1 The top ten budget by value remaining are shown in the table below:

Project	Current Budget 2022/23	Forecast at P4	In Year Variance	Spend to date 2022/23	Total Budget (All Years)	Total Variance (All Years)
£m						
Our Town Hall Refurbishment	82.3	76.5	(5.8)	14.9	306.4	0.0
The Factory and St John's Public Realm	46.4	46.4	0.0	10.2	196.8	0.0
Housing Infrastructure Fund (Victoria North)	20.0	13.0	(7.0)	1.7	51.0	0.0
Carbon Reduction Programme and Public Sector Decarbonisation Scheme	19.6	19.6	0.0	5.5	48.1	0.0
This City Housing Delivery Vehicle	10.3	10.3	0.0	1.2	33.7	0.0
Back of Ancoats Mobility Hub and Public Realm	7.9	7.9	0.0	0.4	32.7	0.0
Co-op Academy Belle Vue	19.6	18.8	(0.8)	6.9	31.5	(1.1)
Collyhurst*	3.3	2.8	(0.5)	0.0	31.3	0.0
Manchester Aquatics Centre	17.5	19.9	2.4	5.8	30.5	0.0
Hammerstone Road Depot	11.4	8.4	(3.0)	1.3	25.0	0.0

*Public and Private Sector Housing

Our Town Hall Refurbishment

5.2 Works are progressing well on site overall and the Town Hall project team have been working hard to deliver the project to programme and budget. However, the project has experienced intense pressures on cost and programme, and the project team has been operating in a mode of risk mitigation. Over the life of the project these challenges have included significant disruptions from 'uncontrollable' elements such as nesting falcons, COVID-19, levels of inflation not seen for 40 years, and unprecedented pressure on the supply chain (labour and materials availability). The project will be subject to further volatility for another several months, until the physical interventions into the building are complete and the remaining 20 works packages have been procured.

- 5.3 The Our Town Hall Refurbishment project is currently forecasting slippage of £5.8m in to 2023/24. This is largely due to delayed commencement to a substantial part of the Mechanical, Electrical and Plumbing (MEP) installation works due to further works to work facers and structural alternation works and re-design in some areas due to discovery which affected the design of fire-rated equipment and the design of the electrical sub-station. The slippage includes £1.6m of contingency which has been reprofiled into future years.
- 5.4 There has been some good progress and some examples are included here. The project has completed a number of areas of Public Realm, allowing businesses to benefit from the outdoor space; the Golden Ball has successfully been removed from the top of the spire, and the new plaster solution is progressing well on site. The project has also completed the sheeting of the Albert Square Temporary Roof, the Albert Square and North Chimneys have been completed, and the heat exchangers installed on site. The slate has been delivered for the Great Hall Roof, and the Roof Brattishing (decorative cresting) has been removed and have started to be taken offsite to be restored and repaired, and work is continuing on the validation of the stonework design.
- 5.5 Whilst the team are working to deliver within budget, with the continued pressures with rising inflation as well as the challenges the project has faced, there is now a significant risk that this will not be achieved. When greater certainty is established on the likely outturn position, and the extent to which the rising costs can be covered within the existing inflation and contingency provision, a budget increase will be requested if required. A more detailed update is scheduled for Resources and Governance Scrutiny Committee in October.

The Factory

- 5.6 The Factory and St Johns projects are forecasting to complete in 2022/23. In a similar situation to the Town Hall Project, the project is reporting to budget, however, there are significant cost pressures and highlighted risks are now translating into additional costs. It is positive that no new risks are emerging, however, cost inflation and supply chain pressures mean that it is now more likely that the costs may not be contained within the current budget, and may require additional funding.
- 5.7 Good progress is being maintained with all the detailed design work completed and the static completion dates now instructed and progress is being maintained on site. In the first quarter of the year the project has seen a number of packages completed such the acoustic wall spray to the Warehouse, the installation of timber linings in the auditorium tech frames, with packages nearing completion such as the steel support metalwork installation to the plantroom, theatre cross laminated timber jointing, and steel beam encasements, and perimeter insulation.
- 5.8 The project is seeing packages still progressing such as the Towers envelope secondary steel and boarding to South, Central, and North Towers, and the

Towers Level 7 external primary plant installation and the Theatre Envelope is also being installed to the South, West, and North elevations, with top sheet now being installed to the North elevation. The Truck lift is now in beneficial use for contractor to use which commenced at the end of May 2022.

- 5.9 The order for the fixed theatre seating has now been placed, and the only package left to procure is the Builders Clean at the end of the project.
- 5.10 A more detailed update is scheduled for Resources and Governance Committee in October.

Housing Infrastructure Fund (Victoria North)

- 5.11 The total budget for the Housing Infrastructure fund is £51.0m, and the project is due to complete in 2024. The project is broadly split into two packages of work, Infrastructure Works and River Works.
- 5.12 The main planning application for the Infrastructure Works has now been approved. Work continues on the enabling works (approved late last year), with the demolition of existing structures including the Creamline Dairies buildings, which was completed in June 2022. In late July work started on the demolition of the Honey Street retaining wall, which is part of the works to form the new haul road. Enabling work will continue throughout the summer, leading into the start on site of the main infrastructure work in September 2022. In the meantime, the design team are progressing the RIBA Stage 4 design, as the project moves towards the final contract stage for the main works package, and to discharge all relevant planning conditions to ensure the next stages of work can commence.
- 5.13 On the River Works, discussions have commenced in relation to the outcomes of the hydrology modelling, with a new preferred option for flood defences now agreed in principle. Design development will continue over the summer and autumn, working alongside the Environment Agency, with a planning application planned for submission by the end of the year. Works are currently scheduled to commence in Spring 2023
- 5.14 The project is reprofiling £7m into future years primarily down to variety of delays in getting ground investigation results for the flood scheme from the contractor and bad weather, which is having a knock-on effect on the wider programme. Results from site investigations have meant options are being modelled further and has caused delays to the design process. Decisions on other elements of the infrastructure package are being delayed due to costs being unknown on the flood defence design.

Carbon Reduction Programme including PSDS

- 5.15 The current budget for Carbon Reduction Programme and Public Sector Decarbonisation Fund (PSDS) is £19.6m and is forecasting to budget.
- 5.16 Phase 1 of the Carbon Reduction Programme is almost complete and will

save 1,400 tCO₂ annually. Remaining works include the installation of LED lighting at the Sharp Project (on site installation commenced) and at the Tennis & Football Centre. This project has been delayed as the building is being used as a vaccination centre. Energising the installed Solar PV at the Space Project & Sharp Project is also remaining, which is dependent upon Electricity North West.

- 5.17 Projects to deliver renewable generation at the National Cycling Centre and Hammerstone Road, part funded by the European Regional Development Fund (ERDF) are under review currently. Cost and time issues have emerged for both projects following the design development, as a result a revised scope of works (achievable within budget and by the imposed deadline of June 2023) has been submitted to the ERDF fund administrator for approval.
- 5.18 Public Sector Decarbonisation Scheme Phase 1 grant funded works completed at the end of June 2022, in line with the revised funding deadline. The one exception to this is the battery at Hough End Leisure Centre which has been delayed due to a manufacturing issue. Based on current guidance the cost of any works that complete beyond June 2022 will need to be met by the Authority, this cost is estimated to be circa £200k for which existing carbon reduction budget will be utilised.
- 5.19 Public Sector Decarbonisation Scheme Phase 3 grant funded works are in flight with an ambitious deadline of March 2023 for completion of works. The contractor for the works is in place and has recently completed feasibility studies have for 7 of the 8 buildings with detailed design due to commence in August 2022. Key risks to programme include the lead time for key components, in particular heat pumps and inverters for the Solar PV installations.
- 5.20 A delivery partner has been secured to complete 80 building energy audits, with the intention of developing a pipeline of carbon reduction investment proposals to take us up to 2025 and beyond. These energy audits will be used to inform future checkpoint submissions, drawing down against the previously budgeted £15m for additional carbon reduction works.
- 5.21 The PSDS programme is scrutinised and monitored regularly in order to satisfy funding requirements regarding completion date. Spend is weighted toward the end of the programme and the Project Manager and Quantity Surveyor are working closely together to ensure spend is maximised in year.

This City Housing Delivery Vehicle

- 5.22 The total current budget for This City Housing Delivery is £33.7m and the first scheme is scheduled to complete in 2023/24. It comprises a mixed development of market and accessible rent properties, which will transfer to the Council-owned company during the build. There are two sites being brought forward as the first phase of This City development. Both are at different stages of design and development.

- 5.23 The business plan for This City has been developed and is now in final form. The plan outlines the vision for the company, along with clear financial performance models, as well as a range of Key Performance Indicators and clear details on risk.
- 5.24 The procurement process has been completed for Ancoats (Rodney Street) and the preferred contractor for the scheme are currently working under a pre-construction services agreement (PCSA) until planning permission has been granted. The Northern Quarter (Postal Street) design continues to progress with sessions held with Planning to agree principles regarding orientation and massing of the development. These proposals are now being refined in line with the advice provided. Once the designs are further progressed, public engagement will be scheduled to gain feedback from the local community on the emerging development.
- 5.25 A number of key risks continue to be monitored and mitigated. Risk identification and management is even more imperative than usual due to the fact that This City is bringing its first sites forward in a significantly challenging time for delivery. Risks include the volatility of the construction sector and inflationary pressures, cashflow and changes in the private rent sector.

