

Manchester City Council Report for Resolution

Report to: Resources and Governance Scrutiny Committee - 6 October 2020
Executive – 14 October 2020
Council - 28 October 2020

Subject: Capital Programme Monitoring 2020/21 - Period 5 - Part A

Report of: The Deputy Chief Executive and City Treasurer

Summary

This report informs members of:

- Progress against the delivery of the 2020/21 capital programme to the end of August 2020.
- The revised capital budget 2020/21 taking account of changes between the approved capital budget and any further changes occurring in year.
- The latest forecast of capital expenditure and the major variances since the Capital Budget Review and Programme Monitoring 2020/21 report submitted to the Executive in July 2020.
- The impact any variations may have on the capital programme for the period 2020/21 to 2024/5.

Recommendations

The Resources and Governance Scrutiny Committee is asked to note the contents of the report, and in particular the updates on:

1. The decision making criteria used in the Checkpoint process and the benefits realisation work underway;
2. The Our Town Hall, Factory and Eastern Gateway projects; and
3. Capital expenditure on the Council's leisure estate.

The Executive is requested to:

1. Approve virements under £0.5m within the capital programme as outlined in Appendix A.
2. Note that approvals of movements and transfers to the capital programme, will result in a revised budget total of £435.7m and a latest full year spend forecast of £435.9m. Expenditure to the end of August 2020 is £169.9m.

3. Note the prudential indicators attached at Appendix C.

The Council is requested to:

1. Approve virements over £0.5m within the capital programme as outlined in Appendix A.
2. Approve the capital programme as presented in Appendix B which will require prudential borrowing of £790.7m to fund non-HRA schemes over the five-year period for which provision has been made in the revenue budget for the associated financing costs (within limits previously agreed).

Wards Affected: All

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| 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. |

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|---|--|
| A connected city: world class infrastructure and connectivity to drive growth | The capital programme includes investment in highways infrastructure, and broadband expansion. |
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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

All revenue consequences are included in the current revenue budget.

Financial Consequences – Capital

The latest forecast of expenditure for 2020/21 for Manchester City Council is £435.9m compared to the proposed revised budget of £435.7m after the changes put forward in this report, which are shown in the table at paragraph 17.1. Spend as at 31st August 2020 was £169.9m. The forecast is subject to continual review by the programme leads 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, particularly in light of the uncertainty regarding activity during the COVID-19 pandemic.

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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 12th February 2020 – Capital Strategy and Budget 2020/21 to 2024/25
- Report to the Executive 11th March 2020 – Capital Programme – Capital Programme Update
- Report to Council 25th March 2020 - Constitutional Amendments and Other Matters for Council Business Continuity
- Report to the Executive 3rd June 2020 - Capital Programme Outturn 2020/21
- Report to the Executive 3rd June 2020 - Capital Programme - Capital Programme Update
- Report to the Executive 3rd July 2020 - Capital Programme - Capital Programme Update
- Report to the Executive 29th July 2020 - Capital Budget Review and Programme Monitoring 2020/21
- Report to the Executive 29th July 2020 - Capital Programme - Capital Programme Update
- Report to the Executive 9th September 2020 - Capital Programme - Capital Programme Update

1 Introduction

1.1 The purpose of the report is to:

- Provide an update on the strengthened decision making criteria used in the capital approval process and the benefits realisation work.
- Provide an update to members on the progress of the capital programme in the five months of 2020/21 to the end of August 2020.
- Inform members of the latest estimates of capital expenditure for 2020/21 and to show forward commitments into the 2021/22 to 2024/25 capital programme.
- Confirm that there are adequate levels of resources available to finance the capital programme.

1.2 A summary of each part of the programme is included within the report, providing details on the major projects. This is presented alongside a summary of the financial position, and as a result any changes to the budget that are required.

1.3 Appendix A details the virements requested across the programme since the Executive approved the revised capital budget in July 2020. Appendix B details the updated capital budget for each project, taking into account any virements requested, and re-profiling between years which has been identified. Appendix C notes the prudential indicators, and Appendix D provides a flowchart explanation of the capital approval process.

2 Contributing to a Zero-Carbon City, Social Value and Benefits Tracking

2.1 The Council's approval process for capital investment has changed in recent years, as previously reported, with the Checkpoint process now well established. The approval process is set out in appendix D. The process requires each potential investment opportunity to develop a business case which much cover:

- **Strategic Fit:** how the project links to the City Council's strategic priorities, social value, and any statutory requirements.
- **Economic Value:** what economic value the project will provide to the City.
- **Financial Implications:** funding model, with evidence of cost and capital and revenue implications.
- **Risk and Deliverability:** timescale for delivery and identification of risks to the project, including legal issues.
- **Outcomes to be delivered:** what the project will achieve, and the benefits that will be realised.

2.2 It was identified at an early stage that under the revised approval process it was important that the business case criteria were kept under review, and that they could be altered and adapted as the Council's priorities developed.

- 2.3 To reflect the climate change emergency that the Council declared in July 2019, the business cases requesting capital investment are now required to include a carbon measure 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.
- 2.4 Both the social value and carbon commitments within new business cases will be quality reviewed by an internal Capital Programmes group to ensure that robust measurable and achievable metrics are provided around social value and carbon. A monthly meeting will take place between Capital Programmes and Capital Finance to peer review the information contained within the business cases. The metrics will be collected and reported back through the Strategic Capital Board cycle. When submitting new business cases, officers are encouraged to draw on the Social Value Portal indicators recommended by the North West Construction Hub to provide a baseline which will enable social value benefits to be tracked.
- 2.5 Capital Programmes are leading the delivery of a Manchester Build Standard for Carbon which will be applied to all new build and refurbishment projects. The first draft of this Standard will be provided to the October meetings of the Zero Carbon Commissioning Group and Strategic Capital Board for review. This standard is intended to enable colleagues to draw out several metrics for inclusion within business cases and therefore to seek to ensure that the carbon impact of capital decisions made are transparent and fully understood.
- 2.6 Work is ongoing to draw out the benefits committed within individual project business cases, commencing with projects which have achieved approval to spend since 1st April 2018 and which were procured through the North West Construction Hub. Work will continue over the coming months to identify the final benefits achieved against these individual projects and Capital Programmes will work with individual Portfolio Boards on this. Work is also continuing to capture and analyse the benefits committed to via non-North West Construction Hub projects.

3 Capital Budget

- 3.1 The Executive approved the revised Capital Budget for the period 2020/21 to 2023/24 in July 2020. Since then, subsequent capital budget increase reports have been submitted to the Executive. The revised capital budget, before changes proposed in this report, is shown below:

| Capital Programme 2020-2024 | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m | Total Programme £m |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------------|
| Capital Budget (July 20) | 471.5 | 327.5 | 245.0 | 102.0 | 1,146.0 |
| Capital Programme Update (Approved July 20) | 8.5 | 39.8 | 20.6 | 8.2 | 77.1 |

| | | | | | |
|--|--------------|--------------|--------------|--------------|----------------|
| Capital Programme Update (Approved Sep 20) | 5.2 | 7.0 | -6.1 | 0.0 | 6.1 |
| Revised Capital Budget | 485.2 | 374.4 | 259.5 | 110.2 | 1,229.2 |

- 3.2 The figures shown above also include those approved by the Executive Member for Finance and Human Resources and the Deputy Chief Executive and City Treasurer under delegated powers.