Back of Ancoats Mobility Hub and Public Realm

- 5.26 The project was approved in March 2022 with a total budget of £33m. The project is expected to complete in 2025/26.
- 5.27 For the Ancoats Mobility Hub, Bowmer & Kirkland (appointed via the Northwest Construction Hub under a two-stage design and build contract) have been progressing the RIBA Stage 3 design as part of their Pre-Construction Services Agreement. The Manchester Equipment and Adaptations Partnership (MEAP) have now relocated, and the Council has vacant possession of the site, which has been hoarded and secured. A process of design management / value engineering is currently underway to address inflationary cost pressures and Stage 2 pricing will take place later in the year, with the intention of making the main contract appointment and starting on site in Q1 2023.
- 5.28 In terms of the future operation of the Mobility Hub, further soft market testing has taken place to help refine the operating model and prepare the brief for the procurement of an operator for the Hub. A negotiated / competitive dialogue procurement is likely to be used.
- 5.29 Planning consent has been secured for the first project within the Public Realm Strategy (PRS), the removal of the Jersey Street bridge, and the tender for those works is currently out to the market. Design work on the second project within the PRS – Ancoats Green – is now underway, and residents, local members and stakeholders will be invited to a design workshop over the coming months. Later phases of the PRS will be reviewed in light of construction price inflation and proposals coming forward for schemes in the area e.g., Rodney St, Jersey Wharf etc.

- 5.30 The work is ongoing with the Neighbourhood Services and the Parks and Highways teams to agree the long-term management and stewardship arrangements for Ancoats.

Co-op Academy Belle Vue

- 5.31 The total budget for the Co-op Academy Belle Vue project is £31.5m and the project is on target for practical completion October 2022. The current forecast has been reduced by £0.8m due to the risk sum set aside for the provision of temporary units being returned to the client team. As a result of the long lead times in the supply of these units it has now been deemed too late to proceed. The all year £1.1m underspend will be returned to Unallocated Basic Need budget to be utilised on future projects.
- 5.32 During 2022/23 works on roofing and window installation have been completed and the roof is weathertight. Hard landscaping commenced drainage and the car park is progressing, the sports pitch contractor is now also on site. Brickwork is 65% complete and internal joinery has commenced and working through the school.
- 5.33 Key risk areas include the completion of Highways works. The works will not be completed for October 2022 and the programme is being agreed with contractor and MCC Highways. Arrangements are being made for safe access to the school.

Collyhurst

- 5.34 The current budget for the first phase of the Collyhurst Programme is £30.5m and is due to be spent by March 2024. The project has minimal slippage into future years due to the ongoing negotiations with FEC but remains within the overall budget.
- 5.35 During April to July there have been continued negotiations with FEC (Far East Consortium) in relation to delivery arrangements, with FEC continuing to work through the PCSA process with preferred contractor. Staff have also been progressing the Shared Ownership and Affordable Homes Programme (SOAHP) contract with Homes England and MCC legal. Community engagement has also been continuing for the project and liaising with residents affected by the scheme will continue next quarter.

Manchester Aquatic Centre

- 5.36 The current budget for the Manchester Aquatics Centre refurbishment is £30.5m and the project is scheduled to complete in Summer 2024.
- 5.37 The project has accelerated works of £2.4m in to 2022/23. The original forecast was based on a standard project planning model, however the actual forecast is more front loaded with high value MEP/specialist pool equipment costs earlier in the programme.

- 5.38 Works within the period includes continued removal of plant and equipment from the basement, filter vessel refurbishment and preparation for removal, commencement of ceramic tiling prep, installation of structural steel to the basement lift, ground floor and 1st floor.

Hammerstone Road Depot

- 5.39 The total budget for the Hammerstone Road Depot project is £25m. The project has seen a slippage of £3m in to 2023/24 due to a delay in entering into the main contract. The contract commencement date was pushed back to allow further investigative works to the brickwork and steel frame within the loco shed, drainage and boundary wall to reduce risk within the main contract and respond to comments from planners. A letter of commitment has been issued to progress procurement of key packages.
- 5.40 During the first 4 months of 2022/23 the project has continued demolition and asbestos removal works to outbuildings. There has also been ongoing procurement of key packages and design fees associated with Cathodic protection, rainwater harvesting and retaining wall works.
- 5.41 The scheme remains a priority because of its strategic importance as the main depot facility owned by the Council, that is well located for servicing the whole city, that also plays host to other city services such as the library store, fleet and taxi servicing facilities and HGV electronic charging infrastructure.

6 Other material changes to the programme

- 6.1 Other material changes to the Capital Programme are detailed below:

Project	Current Budget 2022/23	Forecast at P4	In Year Variance	Spend to date 2022/23	Total Budget (All Years)	Total Variance (All Years)
£m						
Manchester Cycleway	4.2	0.2	(4.0)	0.1	4.9	0.0
Levenshulme Active Neighbourhood	3.4	0.9	(2.5)	0.2	4.7	0.0
Network Refresh Programme	5.7	3.2	(2.5)	0.2	9.5	0.0
Northern Quarter Cycling Scheme	4.1	1.8	(2.3)	0.6	10.7	0.0
Piccadilly Gardens Early Works	1.6	0.3	(1.3)	0.1	1.8	0.0
Riverdale Maisonettes	1.2	0.2	(1.0)	0.0	2.5	0.0

Manchester Cycleway

- 6.2 Manchester Cycleway has slipped £4m as the scheme is subject to reprioritisation by MCC. Delivery of the scheme has been paused, with only development to be progressed at this stage. This will enable the forecast delivery funding allocation to be released to the wider MCC programme. Several components of this scheme require subsequent approvals - including maintenance agreements and commuted sums, informing the decision not to progress to delivery at this stage. The costs are forecast up to the end of RIBA Stage 4.

Levenshulme Active Neighbourhood

- 6.3 The project is split in to two phases, with Phase 1 currently on site. £2.5m has been reprofiled in to 2022/23 with phase 2 no longer commencing this financial as the project is awaiting final funding approval from GMCA which is due in April 2023. The outline design has also slipped and this is delaying the start of works.
- 6.4 At the start of 2022/23, the legal process has completed and the design of phase 2 has continued. Implementation the permanent phase one filters has started and this will continue into next quarter.

Network Refresh Programme

- 6.5 There is slippage on the Network Refresh Programme of £2.5m due to delays in equipment orders from suppliers. There is currently a worldwide shortage of networking components and issues with the global supply chain. The Council is actively working with the suppliers and the technology providers to escalate the priority of the Council orders. The project has just signed off the latest bill of materials and ordered the majority of the hardware needed to complete the programme. Using the existing hardware, the project is currently in the process of setting up a pilot environment which will allow the Council and the supplier to test the design, ready for wider implementation
- 6.6 The Network refresh Programme faces risks of costs increasing due to price increases from the suppliers although this is actively being managed to reduce the impact.

Northern Quarter Cycling Scheme

- 6.7 This scheme is split across 4 areas, Areas 1 and 3 have been completed.
- 6.8 The ongoing project has a slippage of £2.3m into 2023/24. Area 2 is subject to bus operator challenges that are having to be resolved and as such is impacting programme and design which is why some of the statutory cost's estimates are being realigned to suit revised programmes.
- 6.9 Area 4 is on hold and is not progressing as is part of the Mayors Challenge Fund reprioritisation works. Aspects of this project are currently subject to a Levelling Up Fund bid.

Piccadilly Gardens Early Works

- 6.10 There is a slippage of £1.327m on the Piccadilly Gardens Project as the procurement of the design team has slipped. The Piccadilly Gardens International Design Competition has involved significant consultation with the general public and stakeholders to ensure that the design brief considers the views of all interested parties, and this has delayed the launch of the competition. The concept designs have now been submitted but the evaluation of the submissions will take some time to complete as further consultations with key stakeholders take place. The selection of a winning design team has slipped into 2023/24.

Riverdale Maisonettes

- 6.11 This public sector housing scheme is carrying out improvement work to the three retained maisonettes in the Riverdale estate (28 properties in total). The project has reprofiled £1m in to 2023/24 due to the start date for Riverdale Maisonettes being set back from September 2022 to February 2023 as it has taken longer to complete the design work than anticipated.

7 General Programme Risks

- 7.1 The Capital Budget is prepared on the best estimate of the start date and spend profile for each scheme and as the scheme develops this may change. This report is intended to highlight the total life and cost of schemes, and the risks associated with their development. All projects carry risk such as delivery risk, third party risk and market risk, including build cost and inflation. Some of the current risks are outlined below.
- 7.2 The significant inflationary pressures previously reported in the construction market are being maintained. The latest statistics from the Department for Business, Energy and Industrial Strategy (BEIS) for June 2022 show an overall increase of 26.4% in prices for 'all work' (new housing, other new work, and repairs and maintenance) compared to June 2021, and a 1.3% increase since the previous month. In particular, the price for concrete reinforced bars is up 58.2%, fabricated structural steel is up by 46.3% and pre-cast concrete products are up by 28.3% compared to prices seen in June 2021. While material prices continue to increase month on month, the rate of increase of total prices appears to have slowed slightly, perhaps reflecting a stabilising employment market following the upheavals of Brexit and a reduction in additional costs associated with the pandemic being passed on to the client.
- 7.3 This is clearly a considerable risk that impacts across the programme, particularly where contracts are not yet agreed. There are options available to the Council, such as entering fixed price agreements or elevating risk costs, but the inflationary risk is likely to be priced in on a prudent basis. There is also an inflation contingency budget of £28.0m for the whole programme which can be accessed if inflationary pressures are greater than the contingency budgets built into existing cost plans. Projects have requested drawdown of £6.7m to date to be approved by Council in October following Executive

approval in July. Officers will continue to monitor the construction market and seek to mitigate the price risks.

- 7.4 As noted above, some of the funding sources for the programme are time-limited, such as the Public Sector Decarbonisation Scheme. Officers will continue to monitor progress against these schemes to seek to maximise the level of grant funding used.

8 Capital Resources

- 8.1 The table below summarises the current funding assumptions for the Capital Programme based on the current forecast. This will continue to be reviewed for the remainder of the financial year to ensure that the optimum value for money is achieved.

	Draft Funding 2022/23 £m	Draft Funding 2023/24 £m	Draft Funding 2024/25 £m	Draft Funding 2025/26 £m	Draft Funding All Years £m
Grants	122.2	85.6	26.8	3.6	238.2
Contributions	26.2	15.9	2.3	0.0	44.4
Capital Receipts	36.3	8.1	5.4	7.5	57.3
Revenue Contributions to Capital	46.0	45.0	25.2	8.3	124.5
Capital Fund	4.9	3.6	1.3	0.0	9.8
Borrowing	271.2	162.0	67.4	15.0	515.6
Total	506.8	320.2	128.4	34.5	989.9

- 8.2 Modelling the Council's future cash flow based on the funding assumptions above and the forecast revenue use of reserves and anticipated changes to working capital provides an assessment of the ongoing affordability of the forecast capital programme.
- 8.3 The current modelling forecasts that the programme remains affordable within the revenue budget available including reserves. The model forecasts that the capital financing reserves held by the Council will be required to meet the costs associated with the Council's borrowing by 2025/26.
- 8.4 The model is based on a significant number of assumptions, including the timing of any future borrowing and forecast future interest rates. As these assumptions change, the outcome of the capital financing model including use of capital financing reserves can also change.
- 8.5 The current forecast for the Council's indicators, compared to those reported to members in Executive in the budget reports, based on the current forecast capital expenditure and funding is shown at appendix C.

9 Social Value

- 9.1 Every capital project is required to consider the social value which could be realised, either through procurement or other routes, through the creation of the asset. This is one of the key requirements of any capital business case brought forward.
- 9.2 By capturing the expected social value benefits, this allows projects to monitor their social value output on an ongoing basis. In some cases, such as where social value is monitored with groups like the Northwest Construction Hub, this is done on an aggregate basis rather than project by project. Work is ongoing to monitor the outcomes across the programme on a regular basis, with details of social value achieved during 2021/22 reported to Executive in June. Some examples of the social value delivered to date during 2022/23 include:
- 9.3 Our Town Hall (OTH): Further engagement with schools has led to a significant rise in school/college career/employment sessions and STEM sessions, with a rise of 24 and 7 respectively over the previous 3 months. Having confirmed a total of 6 PlanBEE placements on the project for 2022, employers worked with the learning provider throughout May to recruit residents to these vacancies; a notable success of this round of recruitment being that 4 female applicants have been offered roles. In total across the project there have been an additional 17 Manchester resident apprentices employed in this reporting period, this is across all levels and all employers. Having established a new work placement model for 14-16 year olds, Lendlease and its supply chain has been delivering in school work experience to North Ridge SEND School students. Activities have been interactive, and STEM based with each session focusing on the Skills For Life strategy. Design team and consultants have also supported students in on site work placements throughout July, as well as supporting an additional 56 working age residents with work placements across the project.
- 9.4 Highways are currently using the Social Value Portal to track, monitor and report social value delivery across the service. Common areas of social value have been around community support e.g., offer of materials, labour and donations in kind as well as volunteering hours and help for the homeless. During the first 4 months of 2022/23 highlights have included:

Major Projects:

- Total community project donation of £5,000 for the creation of a pocket park on Thomas Street.
- Charitable donation of £1,500 to 'Don't Walk Past' charity to tackle homelessness in Manchester who are a voluntary outreach group to feed clothe and support rough sleepers City wide

Network Management:

- 16 hours volunteering at Chapel Street Keep Britain Tidy community event and 6 hours volunteering at a litter pick in Platt Fields Park.
- Bethell's scheduled a CV writing and interview training as part of their

apprenticeship scheme and there is a commitment to hold the training every 4 months over the four-year framework for 1 working day (8hours). So far 48 hours out of the 96 overall has been delivered.

- £28,252 donation by Bethells to Mustard Tree, Mancunian Way Charity, Manchester Dogs home, The Christies - MCR Children Hospital, MCC Central Neighbourhood Team
- Restoration of Hardy Farm Path (next to West Didsbury and Chorlton Football Club) by Rosgals, as part of SV commitment. Main works included drainage repairs, installation of footpath, tower lights, resurfacing and shrubbery removal.

10 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

The capital programme contributes to various areas of the economy, including investment in public and private sector housing, education and children's social care, transport infrastructure, major regeneration activities, environmental, cultural and leisure services.

(b) A highly skilled city

The capital programme includes substantial investment in education and also provides 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

The capital programme includes investment in adult and children's social care, education, housing and the environment, cultural and leisure services, all of which contribute towards the strategy.

(d) A liveable and low carbon city

Investment in all areas of the capital programme contributes towards this community strategy, notably the investment in sustainable and affordable housing, building schools for the future, transport, environmental and major regeneration programmes.

(e) A connected city

The capital programme includes investment in highways infrastructure, and broadband expansion.

11 Key Policies and Considerations

(a) Equal Opportunities

By investing in building adaptations, access for people with mobility difficulties

is made easier.

(b) Risk Management

The capital programme is based on forecast costs and funding, and as such there are risks to achieving the programme from external factors such as shortage of labour or materials, alongside market risks such as price fluctuations and interest rate charges. The Strategic Capital Board, and associated Portfolio Boards for each part of the programme, are tasked with regular monitoring of costs, delivery, quality and affordability, to help manage and mitigate these risks.

(c) Legal Considerations

None.

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Appendix A – Capital Monitoring by Portfolio Area

Project Name	2022/23 Current Revised Budget	Current Forecast	Year to Date spend	23/24 Budg et	23/24 Foreca st	24/25 Budg et	24/25 Foreca st	25/25 Budg et	25/26 Foreca st	Total Variance to Budget (All Years)
Drainage	2,097	2,040	80	0	57	0	0	0	0	0
Large Patching repairs	2,100	1,972	3	0	19	0	109	0	0	0
Patching Defect repairs	6,077	6,077	2,483	0	0	0	0	0	0	0
Carriageway Resurfacing	5,166	5,166	436	0	0	0	0	0	0	0
Footway schemes	4,260	3,381	22	0	266	0	176	0	437	0
Carriageway Preventative	3,303	3,169	636	0	109	0	25	0	0	0
Bridge Maintenance	1,466	1,614	185	1,465	1,317	0	0	0	0	0
Other Improvement works	1,000	51	51	2,000	2,507	4,443	4,443	0	0	442
Woodlands Road Emergency works	602	602	0	0	0	0	0	0	0	0
Highways Maintenance Challenge Fund	952	477	8	0	199	0	64	0	212	0
Hyde Road (A57) Pinch Point Widening	0	62	-63	0	0	0	0	0	0	-62
Manchester/Salford Inner Relief Road (MSIRR)	0	176	165	0	0	0	0	0	0	-176
Great Ancoats Improvement Scheme	151	126	5	280	440	0	0	0	0	-135
Mancunian Way and Princess Parkway NPIF	133	103	1	419	396	0	53	0	0	0
Christie Extension RPZ	224	268	188	0	1	0	0	0	0	-45
North Mcr General Hospital RPZ	26	0	0	0	26	0	0	0	0	0
St George's RPZ	64	5	5	0	59	0	0	0	0	0