4 COVID-19 impact on the Capital Programme and response

- 4.1 As an immediate response to the outbreak of the pandemic back in March there was a pause across construction activity whilst developers and contractors reviewed risk assessments and safety measures. Activity resumed fairly quickly across all major city centre sites including The Factory, which has remained substantially operational throughout, the Town Hall, Circle Square and the Renaker towers. As at the end of July, construction activity on major developments in the City returned to 95%, primarily in the city centre and Airport City, albeit with extended completion schedules.
- 4.2 As reported to the Executive on 29 July 2020, Covid-19 has had a significant impact on the Council's Capital Programme. Of the major capital schemes only works on the Town Hall project, The Factory, Alexandra House and works to increase SEN provision remained on site, albeit with much reduced productivity as a result of Covid-19 impacts, including social distancing measures. Schemes which were not contractually committed were put on hold due to concerns of the impact of Covid-19 on cost and productivity if they moved into contract at this point. This could have increased costs by an estimated 4-7% for projects, depending on their complexity, in part due to the scale of construction inflation currently being observed in the market.
- 4.3 The inflationary impact of COVID-19 is already being seen. Social distancing is reducing productivity and therefore increasing work programmes, as evidenced by the cost pressures being seen in works to the corporate estate. This is evident in cost pressures to the works to increase SEN places, and on works across the corporate estate. Where possible additional costs will be contained within existing project contingency budgets, but in some cases additional budget may be required.
- 4.4 This means that although the Council might deliver less capital investment than originally anticipated during this financial year what is being delivered is costing more.
- 4.5 Although the initial lockdown phase of the COVID-19 response has ended, the ongoing safety measures and associated restrictions mean that there will continue to be implications for the capital programme in the foreseeable future. There could also be impacts to the supply chain. The programme is under permanent review and monitoring, so that mitigations are sought as soon as possible.

5 Capital Programme Forecast 2020/21

- 5.1 The latest forecast of expenditure for the Manchester City Council Capital Programme in 2020/21 is £435.9m compared to a current revised budget of £485.2m. The variations are shown in the table below.
- 5.2 The tables in this report also show the original budget approved by the Executive in February 2020, alongside the current revised budget and the latest forecast.

Capital Programme 2020/21 budget, forecast and spend to date at 31st August 2020

| Manchester City Council Programme | Budget set in Feb 20 £m | Revised Budget £m | Forecast £m | Variance £m | Spend to Date £m | Spend to Date as % of Forecast |
|--|--------------------------------|--------------------------|--------------------|--------------------|-------------------------|---------------------------------------|
| Highways | 58.8 | 57.0 | 57.0 | 0.0 | 13.1 | 23.0% |
| Neighbourhoods | 16.7 | 16.5 | 15.5 | -1.0 | 1.2 | 7.1% |
| Growth and Development | 119.0 | 120.6 | 92.8 | -27.8 | 26.4 | 28.3% |
| Town Hall Refurbishment | 49.1 | 44.2 | 39.1 | -5.1 | 8.9 | 22.8% |
| Housing – General Fund | 22.6 | 16.2 | 13.8 | -2.4 | 1.3 | 9.4% |
| Housing – Housing Revenue Account | 38.8 | 17.7 | 16.9 | -0.8 | 1.6 | 9.5% |
| Children's Services | 29.5 | 45.0 | 41.9 | -3.1 | 5.2 | 12.4% |
| ICT | 5.7 | 3.6 | 3.3 | -0.3 | 0.8 | 24.2% |
| Corporate Services | 38.2 | 164.4 | 155.5 | -8.9 | 111.4 | 71.6% |
| Total | 378.4 | 485.2 | 435.9 | -49.3 | 169.9 | 38.9% |
| Reprofiling | | | | -48.9 | | |
| Cost Variations | | | | -0.6 | | |
| Net over (under) spend | | | | 0.2 | | |

- 5.3 The revised budget shown above reflects the re-profiling noted in the Budget Review and Programme monitoring 2020/21 report to the Executive in July and any new projects added to the programme. The profile of spend for projects from 2020/21 onward continues to be reviewed to reflect the known and expected impact of COVID-19 which informs the forecasts shown above.

6 Summary of Main Changes to the Revised Budget

6.1 The main changes to the programme since the report to Executive in July 2020 are as follows:

- Highways - The Planned Maintenance Programme budget has been reprofiled as the reduced traffic volumes have enabled £1.6m of carriageway preventative and carriageway resurfacing works to be accelerated into 2020/21.
- The Factory - A total of £22.7m will be reprofiled into next financial year due to the impact of COVID-19, the allocated inflation increase being spread into future years and various work packages either being delayed or costs being reprofiled.
- Growth and Development - Start on site for the Hammerstone Road project is now expected in March 2021 in line with recent discussions with the contractor. As a result, a total of £2.6m will be reprofiled into next financial year.
- Our Town Hall - There is a requirement to move £5.1m into future years due to the reprofiling of the contingency budget in line with construction values and risk management procedures. The variance is also due to a later start on site for the Mechanical, Electrical and Plumbing (MEP) work package and other work packages being reprofiled, and the impact these have on the management contractor fees profile.
- Housing - Due to backlog issues relating to COVID-19, reprofiling of £2.0m is required for schemes funded through the Disabled Facilities Grant. The aim is still to return to normal delivery timescales as soon as possible, subject to any further COVID-19 restrictions.
- Children's - As per the latest construction cash flow, a total of £2.1m will be reprofiled into next financial year for the Special Educational Needs (SEN) Education Basic Needs (EBN) programme. At this stage, these figures are estimates and a more detailed cash flow is expected from the contractor in the next two months, when the budgets will be further reprofiled as required.
- Corporate Services - The Gorton Health hub project forecast has been updated in light of COVID-19 and the review of the scope with partners. As a result, a total of £3.8m will be reprofiled into future years.

6.2 The position will be closely monitored with the final outturn position being highly dependent on schemes commencing and continuing on schedule and delivering to plan. Major variances, by service area, are explained in the paragraphs which follow.

General Programme Risks

6.3 As can be seen in the remainder of the report, COVID-19 has had a significant impact on the delivery of the 2020/21 Capital Programme and a number of schemes have been deferred or delayed. The report summarises the position based on the best understanding at this point in time and on the assumption that there is not a second full lockdown. The forecasts are therefore subject to change.

- 6.4 The Capital Budget is prepared on the best estimate of the spend profile for each scheme across its life and as the scheme develops this may change. This report is intended to highlight the timeline 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.
- 6.5 General inflation in the North West (NW) construction market has not reduced as predicted over 2020/21 although it is expected to flatten for the remaining calendar year 2020. In turn for 2021 inflation is expected to recover markedly albeit dependent on the wider economic recovery. The inflation metrics are more pronounced within Manchester due to the large volume of construction work over the past three to four years and in the run up to the lockdown. Forecasting inflation indices for the general North West region has become more difficult given the COVID-19 pandemic, and the effects of this on the construction industry both nationally and in the NW are still being monitored.
- 6.6 Current analysis by the Office for Budget Responsibility (OBR) reported that GDP fell by 21% in Quarter 2 2020 as a result of the COVID-19 crisis, but with a bounce back predicted in 2021 with GDP then expected to grow by under 3% per annum over the next few years. Whilst in general the NW region activity will also cool off during the crisis, over the next few years the level of activity in the centre of Manchester is expected to perform better than other regions. Future prices will be very much dependent on the general economic recovery and the continuing effects of the pandemic. Therefore the forecast of inflationary movement, construction demand, tender price changes, etc. as a result of COVID-19, remain difficult to predict.
- 6.7 Current inflation estimates of between 4 and 7% remain. This will vary for each project. The Council's capital strategy does include some provision for inflation which is allocated when appropriate.
- 6.8 The programme contains some budgets yet to be allocated to specific projects but reserved for a particular purpose, such as Education Basic Need funding, the Highways Investment Fund and the ICT Fund. Once the projects underpinning the planned programmes in these areas are developed they are approved through the Council's capital approval process (Checkpoint process) and the budgets allocated with the overall capital programme budget updated accordingly.
- 6.9 Where specific risks have been identified they are detailed in the relevant sections below.

7 Highway Services Programme

- 7.1 The schemes within the current Highways portfolio include the highways improvement investment fund, active travel projects to improve and increase walking and cycling which relieve congestion and reduce air pollution from CO₂ emissions, improvements to pedestrian access in areas in the City,

improvements to safety measures and schemes to reduce energy consumption for street lighting.

7.2 The main variances from the original budget set in February 2020 and before the proposals noted in this report are as follows:

- In early 2020/21 under delegated powers, the Executive Member for Finance and Human Resources and the Deputy Chief Executive and City Treasurer approved a number of separate Highways schemes totalling £5.7m to be funded from the Mayor's Challenge Fund. Further schemes have since been approved by the Executive to be funded through the Mayor's Challenge Fund. The current budget is £11.4m.

7.3 The Highways capital programme is forecast to spend to the revised budget of £57.0m. The programme is shown in the table below:

| | 20/21 Budget set in Feb 20 £m | 20/21 Revised Budget £m | 20/21 Forecast £m | 20/21 Variance £m | All Years Budget £m | All Years Forecast £m | All Years Variance £m |
|--|--|--|----------------------------------|----------------------------------|--|--|--|
| Highways | | | | | | | |
| Highways Planned Maintenance Programme | 27.9 | 22.3 | 23.9 | 1.6 | 119.9 | 120.3 | 0.4 |
| Great Ancoats Improvement Scheme | 6.0 | 5.9 | 5.1 | -0.8 | 9.3 | 8.3 | -1.0 |
| Mayor's Challenge Fund Schemes | 1.2 | 11.4 | 9.3 | -2.1 | 28.8 | 28.8 | 0.0 |
| Mancunian Way and Princess Parkway National Productivity Investment Fund (NPIF) | 4.1 | 4.9 | 5.2 | 0.3 | 8.8 | 9.1 | 0.3 |
| Other Projects | 19.6 | 12.5 | 13.5 | 1.0 | 126.4 | 128.0 | 1.6 |
| Total Highways | 58.8 | 57.0 | 57.0 | 0.0 | 293.2 | 294.5 | 1.3 |
| Reprofiling | | | | -0.5 | | | |
| Cost Variations | | | | 0.0 | | | |
| Net over (under) spend | | | | 0.5 | | | |

Activities

- 7.4 The Highways Service has delivered a number of social distancing measures in the city centre and district centres to enable safe travel and support Manchester businesses. This includes the introduction of a number of temporary road closures and temporary infrastructure. Permanent cycling and walking infrastructure continues to be prioritised by the Council and delivered through the Mayor's Challenge Fund and Department for Transport Emergency Active Travel Fund with 12 schemes currently being progressed that enable an increase in active travel. Consultation on these schemes is either underway or planned for later in the year with the overall goal of the Council being able to start all the GM Mayor's Challenge Fund schemes on site in 2020.
- 7.5 The resurfacing works within the Highways Planned Maintenance programme for 2020/21 are progressing ahead of programme. The service has taken advantage of reduced traffic volumes to significantly accelerate resurfacing works with over 480,000sqm of highway resurfaced over the summer period.
- 7.6 The temporary closure of Deansgate to support social distancing and remove the danger moving traffic causes to pedestrians needing to socially distance when using the highway on this busy street by removing conflict with the high volume of traffic is now in place between Kings Street West and Blackfriars Street.
- 7.7 The A6 Stockport Road project which widened a congested area of highway in Longsight to provide additional lane width for a bus lane and bus stops is now complete.
- 7.8 The first area of the Chorlton Cycling scheme is complete with the second area underway and another having just had a contractor appointed and the remaining areas being designed or procured. The completed section in Chorlton has seen much media and public interest due to the introduction of the UK's first CYCLOPS junction which gives priority to cyclists and pedestrians over other forms of transport.
- 7.9 Two new bridges have been installed during this quarter including one as part of the Hyde Road widening project and the other being the Green Bridge that connects Wythenshawe residents with employment opportunities and travel interchanges at Manchester Airport.
- 7.10 The Street Lighting PFI has now completed with 70% energy being saved through the new LED bulbs compared to standard fittings with this totalling 18.7mkw hours with energy cost savings of £2.8m per year saved across the programme.

Variances – All Years

- 7.11 The Manchester Salford Inner Relief Road (MSIRR) Regent Road scheme is reporting an overspend of £0.4m in 2020/21. This is due to various factors,

including compensation events submitted from the contractor, rectifying defective works, delays in the programme and adverse weather conditions.

- 7.12 As previously reported, the unspent contingency on the Great Ancoats Improvement Scheme will be used to cover the overspend in previous years on the Manchester/Salford Inner Relief Road (MSIRR) scheme as per the agreement between the Council and Transport for Greater Manchester (TfGM).
- 7.13 There is an expected £0.3m overspend against the Mancunian Way and Princess Parkway National Productivity Investment Fund (NPIF) scheme as a result of the inclusion of the Stretford Road link into the scheme following a change request from TfGM. The overspend will be funded from the GM Mayor's Cycling Fund (GM MCF) and a delivery agreement is being progressed.
- 7.14 As per the latest spend profile for the South East Manchester Multi Modal Strategy (SEMMS) A6 scheme, there is currently additional expected spend of £1.6m over 2020/21 to 2022/23 that will be covered by grant funding from the Department for Transport (DfT).
- 7.15 After a review of the project outcomes, the further road safety proposals within the Princess Road scheme were decided not to be progressed as the speed reduction measures alone appear to have reduced the impact on casualties. The £0.4m underspend will be vired to the Other Improvement works budget within the Highways Planned Maintenance Programme.

Variances – In Year

- 7.16 The main variances to the revised budget are:
- The Planned Maintenance Programme budget has been reprofiled as the reduced traffic volumes have enabled £1.6m of carriageway preventative and carriageway resurfacing works to be accelerated into 2020/21.
 - In line with achieving a start on site for all MCF schemes by the end of December 2020, development, consultation and delivery continues across projects in order to achieve this ambition. While the overall programme remains, supporting activity for some individual projects have seen a total of £2.1m moved into the next financial year. This includes additional consultation for the Levenshulme and Burnage Cycling scheme and the phasing of works for the Chorlton and Northern Quarter schemes.
 - Other in year variances are as explained in paragraphs 7.11-7.15 above.

Risks

- 7.17 The Highways programme contains a high number of large and strategically important projects for the highway network and the service is working to ensure that the works can be delivered to the timescales indicated. Works are assessed and scheduled based on the potential network impact in an effort to minimise disruption to commuters wherever possible.
- 7.18 There are inherent risks around external factors such as weather conditions which can hinder the schedule of work. The availability of appropriately skilled highways team resources has also been identified as a significant risk with recent and planned recruitment activity seeking to mitigate associated resourcing risks. The volatility of the marketplace will require increased due diligence checks when appointing future contractors.
- 7.19 Extensive consultation with stakeholders is undertaken to ensure proper engagement and input into the schemes being delivered, as well as to manage expectations within available budgets and realistic timescales. Current risks around undertaking public consultation during social distancing are being managed through online solutions. The intention of the consultations is to minimise the risk of scope creep and raise awareness of the impact of schemes on journey times. Where need is identified, additional funding opportunities through partners are also routinely explored in order to increase project scope.