Rusholme RPZ	212	177	5	0	35	0	0	0	0	0
School Crossings	435	1,454	281	1,199	180	0	0	0	0	0
Chorlton Cycling Scheme	4,513	4,169	453	0	344	0	0	0	0	0
Northern Quarter Cycling Scheme	4,116	1,819	622	3,370	4,412	0	1,255	0	0	0
Manchester Cycleway	4,150	196	90	0	2,940	0	1,014	0	0	0
Beswick Filtered Neighbourhood Development Costs	117	101	9	276	292	0	0	0	0	0
Green Bridge at Airport City	24	47	-70	0	0	0	0	0	0	-23
A6 Stockport Road Pinch Point Scheme	23	11	0	0	12	0	0	0	0	0
Levenshulme Active Neighbourhood	3,391	933	181	242	2,700	0	0	0	0	0
Northern/Eastern GW Walking and Cycling scheme	1,359	1,254	123	107	212	0	0	0	0	0
Accident Reduction and Local Community Safety schemes	1,659	1,659	476	0	0	0	0	0	0	0
20mph Zones (Phase 3)	0	0	-1	0	0	0	0	0	0	0
Princess Rd Safety Review	20	20	0	0	0	0	0	0	0	0
Public Realm	404	183	83	0	221	0	0	0	0	0
Street Lighting PFI	755	200	0	0	0	0	555	0	0	0
Sunbank Lane S278	5	5	0	0	0	0	0	0	0	0
Manchester Trash Screens	36	36	0	0	0	0	0	0	0	0
Oldham Rd Feasibility study	0	5	3	150	0	0	145	0	0	0
Enterprise Car Club Bays	16	16	1	0	0	0	0	0	0	0
Electric Vehicle Charging Points Ph 1	0	0	2	0	0	0	0	0	0	0
TfGM Bus Enhancements	13	14	4	0	0	0	0	0	0	-1
Bee Network Crossings	517	922	389	405	0	0	0	0	0	0

Active Travel Development Costs	492	429	150	4,610	4,638	0	35	0	0	0
Greater Manchester Improvement Prog (GMIP) Dev Cost - Tranche 1	200	200	0	0	0	0	0	0	0	0
Back George Street	23	23	0	0	0	0	0	0	0	0
Clean Air Zone Street Lighting	59	32	3	0	27	0	0	0	0	0
Princess Parkway/Palatine Rd Feasibility	35	35	0	0	0	0	0	0	0	0
Traffic Free Deansgate Permanent Works	654	865	221	456	245	0	0	0	0	0
Restoration of Ordinary Water Course	129	129	50	0	0	0	0	0	0	0
40mph Speed Limit Reduction Programme	292	292	1	0	0	0	0	0	0	0
Total Highways Programme	51,270	40,515	7,282	14,979	21,654	4,443	7,874	0	649	0
Waste Reduction Measures	99	99	0	0	0	0	0	0	0	0
Waste Contract	350	350	236	471	471	0	0	0	0	0
Purchase of Electric RCVs	187	187	315	0	0	0	0	0	0	0
Cremator & Mercury Abatement Plant Replacement Strategy	555	423	319	0	4	0	0	0	0	128
Off Street Car Parks post JV project	877	877	10	0	0	0	0	0	0	0
Chester Road Roundabout Advertising	1,569	1,569	0	0	0	0	0	0	0	0
EV Charging Points	71	71	0	0	0	0	0	0	0	0
City Centre Litter Bins	0	59	23	0	0	0	0	0	0	-59
Upgrade CCTV System	618	618	0	0	0	0	0	0	0	0

Parks Development Programme	1,088	1,088	284	2,815	2,815	2,815	2,815	2,814	2,814	0
Wythenshawe Cycling Hub	862	862	419	0	0	0	0	0	0	0
Angel Meadow S.106	18	18	0	0	0	0	0	0	0	0
Gately Brook Pre-Development Fees	44	44	0	0	0	0	0	0	0	0
Whitworth Park s.106	76	76	44	0	0	0	0	0	0	0
Wythenshawe Track Changing Rooms	485	485	0	0	0	0	0	0	0	0
Indoor Leisure - Abraham Moss	15,650	15,650	3,064	0	0	0	0	0	0	0
Boggart Hole Clough - Visitors Centre	0	0	0	535	535	0	0	0	0	0
Mount Road S106	32	32	0	0	0	0	0	0	0	0
Mellands Playing Fields - Levenshulme	45	45	1	0	0	0	0	0	0	0
Gorton & Abbey hey Project	52	52	0	0	0	0	0	0	0	0
Hough End Master Plan - Strat Football Hub Development Costs	10,463	10,463	74	1,771	1,771	0	0	0	0	0
MAC - Car Park Improvements	12	12	0	0	0	0	0	0	0	0
Non-Turf Wickets - Parks & Playing Fields	51	51	0	0	0	0	0	0	0	0
Manchester Aquatics Centre	17,473	19,861	5,842	9,961	5,957	0	1,554	0	62	0
National Cycling Centre	17,052	17,052	6,785	42	42	0	0	0	0	0
Rugby Football League Project - Beswick Hub	2,566	2,566	0	0	0	0	0	0	0	0
Wind Tunnel at MIHP	390	390	0	0	0	0	0	0	0	0
P2R Platt Fields	72	72	0	0	0	0	0	0	0	0
Withington Baths Loan	1,000	1,000	0	0	0	0	0	0	0	0
Manchester Regional Area Changing Rooms	83	0	0	0	83	0	0	0	0	0

Replacement of MRA Outdoor Track Floodlights	171	171	0	0	0	0	0	0	0	0
Relocation of Manchester Visitor Info Centre (MVIC)	0	0	-6	0	0	0	0	0	0	0
Central Library Refresh	718	718	8	0	0	0	0	0	0	0
Open Libraries	192	192	1	0	0	0	0	0	0	0
Chorlton Library Refurbishment	600	600	0	0	0	0	0	0	0	0
Library Refurbishment (City Wide)	339	339	69	50	50	0	0	0	0	0
Galleries Collection Housing & Remediation Works	6,807	6,807	14	1,426	1,426	0	0	0	0	0
Total Neighbourhoods Programme	80,667	82,899	17,503	17,071	13,154	2,815	4,369	2,814	2,876	69
The Factory (Build)	43,761	43,761	10,284	0	0	0	0	0	0	0
St Johns (Public Realm)	2,681	2,681	-86	0	0	0	0	0	0	0
Total Factory Programme	46,442	46,442	10,198	0	0	0	0	0	0	0
Asset Management Programme	6,551	10,955	1,961	5,246	842	0	0	0	0	0
Early Years tendered daycare sites	3,000	3,000	0	0	0	0	0	0	0	0
Hammerstone Road Depot	11,423	8,423	1,269	9,677	12,677	0	0	0	0	0
Carbon Reduction Programme	5,651	5,651	245	7,712	7,712	5,000	5,000	0	0	0
Public Sector Decarbonisation Scheme	13,900	13,900	5,262	0	0	0	0	0	0	0
Greening of the City	541	289	92	0	252	0	0	0	0	0
Estates Transformation	0	0	0	800	800	0	0	0	0	0

Estates Transformation - Alexandra House	0	0	10	0	0	0	0	0	0	0
Estates Changes Arising from FWOW	64	64	0	0	0	0	0	0	0	0
Space - Phase 3	60	60	18	0	0	0	0	0	0	0
Space Studios - Disposal Costs	44	44	-21	0	0	0	0	0	0	0
Digital Asset Base - One Central Park	468	234		0	234	0	0	0	0	0
Site Acquisition - The Yard, Vaughan Street	679	679	672	0	0	0	0	0	0	0
Strategic Acquisitions Programme	2,750	2,750	0	1,542	1,542	0	0	0	0	0
Sustaining Key Initiatives	0	0	0	0	0	0	0	11,418	11,418	0
Mayfield Park	83	83	0	0	0	0	0	0	0	0
Wythenshawe Town centre Due Diligence	250	250	0	0	0	0	0	0	0	0
Housing Infrastructure Fund	19,980	13,000	1,682	25,446	32,426	0	0	0	0	0
Acquisition of land at Red Bank	191	191	0	0	0	0	0	0	0	0
Victoria North	3,800	3,800	0	5,448	5,448	5,447	5,447	0	0	0
Eastern Gateway - Central Retail Park	519	519	0	0	0	0	0	0	0	0
Eastern Gateway - New Islington Marina	52	0	0	0	0	0	0	0	0	52
New Islington Marina Bridge Works	1	0	0	0	0	0	0	0	0	1
House of Sport	5,005	5,005	1,743	0	0	0	0	0	0	0
Mcr Equipment and Adaptations Partnership relocation	2,313	2,313	1,014	0	0	0	0	0	0	0
St. Peters Square - Peterloo memorial	191	35	34	0	0	0	0	0	0	156

Medieval Quarter Public Realm	81	14	14	0	0	0	0	0	0	67
Lincoln Square	40	40	0	0	0	0	0	0	0	0
Piccadilly Gardens - Phase 1	1,559	232	52	0	664	0	663	0	0	0
Manchester Digital Security Innovation hub (Cyberhub)	1,998	1,998	7	0	0	0	0	0	0	0
Campfield Redevelopment	10,603	10,603	-21	6,889	6,889	0	0	0	0	0
HOME Arches	2,100	2,178	112	379	301	0	0	0	0	0
Angel Meadow Land Acquisition	150	150	0	0	0	0	0	0	0	0
Back of Ancoats Mobility Hub & Public Rm	7,937	7,937	450	17,942	17,942	3,180	3,180	3,628	3,628	0
First Street Cultural Facility	12	12	0	0	0	0	0	0	0	0
New Smithfield Market	0	0	0	365	365	0	0	0	0	0
Heron House & Registrars	797	12	12	0	0	0	0	0	0	785
Civic Quarter Heat Network	2,861	2,861	32	0	0	0	0	0	0	0
Beswick Hub - Beswick Shops	241	241	127	0	0	0	0	0	0	0
Levenshulme railway station - Access for All	50	50	0	0	0	0	0	0	0	0
Total Growth & Development Programme	105,945	97,573	14,765	81,446	88,094	13,627	14,290	15,046	15,046	1,061
Our Town Hall refurbishment	82,266	76,465	14,876	83,552	84,716	35,829	40,466	0	0	0
Total Town Hall Refurbishment Programme	82,266	76,465	14,876	83,552	84,716	35,829	40,466	0	0	0
Brunswick PFI Land Assembly	210	25	21	526	185	0	526	0	0	0
Collyhurst Regeneration	0	5	4	997	992	2,700	2,700	0	0	0