8 Neighbourhoods Programme

- 8.1 The Neighbourhoods programme is shown in the table below, and is split across three main themes, the details of which are provided separately below:

| | 20/21 Budget set in Feb 20 £m | 20/21 Revised Budget £m | 20/21 Forecast £m | 20/21 Variance £m | Spend to Date £m | Spend to Date as % of Forecast |
|-------------------------------|--|--|----------------------------------|----------------------------------|-------------------------------------|---|
| Neighbourhoods | | | | | | |
| Environment and Operations | 6.0 | 11.5 | 11.2 | -0.3 | 0.3 | 2.7% |
| Leisure | 10.1 | 4.0 | 3.6 | -0.4 | 0.6 | 16.7% |
| Libraries and Culture | 0.6 | 1.0 | 0.7 | -0.3 | 0.3 | 39.0% |
| Total Neighbourhoods | 16.7 | 16.5 | 15.5 | -1.0 | 1.2 | 7.7% |
| Reprofiling | | | | -0.8 | | |
| Cost Variations | | | | -0.1 | | |
| Net over (under) spend | | | | -0.1 | | |

Environment and Operations Programme

- 8.2 The schemes within the Environment and Operations Programme are centred on improving the environment with the main focus on the control of waste disposal and promoting recycling.
- 8.3 The Environment and Operations programme is forecasting to spend £11.2m compared to a budget of £11.5m, a variance of £0.3m. The programme is shown in the table below:

| Environment and Operations | 20/21 Budget set in Feb 20 £m | 20/21 Revised Budget £m | 20/21 Forecast £m | 20/21 Variance £m | All Years Budget £m | All Years Forecast £m | All Years Variance £m |
|-----------------------------------|--------------------------------------|--------------------------------|--------------------------|--------------------------|----------------------------|------------------------------|------------------------------|
| Waste Reduction Measures | 1.2 | 1.1 | 0.8 | -0.3 | 4.7 | 4.7 | 0.0 |
| Waste Contract | 3.8 | 0.2 | 0.2 | 0.0 | 8.6 | 8.6 | 0.0 |
| Purchase of electric RCVs | 0.0 | 9.9 | 9.9 | 0.0 | 9.9 | 9.9 | 0.0 |
| Cremator and Mercury Abatement | 1.0 | 0.3 | 0.3 | 0.0 | 1.6 | 1.6 | 0.0 |
| Total Environment | 6.0 | 11.5 | 11.2 | -0.3 | 24.8 | 24.8 | 0.0 |
| Reprofiling | | | | -0.3 | | | |
| Cost Variations | | | | 0.0 | | | |
| Net over (under) spend | | | | 0.0 | | | |

Activities

- 8.4 The vehicle delivery plan for the purchase of electric RCV's project has been extended due to COVID-19 and the impact on the supply chain. The current plan shows all vehicles are expected to be delivered within 2020/21 with the last vehicle being delivered in the final week of March 2021. Any further delay could lead to a requirement to re-profile some of the budget into next financial year.
- 8.5 A contractor has been appointed for the Cremator and Mercury Abatement Plant replacement programme, and the Council are working with them to develop a specification for the new cremators and to agree a procurement process to identify a manufacturer. It is expected that the project will start on site in May 2021.

Variances – In Year

- 8.6 There is a requirement to move £0.3m into future years for Waste Reduction Measures as delivery has slipped due to COVID-19, however, bins are now being ordered and local residents have been notified.

Leisure Programme

- 8.7 The Leisure Programme provides leisure, sports and park facilities and services to communities across the City to promote health and wellbeing. The programme includes improvements to facilities which are used for events with the intention of also providing an economic benefit.
- 8.8 The Leisure programme is forecasting to spend £3.6m in-year compared to a budget of £4.0m, a variance of £0.4m which is to be re-profiled. The programme is shown in the table below:

| Leisure | 20/21 Budget set in Feb 20 £m | 20/21 Budget £m | 20/21 Forecast £m | 20/21 Variance £m | All Years Budget £m | All Years Forecast £m | All Years Variance £m |
|-------------------------------|--|--------------------------------|----------------------------------|----------------------------------|--|--|--|
| Parks Programme | 3.1 | 1.2 | 0.9 | -0.3 | 14.3 | 14.3 | 0.0 |
| Indoor Leisure – Abraham Moss | 6.0 | 0.2 | 0.2 | 0.0 | 24.7 | 24.7 | 0.0 |
| Other Projects | 1.0 | 2.6 | 2.5 | -0.1 | 13.5 | 13.0 | -0.5 |
| Total Leisure | 10.1 | 4.0 | 3.6 | -0.4 | 52.5 | 52.0 | -0.5 |
| Reprofiling | | | | -0.4 | | | |
| Cost Variations | | | | 0.0 | | | |
| Net over (under) spend | | | | 0.0 | | | |

Activities

Indoor Leisure - Abraham Moss

- 8.9 In July 2020, Executive approved further capital expenditure for the Indoor Leisure - Abraham Moss project, to cover additional costs due to the COVID-19 pandemic and the impact on project costs including inflation, remobilisation and hire fees for the temporary facilities on site. The Council has now written to the main contractor to commence pre contract negotiations to remobilise the project team and review work packages in preparation to proceed works. Over the coming months, it is the intention that RIBA Stage 4 decisions will be concluded for pricing in preparation for contract agreement for the main works.
- 8.10 The project team will seek to close out the contract agreement by January 2021, at which stage the final contract price and revised demolition and construction programme will be reported. The current target date for

demolition of the existing build is March 2021 and the construction programme is expenditure to follow for a period of 68 weeks.

- 8.11 The Abraham Moss Leisure and Library services have now decanted and the temporary works are completed, with both the library and sports hall fully operational. The build will remain open as a local COVID-19 test centre until further notice.

Manchester Aquatics Centre

- 8.12 The Manchester Aquatics Centre project team concluded the RIBA Stage 2 programme in June 2020. RIBA Stage 2 key findings were presented to the Estates Team with recommendations to proceed to RIBA Stage 4, at a cost of £1.3m, to provide further certainty on full programme costs as detailed designs are developed. In July 2020, Executive approved the recommencement of the scheme, which like a number of other schemes had been paused following COVID-19 - subject to a review of the affordability of the full refurbishment works in the context of the wider Capital Programme.
- 8.13 The essential priority works is estimated at £22.7m, to improve the efficiency of the building and to address the end of life items to maintain services for the next 20 years. The full refurbishment works is estimated at £30.7m to deliver all identified essential works and upgrades. Some of these items are required in order to service the performance and elite programmes delivered at the centre and to continue to be able to attract and host major events. Additional practical reasons for the recommended refurbishment works include abiding to modern disability access standards and reducing the centre's carbon emissions.
- 8.14 A report has been drafted to inform the decision to approve capital expenditure of £1.3m to proceed to RIBA Stage 4. Approval to commence the project will be subject to assessing the latest impact of COVID-19 and the prioritisation for investment within the capital programme. Delays in progress will impact on the maintenance programme which will be required to address immediate issues until the project is complete.

Other Leisure Projects

- 8.15 The Manchester Regional Arena Outdoor Athletics Track Replacement project formally completed in July. The main track laying works are complete with the final account to be prepared, and the current expectation is that there will be a final underspend against the budget of around £0.1m.

Variances - All Years

- 8.16 The Manchester Regional Arena Outdoor Athletics Track Replacement Project has an expected underspend of £0.5m as result of the final costs coming in lower than the approved budget. Once confirmed, the underspend will be removed from the capital programme.

Variances - In Year

- 8.17 Due to COVID-19, a number of schemes due to start this financial year within the Parks Development Programme are now scheduled to begin in 2021/22 meaning that there is a requirement to move an element of the budget of £0.3m into next financial year.
- 8.18 Other in year variances are as noted in paragraph 8.15.

Libraries Programme

- 8.19 The library programme seeks to bring up to date accessible technology to communities, provide high quality exhibition areas attracting visitors and residents and create new community meeting spaces.
- 8.20 The Libraries programme is forecasting to spend £0.7m against a budget of £1.0m, a variance of £0.3m. The programme is shown in the table below:

| Libraries | 20/21 Budget set in Feb 20 £m | 20/21 Revised Budget £m | 20/21 Forecast £m | 20/21 Variance £m | All Years Budget £m | All Years Forecast £m | All Years Variance £m |
|-----------------------------------|--|--|----------------------------------|----------------------------------|--|--|--|
| Open Libraries | 0.3 | 0.3 | 0.1 | -0.2 | 0.5 | 0.5 | 0.0 |
| Other Projects | 0.3 | 0.7 | 0.6 | -0.1 | 2.0 | 1.9 | -0.1 |
| Total Libraries | 0.6 | 1.0 | 0.7 | -0.3 | 2.5 | 2.4 | -0.1 |
| Reprofiling | | | | -0.2 | | | |
| Cost Variations | | | | -0.1 | | | |
| Net over (under) spend | | | | 0.0 | | | |

Activities

- 8.21 Progress continues in working towards the legal agreements between the Council and HOME for the scheme to transform three railway arches situated between HOME's building and Whitworth Street West. A project manager will be appointed to run a competition for the design team through the North West Construction Hub.
- 8.22 For the refresh and redevelopment of the Children's library within the Central Library refresh programme, a building firm has been commissioned to complete preparatory works including flooring and removal of the existing false wall by December. Colleagues in Children's services are working with library suppliers to commission the new design for the space, which is expected to be installed in January 2021.

Variances - All Years

- 8.23 Following a tender process it was decided that the Library Service did not wish to go ahead with the GM Archives Web Portal project as ongoing revenue

costs were higher than anticipated. The service will look at other options for updating their Digital Archives as alternative solutions are now available since the project was initiated in 2017. As a result, the £0.1m will be removed from the Capital Programme.

Variances – In Year

- 8.24 There have been delays to the Avenue Library works within the Open libraries project due to COVID-19. Furthermore, Chorlton Library will now be part of a wider project to be developed with a further capital bid to follow. As a result a total of £0.2m will be reprofiled into future years.

Risks

- 8.25 External funding could provide a significant part of budgets to support parks improvements but is subject to lengthy negotiation and is not always successful. The risk profile has been updated to include the ability to secure match funding from external partners including Historic England and the Heritage Lottery Fund. This will be monitored by the programme board.

9 Growth and Development Programme

- 9.1 The Growth and Development programme is shown in the table below, and is split across three main themes, the details of which are provided separately below:

| Growth and Development | 20/21 Budget set in Feb 20 £m | 20/21 Revised Budget £m | 20/21 Forecast £m | 20/21 Variance £m | Spend to Date £m | Spend to Date as % of Forecast |
|-------------------------------------|--------------------------------------|--------------------------------|--------------------------|--------------------------|-------------------------|---------------------------------------|
| Culture | 55.7 | 62.9 | 38.2 | -24.7 | 10.0 | 26.2% |
| Corporate Estates | 33.4 | 23.1 | 20.3 | -2.8 | 6.4 | 31.5% |
| Development | 29.9 | 34.6 | 34.3 | -0.3 | 10.0 | 29.3% |
| Total Growth and Development | 119.0 | 120.6 | 92.8 | -27.8 | 26.4 | 28.3% |
| Reprofiling | | | | -27.6 | | |
| Cost Variations | | | | 0.0 | | |
| Net over (under) spend | | | | -0.2 | | |

Culture Programme

- 9.2 The Factory will act as a driver of the next stage of Manchester's and the North's regeneration – with clear cultural, economic, educational and social benefits for the city and the wider region. It will be a new type of venue – one that can commission, produce and present the widest range of opera, dance, theatre, visual arts and popular culture, with an emphasis on new cross-art form collaborations, for a much wider audience than any traditional venue.

- 9.3 Following notice to proceed (NTP) being received, the Factory and St Johns Public Realm budgets have continually been reviewed and updated for the revised cash flow from the contractor in line with the latest construction programme and revised fees.
- 9.4 The Culture programme is forecasting to spend £38.2m compared to a budget of £62.9m, a variance of £24.7m. The programme is shown in the table below:

| Cultural | 20/21 Budget set in Feb 20 £m | 20/21 Revised Budget £m | 20/21 Forecast £m | 20/21 Variance £m | All Years Budget £m | All Years Forecast £m | All Years Variance £m |
|-----------------------------------|--|--|----------------------------------|----------------------------------|--|--|--|
| The Factory | 54.0 | 60.7 | 37.9 | -22.8 | 140.6 | 185.8 | 45.2 |
| The Factory – property items | 0.0 | 0.0 | 0.0 | 0.0 | 4.4 | 4.4 | 0.0 |
| St Johns Public Realm | 1.7 | 2.2 | 0.3 | -1.9 | 6.7 | 6.7 | 0.0 |
| Total Cultural | 55.7 | 62.9 | 38.2 | -24.7 | 151.7 | 196.9 | 45.2 |
| Reprofiling | | | | -24.7 | | | |
| Cost Variations | | | | 0.0 | | | |
| Net over (under) spend | | | | 0.0 | | | |

Activities

- 9.5 The Factory project will create a world-class performance space building on the city's strengths and long history as a centre for culture and creativity. It will provide a permanent home for Manchester International Festival (MIF) in an all-year-round venue with a blend of ticketed and free events. The project is already attracting considerable excitement with the success of the MIF Pre Factory Events. Locally, The Factory will work with communities across Greater Manchester, involving them as artistic collaborators in projects and productions which will be shaped by them.
- 9.6 The Factory is at the heart of the redevelopment of the St. John's neighbourhood which revives the site of the former Granada TV Studios, creating a new cultural, creative and technological hub and making a major contribution to the regeneration of this part of the city. Enterprise City has the potential to accommodate some 17,000 jobs in businesses from new start-ups. Also central to the vision is a focus on providing training and skills for local people through The Factory Academy. Over the next five years Factory Futures will reach as many as 10,000 young people in Manchester with support in accessing careers in the creative industries. The programme responds directly to the impact of the Covid-19 on youth unemployment including a five-year pre-employment training programme for 1,400 young people, who are unemployed or on Universal Credit. Through the management contractor The Factory is also creating up to 70 apprenticeships to support skills development in the construction industry.

- 9.7 The current forecast for construction costs of The Factory is c. £185.8m together with £4.4m for property related matters. Further details on the financial position can be found in the Part B report on the agenda.
- 9.8 The Factory site remains operational, albeit that works have slowed as the reduced, core on-site team enforce the safe working and distancing measures required to protect the workforce. Remote factories and steelworks continue to operate.

Variances – In Year

- 9.9 A total of £22.8m will be reprofiled into next financial year for The Factory due to the impact of COVID-19, the allocated inflation increase being spread into future years and various work packages either being delayed or costs being reprofiled, including the external envelope, Mechanical Electrical and Plumbing (MEP), stage engineering and partitioning.
- 9.10 The St Johns Public Realm forecast has been reprofiled in line with the expected start of construction. A total of £1.9m will be moved into next financial year.

Risks

- 9.11 The risk profile for the Factory focuses on ensuring the project is delivered within the revised project timescales and revised budget forecast. The installation of the precast concrete panels required for the building construction forms the critical programme path. The letting of the next phase of work packages is currently taking place.

Corporate Estates Programme

- 9.12 The programme supports the provision of fit for purpose accommodation for corporate and community use and proactively maintaining and managing the corporate estate which includes reducing carbon emissions.
- 9.13 The main changes since the budget set in February 2020 and prior to the proposals highlighted in this report are as follows:
- In July 2020, a number of schemes across the Asset Management Programme (AMP) were reprofiled into future years due to being on hold or progressing slower than expected as a result of COVID-19.
 - The Hammerstone Road scheme was paused for COVID-19 and as a result, the 2020/21 budget was re-profiled from £9.3m to £4.7m. Executive approved the re-commencement of the scheme in July 2020.
 - Similarly, due to COVID-19 all works on site were paused for the Carbon Reduction programme, and a review of the budget completed. Works have now recommenced and the 2020/21 budget has been revised to £3.9m from £6.4m in February 2020.