Collyhurst Land Assembly Ph1	29	0	0	0	29	0	0	0	0	0
Collyhurst Land Acquisitions Ph2	210	0	0	799	210	0	799	0	0	0
Eccleshall Street - 3 Sites	0	1	1	500	499	0	0	0	0	0
Private/RTB - Acq/Comp/Relocation	200	200	0	600	600	989	989	0	0	0
Miles Platting PFI Land Assembly	141	141	3	266	266	0	0	0	0	0
Disabled Facilities Grant	8,088	8,088	2,597	7,628	7,628	0	0	0	0	0
Toxteth St CPO & environmental works	0	1	1	0	0	0	0	0	0	-1
Bell Crescent	0	0	0	0	0	482	482	0	0	0
HCA Empty Homes Cluster Phase 2	248	248	0	683	683	0	0	0	0	0
Redrow Development Phase 2 onward	10	10	2	4	4	0	0	0	0	0
West Gorton Ph 2A Demolition & Commercial Acquisitions	348	0	0	904	348	0	904	0	0	0
HMRP	29	29	0	89	89	0	0	0	0	0
Extra Care	0	0	0	1,245	1,245	1,200	1,200	0	0	0
Moston Lane Acquisitions	0	0	0	0	0	0	0	7,500	7,500	0
Equity Loans	0	0	0	397	397	0	0	0	0	0
West Gorton Community Park	23	23	4	0	0	0	0	0	0	0
Ben St. Regeneration	352	352	8	626	626	0	0	0	0	0
Marginal Viability Fund - New Victoria	1,905	1,905	835	0	0	0	0	0	0	0
This City Housing Delivery Vehicle	10,269	10,269	1,175	23,000	23,000	0	0	0	0	0
Social Housing Decarbonisation Fund	794	777	777	0	0	0	0	0	0	17

Rough Sleepers Accommodation Programme	1,980	1,980	173	0	0	0	0	0	0	0
Sprinkler Systems – Tower Block PFIs Private	147	15		0	70	0	62	0	0	0

Total Private Sector Housing Programme	24,983	24,069	5,600	38,264	36,871	5,371	7,662	7,500	7,500	16
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Charlestown - Victoria Ave multistorey window replacement and ECW - Phase 1	4,225	3,981	982	100	344	0	0	0	0	0
External cyclical works ph 3b Ancoats Smithfields estate	60	60	0	30	30	0	0	0	0	0
Environmental improvements Moston corrolites	0	0	0	22	22	0	0	0	0	0
ENW distribution network phase 4 (various)	25	131	0	0	67	0	0	0	0	-173
Various Estate based environmental works	94	94	0	74	74	0	0	0	0	0
Moston Corrolites external work	93	93	80	106	106	0	0	0	0	0
Charlestown Clifford Lamb Court Reroofing	393	393	69	32	32	53	42	0	0	11
Higher Blackley Central House Door Entry System	0	0	0	16	16	0	0	0	0	0
Riverdale Maisonettes	1,163	163	2	1,366	2,366	0	0	0	0	0
Newton Heath High Rise Blocks Improvements	100	100	0	7,612	5,154	4,777	5,154	0	2,081	0
Retaining Walls	179	32	25	118	265	0	0	0	0	0
Delivery Costs	907	762	35	1,232	1,102	628	677	0	226	0
Harpurhey - Monsall Multis Internal Works	101	101	3	0	0	0	0	0	0	0

Newton Heath - Multies Internal Works	179	93	0	0	0	0	0	0	0	86
Various - Bradford/Clifford Lamb/Kingsbridge/Sandyhill Court Internal Works	28	28	0	32	0	0	0	0	0	32
Charlestown - Rushcroft/Pevensey Court Internal Works	24	24	0	19	0	0	0	0	0	19
Collyhurst - Mossbrook/Roach/Vauxhall/Humphries Court Internal Works	0	0	0	27	0	0	0	0	0	27
Decent Homes mop ups phase 10 and voids	0	0	0	70	70	0	0	0	0	0
One off work - rewires, boilers, doors	7	7	0	0	0	0	0	0	0	0
ERDF Heat Pumps	1,573	1,242	69	106	504	0	0	0	0	-67
Charlestown - Rushcroft/Pevensey Courts Lift Refurb	350	350	0	187	187	0	0	0	0	0
One off type work (rewires/boilers/doors)	14	14	12	0	0	0	0	0	0	0
Fire Risk Assessments	958	884	619	610	684	0	0	0	0	0
Rushcroft and Pevensey Courts Ground Source Heat Pumps	84	49	-8	0	35	0	0	0	0	0
Newton Heath Troydale and Croyden Drive Low Rise Estates	123	45	0	198	276	0	0	0	0	0
Responsive Investment Works	254	123	12	196	220	0	0	0	0	107
Retirement blocks various M&E/H&S works	85	85	18	51	51	0	0	0	0	0

One off type work such as rewires boilers doors	17	17	4	0	0	0	0	0	0	0
Harpurhey Monsall Estate (Excluding High Rise and 40 properties around Cannons Grove)	1,877	1,877	378	481	481	0	0	0	0	0
Harpurhey Shiredale Estate (Including Replacement Floors)	551	754	476	161	39	0	0	0	0	-81
Cheetham Halliwell Lane Estate Internal Works	1,416	1,514	97	623	525	0	0	0	0	0
Higher Blackley South Estate Internal Works	1,750	1,750	281	318	318	0	0	0	0	0
New Lightbowne Estate Halliford & Thorverton	1,054	1,054	315	284	284	0	0	0	0	0
Ancoats Smithfield Estate Internal Works	153	72	35	39	120	0	0	0	0	0
One Off type work - rewires/boilers/doors	304	304	223	0	0	0	0	0	0	0
Avro Hollows District Heating	114	114	0	0	0	0	0	0	0	0
Delivery Costs	1,566	1,574	0	448	493	0	0	0	0	-53
Various Locations - bringing bedsits back into use	0	0	0	116	116	0	0	0	0	0
Delivery Costs	0	0	0	15	15	0	0	0	0	0
Improvements to Homeless accommodation city wide	0	0	0	14	14	0	0	0	0	0
Plymouth Grove Women's Direct Access Centre	0	0	0	28	28	0	0	0	0	0
Improvements to Homeless Accommodation Phase 2	0	1	0	115	114	0	0	0	0	0
Woodward Court reroofing	38	6	0	0	32	0	0	0	0	0
Woodward Court lift replacement	0	0	0	434	434	0	0	0	0	0
Delivery Costs	5	1	0	77	81	0	0	0	0	0

Adaptations	43	43	73	0	0	0	0	0	0	0
Various Locations - Adaptations	34	34	0	0	0	0	0	0	0	0
Various Adaptations	37	37	282	0	0	0	0	0	0	0
Delivery Costs	10	10	0	0	0	0	0	0	0	0
HRA ICT Work	2,491	2,491	0	1,599	1,599	0	0	0	0	0
Collyhurst Maisonette Compensation & Dem	600	625	20	200	200	224	199	0	0	0
Capital Receipts - Right to Buy	0	14	14	0	0	0	0	0	0	-14
Buy Back Properties - Right to Buy	450	450	309	278	278	0	0	0	0	0
North Manchester New Builds	40	40	14	0	0	0	0	0	0	0
North Manchester New Builds 3	9,929	9,767	1,726	776	387	153	704	0	0	0
Collyhurst New Council Housing - Design Stage	78	78	0	0	0	0	0	0	0	0
Construction of Social Homes & Assoc PR	2,500	2,500	0	10,720	10,720	8,546	8,546	5,000	5,000	0
Relocation/Acq/Comp/Dem Costs - Public	180	0	0	320	180	0	320	0	0	0
Construction of Park - public realm	375	0	0	1,025	375	0	0	0	1,025	0
Sprinkler Systems – Tower Block PFIs Public	786	786	0	1,754	1,754	1,474	1,474	0	0	0
Total Public Sector Housing (HRA) Programme	37,417	34,767	6,165	32,029	30,192	15,855	17,116	5,000	8,332	-106
Brookside Rd Moston	17	17	-64	0	0	0	0	0	0	0
North Hulme Adv Playground	46	46	-42	0	0	0	0	0	0	0
Roundwood Road	13	13	0	0	0	0	0	0	0	0