9.14 The Corporate Estates programme is forecasting to spend £20.3m compared to a budget of £23.1m, a variance of £2.8m. The programme is shown in the table below:

| Corporate Estates | 20/21 Budget set in Feb 20 £m | 20/21 Revised Budget £m | 20/21 Forecast £m | 20/21 Variance £m | All Years Budget £m | All Years Forecast £m | All Years Variance £m |
|--------------------------------|--------------------------------------|--------------------------------|--------------------------|--------------------------|----------------------------|------------------------------|------------------------------|
| Asset Management Programme | 11.7 | 8.1 | 8.0 | -0.1 | 21.4 | 21.3 | -0.1 |
| Hammerstone Road Depot | 9.3 | 4.7 | 2.1 | -2.6 | 20.1 | 20.1 | 0.0 |
| Carbon Reduction Programme | 6.4 | 3.9 | 3.9 | 0.0 | 24.5 | 24.5 | 0.0 |
| Estates Transformation | 6.0 | 5.5 | 5.4 | -0.1 | 18.3 | 18.2 | -0.1 |
| Other Projects | 0.0 | 0.8 | 0.8 | 0.0 | 1.4 | 1.4 | 0.0 |
| Total Corporate Estates | 33.4 | 23.1 | 20.3 | -2.8 | 85.7 | 85.5 | -0.2 |
| Reprofiling | | | | -2.6 | | | |
| Cost Variations | | | | -0.1 | | | |
| Net over (under) spend | | | | -0.1 | | | |

Activities

- 9.15 Following the decision to progress the Hammerstone Road project at Executive in July 2020, the design team are now preparing costs, programme and plans for approval. Site visits have been held to agree the phasing and logistics during project delivery, and the site continues to be cleared out in preparation for the refurbishment. Enabling works are expected to start in January 2021 with the official start on site expected in March.
- 9.16 Within the Carbon Reduction Programme, efficiency works have recommenced at Wythenshawe Forum following the COVID-19 shutdown and work has begun to install LED lighting and controls in the Town Hall Extension. Both projects are due to complete in October. Solar PV and lighting designs have been finalised and approved for the East Manchester and Hough End Leisure Centres (LC), with detailed designs for energy conservation measures at Moss Side LC, the Tennis and Football Centre, Arcadia LC and the Space project expected to be agreed by November 2020.
- 9.17 Work continues to progress on site for the Alexandra House project, with completion of the car park expected in December 2020, and the building in February 2021. It is anticipated that the building will then reopen and be reoccupied in March.

Variances – All Years

- 9.18 The Ross place refurbishment within the Asset Management Programme is now complete and no further expenditure is expected. There is a total underspend of £0.1m which will be removed from the Capital Programme.
- 9.19 Following the completion of the Estates Transformation - Hulme District Office project, the final account is now being agreed and an underspend of £0.1m is expected. Once confirmed, this will be removed from the Capital Programme.

Variances – In Year

- 9.20 As noted in paragraph 9.14, start on site for the Hammerstone Road project is now expected in March 2021 in line with recent discussions with the contractor. As a result, a total of £2.6m will be reprofiled into next financial year. Should this be delayed any further, there is a risk that further budget will need to be moved into 2021/22.

Risks

- 9.21 There is a carefully planned rolling programme of activity to assess and address end of life replacements through the Asset Management Programme with close collaboration with Capital Programmes colleagues to ensure momentum is maintained. This may lead to a change in priorities during the year.
- 9.22 The Carbon Reduction programme is retrofitting efficiency measures to existing buildings of varying ages and conditions meaning there is a possibility that unknown items such as sub-standard electrical infrastructure or asbestos could be uncovered. To mitigate this, the programme has allowed for a 15% works contingency. A detailed building by building risk log will be maintained and managed throughout the delivery phase with key risks being escalated to the Carbon Reduction Programme Board, reporting into the Estates Board.
- 9.23 Ability to secure resources and suppliers in what was a buoyant market is a risk to the Estates Transformation Programme. It is being mitigated through early and ongoing planning to inform pipeline decision making about resource availability and allocation.

Development Programme

- 9.24 The Development Programme seeks to provide sustainable growth and transformation of the City, not only to support internal growth but also to retain international competitiveness by promoting opportunities to develop the City's fabric, infrastructure, business and skills base and connecting local communities to employment opportunities.
- 9.25 Since the budget agreed in February 2020, the Executive have agreed the addition of a number of schemes to the Development Programme, including House of Sport, Piccadilly Gardens phase 1, the Housing Infrastructure Fund

and Mayfield Park. These additional schemes are the main reason for the difference between the original budget and the revised budget.

- 9.26 The Development programme is forecasting to spend £34.3m compared to a budget of £34.6m, a variance of £0.3m. The programme is shown in the table below:

| Development | 20/21 Budget set in Feb 20 £m | 20/21 Revised Budget £m | 20/21 Forecast £m | 20/21 Variance £m | All Years Budget £m | All Years Forecast £m | All Years Variance £m |
|-------------------------------|--|--|----------------------------------|----------------------------------|--|--|--|
| Digital Asset Board (MCDA) | 1.5 | 0.4 | 0.4 | 0.0 | 26.8 | 26.8 | 0.0 |
| Strategic Acquisitions Board | 3.0 | 3.3 | 3.3 | 0.0 | 17.2 | 17.2 | 0.0 |
| Northern Gateway | 6.7 | 9.7 | 11.3 | 1.6 | 76.6 | 76.6 | 0.0 |
| Eastern Gateway | 0.8 | 1.2 | 1.2 | 0.0 | 50.9 | 50.9 | 0.0 |
| City Centre | 6.6 | 8.4 | 6.4 | -2.0 | 62.0 | 62.0 | 0.0 |
| Other Growth & Development | 11.4 | 11.6 | 11.7 | 0.1 | 52.6 | 52.6 | 0.0 |
| Total Development | 29.9 | 34.6 | 34.3 | -0.3 | 286.1 | 286.1 | 0.0 |
| Reprofiling | | | | -0.3 | | | |
| Cost Variations | | | | 0.0 | | | |
| Net over (under) spend | | | | 0.0 | | | |

Activities

- 9.27 The Northern Gateway has approval from the Executive to enter into a commercial loan with the joint venture partner up to the value of £11.0m. Precise terms of the loan are currently being finalised and there is expected to be an initial drawdown of funds in 2020/21.
- 9.28 Procurement for the Housing Infrastructure Fund (HIF) project early enabling works is due to commence in October 2020 following capital expenditure approval.
- 9.29 The planning application for the demolition of the concrete wall within Piccadilly Gardens has been approved. A contractor has been appointed and work is expected to commence in the autumn. The balance of the budget will be used for the procurement of a contractor and design team to take the wider scheme to RIBA Stage 3 following a public consultation.
- 9.30 The final sections of the 40-metre 'Tower of Light' have been installed for the Civic Quarter Heat Network project. By the end of the year, the tower will

generate low-carbon heat and power for a number of City Centre buildings and is expected to save more than 3,100 tonnes of carbon emissions in its first five years.

Eastern Gateway

- 9.31 To date, the significant capital investment for the Eastern Gateway project has been on the acquisition of Central Retail Park. A public consultation on the refreshed development framework for the site ended on Friday 25th September, and a report on the development proposals will go to the Executive in October.
- 9.32 The central vision for the area is “*to be an exemplary net zero carbon commercial district with the ability to attract new businesses and talent to Manchester. The development should bring together activities and people to create a vibrant mixed use neighbourhood*”. Following the completion of the consultation, and taking into account the comments received from residents and stakeholders, the development framework should support the delivery of this objective.
- 9.33 In the interim, the Council has agreed a short term arrangement with the Department of Health and Social Care (DHSC) to use part of the retail park, on the corner of Great Ancoats Street and Redmill Street, for use as a COVID-19 walk-up testing centre until February 2021.
- 9.34 The Council has also agreed to extend the arrangement with DHSC to use the North Car Park at the Etihad Stadium for use as a COVID-19 drive up testing facility until February 2021.