Coop North Expansion	436	436	0	0	0	0	0	0	0	0
Co-op Academy Belle Vue - Permanent	19,611	18,789	6,871	722	400	0	0	0	0	1,144
Our Lady's RC Permanent Expansion	1,667	1,667	566	0	0	0	0	0	0	0
Melland High School Expansion (SEN Grant)	3,777	3,777	94	0	0	0	0	0	0	0
The Barlow RC High School - Resource Provision	1,049	1,049	0	0	0	0	0	0	0	0
City Centre School	5,942	5,942	248	250	250	0	0	0	0	0
Manchester Secondary PRU	50	50	34	0	0	0	0	0	0	0
Manchester Academy School Bulge Class	2,400	2,400	0	0	0	0	0	0	0	0
SEND Expansions	526	526	46	0	0	0	0	0	0	0
Universal Infant Free School Meals (UIFSM) - Allocated	2	2	0	0	0	0	0	0	0	0
Universal Infant Free School Meals (UIFSM) - Unallocated	0	0	-75	0	0	0	0	0	0	0
Broad Oak Primary School Kitchen-ED44321/1	318	318	189	0	0	0	0	0	0	0
Lily Lane Prim Windows-ED44535/1	96	96	0	0	0	0	0	0	0	0
Ringway Primary roof ph2	0	0	-1	0	0	0	0	0	0	0
Medlock Primary - Boundary Wall rebuild	80	80	0	0	0	0	0	0	0	0
Mauldeth Rd Rewire	0	0	-11	0	0	0	0	0	0	0
St Wilfreds CE Ph 1 roof repairs	12	12	0	0	0	0	0	0	0	0
Manley Park Primary Ph1 roof repairs	0	0	-3	0	0	0	0	0	0	0
Broad Oak Reception class and roof repair - ED44891	152	0	0	0	0	0	0	0	0	152
Manley Park Roof	89	89	-5	0	0	0	0	0	0	0

Manley Park Joinery	58	58	-23	0	0	0	0	0	0	0
The Birches Special School Roof	353	353	0	0	0	0	0	0	0	0
Broad Oak Primary	103	103	20	0	0	0	0	0	0	0
New Moston Primary School	0	0	6	0	0	0	0	0	0	0
St. Agnes CEP Structural Repairs	0	0	108	0	0	0	0	0	0	0
Chapel Street	182	0	0	0	182	0	0	0	0	0
Peel Hall Primary Emergency Heating Works	17	0	-24	0	0	0	0	0	0	17
St John's Primary School Heating System	109	109	11	0	0	0	0	0	0	0
Broad Oak Primary School Hall/Dining Room Roof	214	214	18	0	0	0	0	0	0	0
Button Lane Primary School Radiators and Heating ED45271	611	611	37	0	0	0	0	0	0	0
Charlestown Community Primary School Remedial Works ED44939	108	108	13	0	0	0	0	0	0	0
Manley Park Primary School Phase 2 Joinery repairs ED45273	219	219	19	0	0	0	0	0	0	0
New Moston Primary School Phase 2 Electrical Rewire ED45274	692	692	39	0	0	0	0	0	0	0
New Moston Primary School Safeguarding Issues ED45275	152	152	16	0	0	0	0	0	0	0
Pike Fold Primary School Remedial Works ED44252	92	92	22	0	0	0	0	0	0	0
St Agnes CofE Primary Weather Protective Roof Structure ED44948	216	216	0	0	0	0	0	0	0	0

St Wilfreds CofE Ph 2 roof repairs	556	556	42	0	0	0	0	0	0	0
Baguley PS Elec Rewire Phase 2 ED45270	750	750	76	0	0	0	0	0	0	0
Schools Capital Maintenance -unallocated	2,243	2,412	0	0	0	0	0	0	0	-169
Early Education for Two Year Olds - Unallocated	5	5	0	0	0	0	0	0	0	0
Healthy Pupil Capital Funding	257	257	0	0	0	0	0	0	0	0
North Ridge SEN	0	0	-77	0	0	0	0	0	0	0
Grange School	3	3	0	0	0	0	0	0	0	0
Piper Hill Expansion SEN Grant	87	87	69	0	0	0	0	0	0	0
Grange School Expansion SEN Grant	20	20	0	0	0	0	0	0	0	0
Acquisition of land at Hyde Road	27	27	0	0	0	0	0	0	0	0
Lyndene Children's Home Refurbishment	58	58	-7	0	0	0	0	0	0	0
Varley Street Site Investigations	35	35	35	0	0	0	0	0	0	0
MCMA Completion works	165	165	0	0	0	0	0	0	0	0
Total Children's Services Programme	43,615	42,611	8,247	972	832	0	0	0	0	1,144
Network Refresh Programme	5,637	3,160	207	0	2,477	0	0	0	0	0
End User Experience	574	1,000	141	0	0	0	0	0	0	-426
Microsoft 365	44	44	0	0	0	0	0	0	0	0
Telephony	0	20	20	0	0	0	0	0	0	-20
TEC Digital Platform	29	29	0	0	0	0	0	0	0	0
Platform Compliance	37	37	18	0	0	0	0	0	0	0

Security Software Upgrade	650	650	271	0	0	0	0	0	0	0
Total ICT Programme	6,971	4,940	657	0	2,477	0	0	0	0	-446
Pay and Display Machines	5	0	0	0	0	0	0	0	0	5
Phase 1 Implementation - Locality Plan Programme Office	251	251	38	0	0	0	0	0	0	0
Adults - Stepping Stone capital works	130	130	0	0	0	0	0	0	0	0
Integrated Working - Gorton Health Hub	11,641	11,641	5,613	0	0	0	0	0	0	0
Elizabeth Tower GP Surgery	2,600	2,600	0	0	0	0	0	0	0	0
HR and Finance System Replacement project	525	525	0	900	900	0	0	0	0	0
VCSE Small premises works	0	0	0	500	500	500	500	0	0	0
Total Corporate Capital Programme	15,152	15,147	5,652	1,400	1,400	500	500	0	0	5
Total Capital Programme (exc. Contingent Budgets)	494,728	465,428	90,944	269,713	279,390	78,440	92,277	30,360	34,403	1,743
HRA Housing Programme - Unallocated	3,569	3,430	0	21,047	21,083	7,599	7,599	0	0	103
Basic need - unallocated funds	339	1,161	0	1,656	1,978	23,579	23,579	0	0	-1,144
Special Educational Needs grant	7,658	7,658	0	11,080	11,080	0	0	0	0	0
ICT Investment Plan	0	0	0	0	0	4,160	3,714	0	0	446
Housing Affordability Fund	9,111	9,111	0	0	0	0	0	0	0	0
Inflation	20,000	20,000	0	6,663	6,663	1,267	1,267	70	70	0

Total Contingency Budgets	40,677	41,360	0	40,446	40,804	36,605	36,159	70	70	-595
Total Capital Programme	535,405	506,788	90,944	310,159	320,194	115,045	128,436	30,430	34,473	1,148

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Appendix B – Changes to Capital Budget since outturn

Requests for Adjustments to the Capital Budget Provision since Capital Outturn							
Dept	Scheme	Funding	2022/23	2023/24	2024/25	Future	Total
			£'000	£'000	£'000	£'000	£'000
All	2021/22 Outturn Report		511,344	311,603	115,993	30,430	969,370
Children's Services	Manchester Academy Bulge Class	Government Grant	2,400				2,400
Children's Services	Send Expansions	Government Grant	526				526
Children's Services	Education Basic Need Unallocated	Government Grant	- 526	- 2,400			- 2,926
Neighbourhoods	Hough End Masterplan	Government Grant	4,000				4,000
Neighbourhoods	Hough End Masterplan	Waterfall Fund	4,302	1,197			5,499
Neighbourhoods	Hough End Masterplan	Borrowing on an Invest to Save basis	1,832				1,832
Neighbourhoods	Hough End Masterplan	Borrowing		574			574
Children's Services	St John's Primary School Heating System	Government Grant	109				109
Children's Services	Broad Oak Primary School Hall/Dining Room Roof	Government Grant	214				214
Children's Services	Schools Capital Maintenance -unallocated	Government Grant	- 323				- 323
Private Sector Housing	Housing Affordability Fund	External Contribution	1,997				1,997
Private Sector Housing	Housing Affordability Fund	Capital Receipts	7,114				7,114
Neighbourhoods	Galleries Collection Housing and Remediation	Capital Receipts	6,450				6,450
Growth and Development	Asset Management Programme	Capital Receipts	- 1,950				- 1,950
ICT	ICT Investment Plan	Borrowing			- 1,101		- 1,101
Public Sector Housing	North Manchester New Builds 3	RCCO - HRA Reserves	109	238	153		500
Growth and Development	Asset Management Programme	Capital Receipts	- 1,990				- 1,990

Growth and Development	House of Sport	Capital Receipts	1,990				1,990
Growth and Development	House of Sport	External Contribution	183				183
Growth and Development	House of Sport	Waterfall Fund	533				533
Growth and Development	House of Sport	Borrowing on an Invest to Save basis	- 2,909	- 1,053			- 3,962
							-
Total Budget Adjustment Approvals			535,405	310,159	115,045	30,430	991,039

Appendix C – Prudential Indicators

No	Prudential Indicator		Target		As at end July 22	Target Breached Y/N
			£m	£m	£m	
1	Estimated Financing Costs to Net Revenue Stream		5.8%		5.8%	N
2	Forecast Capital Expenditure	Non – HRA	498.2		468.6	N
		HRA	39.4		38.2	N
		Total	533.1		506.8	N
3	Forecast Capital Financing Requirement	Non – HRA	1,794.5		1,580.3	N
		HRA	321.0		287.5	N
		Total	2,115.5		1,867.8	N
4	Authorised Limits for External Debt	Borrowing	1,816.1		825.3	N
		Other Long-Term Liabilities	190.0		156.4	N
		Total	2,006.6		889.3	N
5	Operational Boundaries for External Debt	Borrowing	1,580.2		825.3	N
		Other Long-Term Liabilities	190.0		156.4	N
		Total	1,770.2		889.3	N
6	Upper Limits for Principal Sums Invested for over 364 days.		0		0	N
			<i>Upper</i>	<i>Lower</i>		
7	Maturity Structure of Borrowing	under 12 months	70%	0%	12.0%	N
		12 months and within 24 months	70%	0%	8.9%	N
		24 months and within 5 years	60%	0%	20.8%	N
		5 years and within 10 years	60%	0%	0.0%	N
		10 years and above	90%	30%	58.3%	N

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**Manchester City Council
Report for Resolution**

Report to: Executive – 14 September 2022

Subject: Capital Programme Update

Report of: Deputy Chief Executive and City Treasurer

Summary

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 Council for the approval of the capital programme. Proposals for the capital budget were presented to the Executive on 16th February 2022.

Throughout the year new and emerging projects are brought forward, as well as changes to on-going projects which require investment. The Capital Update Report informs members of these requests to increase the capital programme, seeks approval for those schemes that can be approved under authority delegated to the Executive and asks the Executive to recommend to Council proposals that require specific Council approval.

Recommendations

- (1) To recommend that the Council approve the following changes to Manchester City Council's capital programme:
 - ICT - Future Council Infrastructure Implementation – Hybrid Cloud Programme. A capital budget virement of £0.618m is requested, funded by Borrowing via the ICT Investment budget. A capital budget decrease of £2.661m is also requested and approval of a corresponding transfer of £2.661m to the revenue budget, funded by Capital Fund.
 - Public Sector Housing – Woodward Court external concrete repairs and Enveloping. A capital budget increase of £3.005m is requested, funded by RCCO - HRA
 - Public Sector Housing – Fire Risk Assessment Additional Work. A capital budget increase of £4.885m is requested, funded from by RCCO from the HRA.

- (2) Under powers delegated to the Executive, to approve the following changes to the Council's capital programme:
 - ICT – Mobile Data. A capital budget decrease of £0.161m is requested and approval of a corresponding transfer of £0.161m to the revenue budget, funded by Capital Fund

- Growth and Development - House of Sport Fire Mitigation and Roof additional costs. A capital budget increase of £2.260m is requested, funded by Capital Receipts.
- Private Sector Housing – This City – Postal Street PCSA Fees. A capital budget increase of £2.4m is requested, funded by Capital Receipts.
- Public Sector Housing – Collyhurst. A capital budget increase of £6.645m is requested, funded by Capital Receipts.

(3) Executive is also asked to note the virements in the programme of £2.079m as a result of virements from approved budgets

Wards Affected - Various

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city

All capital projects are reviewed throughout the approval process with regard to the contribution they can make to Manchester being a Zero-Carbon City. Projects will not receive approval to incur costs unless the contribution to this target is appropriate.

Our Manchester Strategy outcomes	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, Housing, and leisure facilities.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	Investment provides 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	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 cultural and leisure services and housing.

A connected city: world class infrastructure and connectivity to drive growth	Through investment in ICT and the City's infrastructure of road networks and other travel routes.
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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 revenue budget of the City Council will increase by £2.822m, if the recommendations in this report are approved.

Financial Consequences – Capital

The recommendations in this report, if approved, will increase Manchester City Council's capital budget by £16.374m across the 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 16th February 2022 – Capital Strategy and Budget 2022/23 to 2024/25

Report to the Executive 16th March 2022 - Capital Programme Update

Report to the Executive 1st June 2022 – Capital Programme Update
Report to the Executive 29th June 2022 – Capital Outturn Report
Report to the Executive 22nd July 2022 – Capital Programme Update

1.0 Introduction

- 1.1 This report outlines the requests for changes to the capital budget from 2022/23.

2.0 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 Council for the approval of the five-year capital programme. Proposals for the capital budget were presented to the Executive on 16th February 2022.
- 2.2 The capital programme evolves throughout the financial year, and as new projects are developed, they will be reviewed under the current governance framework and recommendations made regarding whether they should be pursued.
- 2.3 The following requests for a change to the programme have been received since the previous report to the Executive on 22nd July 2022. The impact of changes to the Capital Budget from previous reports are detailed in Appendix 2.
- 2.4 The capital programme budget was reset for 2022-23 and future years as part of the Capital 2021-22 Outturn report which came to Executive at the end of June.
- 2.5 Note that where requests are made in the report to switch funding from capital to revenue and to fund the revenue spend from the Capital Fund, this is a funding switch from within the capital programme and will not have a negative impact on the Fund itself.
- 2.6 For the changes requested below, the profile of the increase, decrease or virement is shown in Appendix 1 for each of the projects.

3.0 City Council's Proposals Requiring Specific Council Approval

- 3.1 The proposals which require Council approval are those which are funded by the use of reserves above a cumulative total of £10.0m, where the use of borrowing is required or a virement exceeds £1.0m. The following proposals require Council approval for changes to the capital programme.

ICT - Future Council Infrastructure Implementation – Hybrid Cloud Programme.

- 3.2 This proposal covers the funding request to enable the implementation of the ICT Hybrid Cloud Strategy. This strategy fits under the wider ICT & Digital Strategy (currently in consultation phase) and is a key enabler in the delivery of ICT strategic objectives over the next 5 years.

- 3.3 The Hybrid Cloud Strategy outlines a shift in how ICT systems and applications are hosted within the Council to make further use of public cloud technologies. The key benefits or cost avoidance opportunities include. We only pay for what we use and no longer require significant investment upfront for capacity we may never need and as more applications move to the cloud it reduces the requirement for costly 5-year hardware replacement programmes. It will also compliment the Council's carbon reduction targets
- 3.4 The current Nutanix platform which hosts 99% of the Council's applications is approaching end of life with no realistic means to extend beyond October 2024 therefore making this programme essential for the future security and operational needs. The funding request is for the programme to deliver the following workstreams.
- a) Design/ build of a cloud presence to host new applications and existing applications
 - b) Deployment of a new on-premises solution for applications unsuitable for cloud
 - c) A new backup solution which will cover cloud, on-premises and Office365
 - d) Move of on-premises Citrix management to the Citrix Cloud service
- 3.5 The funding requested will cover all works to deliver the outlined workstreams, with £0.618m of capital infrastructure including hardware and further funds for the project team and services
- 3.6 A capital budget virement of £0.618m is requested, funded by Borrowing via the ICT Investment budget. A capital budget decrease of £2.661m is also requested and approval of a corresponding transfer of £2.661m to the revenue budget, funded by Capital Fund.

Public Sector Housing – Woodward Court external concrete repairs and Enveloping.

- 3.7 Woodward Court is a 13-floor multi-storey block of flats situated in Miles Platting, built circa 1965, In 2021, Capital Programmes & Procurement (CP&P) were commissioned by the Corporate Landlord to undertake an external condition survey of the 13-storey tower block following reports of spalling concrete falling from parts of the structure. The conclusion of that survey was provided in a report to the Client with several recommendations.
- 3.8 The external concrete repairs & balcony balustrade repairs work will be delivered alongside a planned programme of enveloping works to ensure clear logistical and economical benefit for the Corporate Estate. The works proposed for this scheme will include, but is not limited to, structural repairs to concrete frame and brickwork, replacement of windows with uPVC, externally cladding and insulating the block to improve thermal performance and aesthetic appearance and constructing new entrance porch in existing recessed entrance way. A capital budget increase of £0.500m in 2022/23 and £2.505m in 2023/24 is requested, funded by HRA Reserves.

Public Sector Housing – Fire Risk Assessments Additional Works

- 3.9 Following a review of fire risk assessment outcomes, further fire protection/prevention related works have been identified beyond those already included in the HRA capital programme. Such works are required across the HRA estate, and include low rise, medium rise, sheltered housing blocks and high-rise blocks. The work is mandatory and will ensure compliance with fire safety legislation and regulation. A capital budget increase of £4.112m in 2022/23 and £0.773m in 2023/24 is requested, funded from HRA reserves.

4.0 Proposals Not Requiring Specific Council Approval

- 4.1 The proposals which do not require Council approval and only require Executive approval are those which are funded by the use of external resources, use of capital receipts, use of reserves below £10.0m, where the proposal can be funded from existing revenue budgets or where the use of borrowing on a spend to save basis is required. The following proposals require Executive approval for changes to the City Council's capital programme:

ICT – Mobile Data.