Variances – In Year

- 9.35 As noted in paragraph 9.26, the terms of the commercial loan with FEC are being finalised and once agreed this will enable an initial payment to be made this financial year which will result in acceleration of £2.3m budget into 2020/21.
- 9.36 In order to meet deadlines set by Homes England, there has been a re-sequencing of the original plan of works funded through the Housing Infrastructure Fund. As a result, a total of £0.7m will be moved into next financial year.
- 9.37 In September 2020, the Executive approved a £2.0m budget increase for the Manchester Digital Security Innovation Hub. The payment to the chosen operator is expected to be made in 2021/22 and so the budget has been moved into next financial year.
- 9.38 A number of intrusive surveys will be undertaken to enable the verification of costs for a wider scheme of works at New Smithfield Market. As a result, a total of £0.1m will be accelerated into 2020/21.

Risks

- 9.39 It should be noted that there are a number of significant elements of the Growth and Development programme, such as the Strategic Acquisitions programme, which are dependent on negotiations with third parties in order to achieve a successful outcome for example land acquisitions. As a result the budget profile is a best estimate and is likely to change. The programme is continually subject to a detailed review and prioritisation exercise.

10 Our Town Hall Refurbishment

- 10.1 The Our Town Hall programme is a major scheme to update the architectural masterpiece that is the Manchester City Centre Town Hall, to protect and improve it for both Manchester and the nation, restoring and re-opening in 2024. A report was taken to the July meeting of the Executive when Notice to Proceed (NtP) was instructed which detailed the latest information on the scheme, cost and programme.
- 10.2 The Our Town Hall Refurbishment programme is forecasting to spend £39.1m in 2020/21 compared to a revised budget of £44.2m, a variance of £5.1m. The programme is shown in the table below:

| Our Town Hall | 20/21 Budget set in Feb 20 £m | 20/21 Revised Budget £m | 20/21 Forecast £m | 20/21 Variance £m | All Years Budget £m | All Years Forecast £m | All Years Variance £m |
|--|--|--|----------------------------------|----------------------------------|--|--|--|
| Our Town Hall Refurbishment | 49.1 | 44.2 | 39.1 | -5.1 | 305.2 | 305.2 | 0.0 |
| Total Our Town Hall Refurbishment | 49.1 | 44.2 | 39.1 | -5.1 | 305.2 | 305.2 | 0.0 |
| Reprofiling | | | | -5.1 | | | |
| Cost Variations | | | | 0.0 | | | |
| Net over (under) spend | | | | 0.0 | | | |

Activities

- 10.3 The start of the main construction activity was instructed to the management contractor on 3 July 2020 under Notice to Proceed (NTP), thus committing the Council to the full construction value of the project.
- 10.4 The measures put in place at NTP to ensure COVID-safe working has resulted in labour numbers increasing to the required current 200 operatives on site.
- 10.5 In the period since NTP, key progress with the works has been to complete the scaffold to the majority of the building, with the scaffold wrap approaching completion and the site hoardings and welfare accommodation has also been installed.

- 10.6 Services supplies have been decommissioned and strip out works are significantly advanced, with stone cleaning samples complete and works to the Mock-Up rooms due to be completed by October.
- 10.7 Stone setts have been removed to central courtyards and the new attenuation tank and new manholes have been installed. Asbestos removal to the kitchen bridge link is underway in preparation for demolition together with the organ removal from the Great Hall is also underway.
- 10.8 Good progress is being made with the discharge of Planning and Listed Building Conditions, and the application for the Stopping Up Order in Albert Square has been submitted.
- 10.9 Social Value contributions are progressing well, with 33 new jobs created for Manchester residents across the Project Team; 15 higher level apprenticeships created and Mace Apprentice Abdul Tahir, from Whalley Range, won Apprentice of the Year at the GMCC Property and Construction Awards 2019; Local Spend stands at £51.0m worth of orders placed in the Manchester area and further £2.0m in Greater Manchester area, roughly 30% of the total £174m work packages being let on the project; £34.0m of local spend is still to be procured with a target of £19.0m in Manchester and £15.0m in Greater Manchester; 79 school engagement sessions held in Manchester schools and 72 work experience placements provided for school and college students.
- 10.10 The project has also worked with over 1,400 students providing site visits, careers fairs, mentoring, work placements, industry placements and the total amount of voluntary time committed now stands at over 1,800 hours.

Variances – In Year

- 10.11 There is a requirement to move £5.1m into future years due to the reprofiling of the contingency budget in line with construction values and risk management procedures. The variance is also due to a later start on site for the Mechanical, Electrical and Plumbing (MEP) work package and other work packages being reprofiled, and the impact these have on the management contractor fees profile.

Risks

- 10.12 Due to the size, duration and nature of the programme, risk will be carefully managed through and across the various work packages. Site investigations and early works are vital to inform the design and cost aspects.
- 10.13 Now that the project has received NtP a more detailed timeline of work will be agreed. It is likely that the budget profile will change.
- 10.14 External factors such as supply chain uncertainty, the potential reoccurrence of further COVID-19 related restrictions and the availability of sufficient and appropriate specialists to ensure the quality of the finished work, will require

monitoring to ensure early action can be taken to reduce any negative impact on cost and programme.

11 Housing - General Fund

- 11.1 The Private Sector Housing programme focuses on providing affordable housing including the facilities, adaptations and community focus required.
- 11.2 As noted at Outturn and at Period 3, a review of Private Sector Housing schemes was undertaken in light of the expected impact of COVID-19. The revised budget is now £16.2m and the review of forecasts is ongoing.
- 11.3 The Private Sector Housing programme is forecasting to spend £13.8m compared to a budget of £16.2m, variance of £2.4m. The programme is shown in the table below:

| Private Sector Housing (General Fund) | 20/21 Budget set in Feb 20 £m | 20/21 Revised Budget £m | 20/21 Forecast £m | 20/21 Variance £m | All Years Budget £m | All Years Forecast £m | All Years Variance £m |
|--|--------------------------------------|--------------------------------|--------------------------|--------------------------|----------------------------|------------------------------|------------------------------|
| Brunswick PFI Land Assembly | 0.6 | 0.2 | 0.1 | -0.1 | 9.7 | 9.7 | 0.0 |
| Disabled Facilities Grant | 7.5 | 6.0 | 4.0 | -2.0 | 53.9 | 53.9 | 0.0 |
| Extra Care | 1.2 | 0.0 | 0.0 | 0.0 | 6.0 | 6.0 | 0.0 |
| Ben St Regeneration | 0.9 | 0.4 | 0.4 | 0.0 | 8.7 | 8.7 | 0.0 |
| Marginal Viability Fund – New Victoria | 6.7 | 6.2 | 6.2 | 0.0 | 11.4 | 11.4 | 0.0 |
| Other Projects | 5.7 | 3.4 | 3.1 | -0.3 | 77.2 | 77.0 | -0.2 |
| Total Private Sector Housing (General Fund) | 22.6 | 16.2 | 13.8 | -2.4 | 166.9 | 166.7 | -0.2 |
| Reprofiling | | | | -2.2 | | | |
| Cost Variations | | | | 0.0 | | | |
| Net over (under) spend | | | | -0.2 | | | |

Activities

- 11.4 The Council are aiming to complete the Section 22 agreement with Mosscore St Vincent's (MSV) by October 2020. When the legal work is completed, the £2.0m grant payment will be made.
- 11.5 The grant funding agreement was signed in August 2020 for the Ancoats Dispensary project. The £0.4m will be paid to Great Places once all the surveys have been satisfactorily carried out.

Variances - All Years

- 11.6 The West Gorton Park project has reached practical completion and is in the process of being handed over to the parks service. There is an anticipated underspend when the final account is completed resulting in a saving of £0.2m. Once quantified, this will be removed from the Capital Programme.