- 4.2 Manchester City Council has exercised the contract extension for the mobile voice and data service with the current provider for the last time and will go out to market to consider the latest technology and to ensure we achieve best value for Manchester. A new contract must be in place by March 2023. This scheme will enable the discovery work required to build the specification for the tender documentation. The objectives will be to procure a fit for purpose, flexible contract to enhance and support the council's operational objectives including New Ways of Working, whilst also ensuring data quality is improved and cost savings are achieved where possible. A capital budget decrease of £0.161m is requested and approval of a corresponding transfer of £0.161m to the revenue budget, funded by Capital Fund

Growth and Development - House of Sport Fire Mitigation and Roof additional costs.

- 4.3 Prior to works commencing on site for the ongoing House of Sport project, a survey of the general firestopping was undertaken. This was a visual inspection of areas that are accessible from ground without full scaffold, as part of the feasibility and design stages. A fire stopping report was issued and works to correct the defective items found during this survey were priced and scope/costs included in the contract for the Rugby Football League (RFL) Works.
- 4.4 During the construction phase of the refurbishment works dismantling works have taken place including the removal of metal collars that cover the fire stopping around the ductwork, as it passes through walls and floors. From this work further issues with the fire stopping and the dampers were discovered (April 2022) and further invasive and detailed surveys were undertaken to the

wider building areas, including National Squash Centre and Regional Athletic Arena spaces. These have highlighted several further failings in the existing building including fire safety issues associated with existing fire stopping / fire compartmentation and fire dampers to ventilation ducting as well as corrosion and leaks to the existing roof and gutters.

- 4.5 If the fire remediation works do not take place there is a significant risk of the building being closed for safety reasons and status of the building as National Squash Centre and Regional Athletics Arena would be compromised as home to several national competitions, community, and elite programmes. If the roof works are not undertaken there is a risk that newly refurbished accommodation could experience water damage from roof and gutter leaks as well as further damage to the wider building envelope. A capital budget increase of £2.260m in 2022/23 is requested, funded by Capital Receipts.

Private Sector Housing – This City – Postal Street PCSA Fees.

- 4.6 The proposed development on Postal Street in Piccadilly Ward, is the second scheme to be brought forward by This City. This City is Manchester City Council's newly created housing delivery vehicle which aims to utilise Council-owned land to demonstrate that the delivery a high-quality housing product, meeting zero carbon aspirations and providing affordable homes at Manchester Living Rent is achievable. The proposal for Postal Street is to build c.111 apartments with a minimum of 20% of the homes to be let at the Manchester Living Rent.
- 4.7 This proposal requests the approval of a budget envelope to cover the appointment of a contractor on a Pre-Construction Services Agreement (PCSA) basis until planning permission has been granted whilst options for future funding are being explored for with potential third-party investors. A capital budget increase of £2.4m in 2022/23 is requested, funded by Capital Receipts.

Public Sector Housing – Collyhurst

- 4.8 In February 2021 Executive approved the Collyhurst Phase 1 scheme that forms part of the Victoria North Joint Venture between the City Council and Far East Consortium (FEC). This Phase 1 scheme will see the construction of 274 new homes in total and comprises the delivery of 244 new homes in Collyhurst Village (100 of which would be new Manchester City Council (MCC) social rent properties with the balance being for open market sale), together with the demolition of 29 existing properties (including 22 existing MCC tenanted properties); the provision of new public realm and the delivery of Phase 1 of a new Community Park. The scheme will also include the construction of 30 new MCC social rent properties in South Collyhurst.
- 4.9 Following a protracted procurement exercise, undertaken throughout a period of extreme market volatility, the final tender received from the originally identified preferred contractor significantly exceeded the original cost plan. Accordingly, an alternative procurement route has been followed in order to

secure best value for the JV partners. However, the cost of the scheme has still increased as a result of ongoing inflationary pressures in the construction market. The additional cost to MCC to deliver construction of the new homes, demolition of existing homes and construction of the new park (Including all remaining design fees, associated on-costs, legal fees, and site assembly costs) will be £6.645m taking the overall project budget to £37.9m. A capital budget increase of £6.645m is requested in 2023/24, to be funded by Housing Capital Receipts.

5.0 Virements from Approved Budgets

- 5.1 Capital budgets approved for an agreed programme pending allocation can seek approval under delegated powers from the Deputy Chief Executive and City Treasurer.
- 5.2 Approval has been given for £0.200m to be allocated from the Unallocated Education Basic Need funding for Gorton Primary School. This project will add a resource provision of 18 places to the school's capacity and will accommodate children with an Education, Health, and Care Plan (EHCP).
- 5.3 An allocation from Education Basic Need funding of £0.024m for Dixons Brooklands Academy has been approved to create an additional 30 bulge class places to meet demand for year 7 pupils in September 2022.
- 5.4 Further funding was approved for an additional Site Investigation (SI) for Heaton Park Overflow Car Park to be carried out as recommended in the previous SI report. The additional report is necessary to identify the outfall options as part of a future submission. £0.013m is allocated from the Parks Development Programme budget.
- 5.5 Approval has been given for £1.842m to be vired to the National Cycling Centre from the Public Sector Decarbonisation Fund grant funded programme. Following budget approval, the Council entered into a contract for the refurbishment and carbon works only, whilst the enhancement works scoping was progressing through the design stages to RIBA Stage 4 and cost certainty was being secured from the supply chain. This work has now been completed and following some value engineering the cost difference from RIBA Stage 2 to Stage 4 still presents a budget shortfall of £1.578m (£160K of this relates to inflationary and market pressures). The virement will utilise grant funding to cover additional costs identified of £1.578m and also reduce borrowing of £0.264m

6.0 Prudential Performance Indicators

- 6.1 If the recommendations in this report are approved the General Fund capital budget will increase by £16.374m 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 Capital Monitoring Report during the year.

7.0 Contributing to a Zero-Carbon City

- 7.1 All capital projects are reviewed throughout the approval process with regard to the contribution they can make to Manchester being a Zero-Carbon City. Projects will not receive approval to incur costs unless the contribution to this target is appropriate.

8.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

- 8.1 Contributions to various areas of the economy including investment in ICT services, housing, and leisure facilities.

(b) A highly skilled city

- 8.2 Investment provides 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

- 8.3 Improvements to services delivered to communities and enhanced ICT services.

(d) A liveable and low carbon city

- 8.4 Investment in cultural and leisure services and housing.

(e) A connected city

- 8.5 Through investment in ICT and the City's infrastructure of road networks and other travel routes.

9.0 Key Policies and Considerations

(a) Equal Opportunities

- 9.1 None.

(b) Risk Management

- 9.2 Risk management forms a key part of the governance process for all capital schemes. Risks will be managed on an ongoing and project-by-project basis, with wider programme risks also considered.

(c) Legal Considerations

9.3 The approvals set out in this report are in accordance with the Council's constitution.

10.0 Conclusions

10.1 The revenue budget of the City Council will increase by £2.822m, if the recommendations in this report are approved.

10.2 The capital budget of the City Council will increase by £16.374m, if the recommendations in this report are approved.

11.0 Recommendations

11.1 The recommendations appear at the front of this report.

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Appendix 1 - Requests for Adjustments to the Capital Budget Provision

Dept	Scheme	Funding	2022/23	2023/24	2024/25	Future	Total
			£'000	£'000	£'000	£'000	£'000
Council Approval Requests							
ICT	Future Council Infrastructure Implementation – Hybrid Cloud Programme	Borrowing reduction, funding switch via Capital Fund		- 2,661			- 2,661
ICT	Future Council Infrastructure Implementation – Hybrid Cloud Programme	Borrowing	618				618
ICT	ICT Investment Budget	Borrowing		- 618			- 618
Public Sector Housing	Woodward Court external concrete repairs and Enveloping	RCCO - HRA	500	2,505			3,005
Public Sector Housing	Fire Risk Assessments - Further Works	RCCO - HRA	4,112	774			4,886
Total Council Approval Requests			5,230	0	0	0	5,230
Executive Approval Requests							

ICT	Mobile Data	Borrowing reduction, funding switch via Capital Fund	- 161				- 161
Growth and Development	House of Sport Fire Mitigation and Roof additional costs	Capital Receipts	2,260				2,260
Private Sector Housing	This City: Northern Quarter	Capital Receipts	2,400				2,400
Public Sector Housing	Collyhurst	Capital Receipts		6,645			6,645
<u>Total Executive Approval Requests</u>			4,499	6,645	0	0	11,144
<u>Total Budget Adjustment Approvals</u>			9,729	6,645	0	0	16,374

Appendix 2 - Capital Programme Budget 2021-25

	Approvals			Total
	Council	Executive	Delegated	
£'000's				
Capital Outturn 2021/22		969,370		969,370
Capital Update Report 1st June 2022	11,905			11,905
Capital Update Report 22nd July 2022	4,350	9,764		14,114
Capital Update Report 14th September 2022			-264	-264
Total Revised Budget	16,255	979,134	-264	995,125

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