Variances – In Year

- 11.7 Following the approval of an additional £0.2m to cover the extra Turkish Centre costs, only £0.1m is required in this financial year for land transfers and associated fees, and so the remaining £0.1m will be moved into 2021/22.
- 11.8 Assessments of need and technical feasibility funded through the Disabled Facilities Grant are now being processed post lockdown, subject to agreement for access with individual residents. Due to backlog issues relating to COVID-19, reprofiling of £2.0m is required into next financial year, however, the aim is still to return to normal delivery timescales as soon as possible, subject to any further COVID-19 restrictions.
- 11.9 Other in-year variances total £0.1m.

Risks

- 11.10 Delays with acquisitions, refurbishment works or sales could potentially result in the Empty Homes Programme being delayed with action needed to minimise the amount of time the Council is responsible for the properties. Given the early stage of this project this risk is not quantifiable but will be closely monitored.

12 Housing Revenue Account (HRA)

- 12.1 The Public Sector Housing programme seeks to bring the estate up to and maintain the Decent Homes standard including statutory health and safety regulations and the reduction of CO2 emissions.
- 12.2 As noted at Outturn and Period 3, due to COVID-19, all but two projects that were on site in March 2020 were suspended. In line with Council advice, Northwards deferred all capital expenditure for 2020/21 that was not contractually committed, unless there was good reason to continue, and it was able to be delivered. The revised Public Sector Housing budget is now £17.7m.
- 12.3 The Public Sector Housing (HRA) programme is forecasting to spend £16.9m compared to a budget of £17.7m, a variance of £0.8m. The programme is shown in the table below:

| Public Sector Housing (HRA) | 20/21 Budget set in Feb 20 £m | 20/21 Revised Budget £m | 20/21 Forecast £m | 20/21 Variance £m | All Years Budget £m | All Years Forecast £m | All Years Variance £m |
|--|--------------------------------------|--------------------------------|--------------------------|--------------------------|----------------------------|------------------------------|------------------------------|
| Northwards | 30.6 | 16.1 | 16.1 | -0.7 | 77.7 | 77.7 | 0.0 |
| North Manchester New Builds | 3.5 | 0.3 | 0.3 | 0.0 | 10.2 | 10.2 | 0.0 |
| Other Projects | 4.6 | 0.6 | 0.5 | -0.1 | 40.6 | 40.6 | 0.0 |
| Total Public Sector Housing (HRA) | 38.8 | 17.7 | 16.9 | -0.8 | 128.5 | 128.5 | 0.0 |
| Reprofiling | | | | -0.8 | | | |
| Cost Variations | | | | 0.0 | | | |
| Net over (under) spend | | | | 0.0 | | | |

Activities

- 12.4 Within the Northwards programme, all live projects apart from two were suspended in March due to COVID-19. Of those, eight projects re-started in July as well as the delivery of adaptations works, and a further two re-started in August. Further projects will be re-started in the autumn months.
- 12.5 RIBA Stage 2 designs have been completed for the initial phase of works within the Collyhurst Programme which will inform the budget required to deliver the wider scheme. Heads of Terms continue to be prepared with the delivery partner.

Variances – In Year

- 12.6 Across the Northwards Programme, there is a requirement to reprofile £0.7m into future years. The most significant is the Fire Risk Assessment project, due to phase 2 being paused for a review of the procurement process following lessons learnt from phase 1.
- 12.7 Other in year variances total £0.1m.

Risks

- 12.8 The Northwards programme relies on the performance of a number of contractors to deliver projects which creates a risk of delays. Ongoing monitoring of performance and regular communication with partners are used to manage risks in these areas.
- 12.9 There are risks around obtaining listed building consent and planning approvals required for some of the projects, to be managed through timely collaboration with colleagues in planning and design teams.

12.10 Northwards have updated their risk profile to include an expected increase in fire risk assessment costs on the high rise blocks due to an increase in the scope of work following detailed surveys, an increase in contractor costs due to demands on capacity and an increase in insurance costs in relation to accountability and risk.

13 Children's Services

13.1 The main focus of the children's services programme is to provide additional school places for children across the City and maintain the school buildings, ensuring that there is investment in modern, energy efficient and high quality education infrastructure which drives reductions in carbon across the estate of schools, 85% of materials are locally sourced and contractors recycle more than 75% of waste products.

13.2 The main changes to the budget set in February 2020 and prior to those noted in this report include:

- As reported at outturn, the acquisition of land at Hyde Road is expected to take place before the end of the calendar year and so the total £13.1m budget was reprofiled into 2020/21.
- The 2020/21 school maintenance allocation was published at the end of 2019/20, and a scheme of works was subsequently approved by the Executive. The 2020/21 budget is now £5.3m.

13.3 The Children's Services programme is forecasting to spend £41.9m compared to a budget of £45.0m, a variance of £3.1m which will be reprofiled into future years. The programme is shown in the table below:

| Children's Services | 20/21 Budget set in Feb 20 £m | 20/21 Revised Budget £m | 20/21 Forecast £m | 20/21 Variance £m | All Years Budget £m | All Years Forecast £m | All Years Variance £m |
|----------------------------------|--------------------------------------|--------------------------------|--------------------------|--------------------------|----------------------------|------------------------------|------------------------------|
| Basic Need and SEND Programme | 20.8 | 20.4 | 18.2 | -2.2 | 136.4 | 136.4 | 0.0 |
| School Maintenance programme | 3.6 | 5.3 | 4.6 | -0.7 | 11.6 | 12.9 | 1.3 |
| Other Projects | 5.0 | 19.3 | 19.1 | -0.2 | 24.4 | 24.4 | 0.0 |
| Total Children's Services | 29.5 | 45.0 | 41.9 | -3.1 | 172.4 | 173.7 | 1.3 |
| Reprofiling | | | | -3.1 | | | |
| Cost Variations | | | | 0.0 | | | |
| Net over (under) spend | | | | 0.0 | | | |

Activities

- 13.4 The Special Educational Needs (SEN) Basic Need programme is progressing well, with the first project Roundwood Road now on site. The other two projects, North Hulme Adventure Playground and Brookside Road are due to start on site in September.
- 13.5 The summer School's Maintenance programme for 2020/21 is nearing completion. A contractor undertaking work at two schools within the programme went into administration that resulted in a minor delay, however the projects are now due to complete in October with work to be undertaken in the evenings and at weekends to minimise disruption to the autumn school term.
- 13.6 Works are now progressing on site for the North Ridge Sixth Form expansion project, following a delay as the window manufacturer shut down their facility due to COVID-19. The project is expected to be completed by December 2020.
- 13.7 Contracts have been exchanged for the Hyde Road site acquisition. Subject to the land value being agreed, it is anticipated that completion will take place at the end of October. Options for a temporary solution whilst the school is being built are being considered.

Variances – All Years

- 13.8 In August 2020, a further allocation of Schools Maintenance funding was announced by the Government, with Manchester's allocation at an additional £1.3m. This will be added to the Capital Programme and a scheme of works will be decided upon by Education colleagues.

Variances – In Year

- 13.9 As per the latest construction cash flow, a total of £2.2m will be reprofiled into next financial year for the Special Educational Needs Basic Need grant programme. At this stage, these figures are estimates and a more detailed cash flow is expected from the contractor in the next two months, when the budgets will be further reprofiled.
- 13.10 Due to contingency not being fully utilised in 2020/21, a total of £0.7m will be moved into next financial year for the Schools Maintenance Programme.
- 13.11 The remaining unallocated £0.2m of Special Educational Needs Grant funding will be moved into 2021/22 until it is determined how it will be utilised.

Risks

- 13.12 As the DfE have confirmed that Manchester will receive no Education Basic Need funding in 2020/21 due to significant investment planned in free schools,

the forward plan for the Education Programme will be dependent on the decision on the next wave of free schools. The statutory duty to provide places belongs to the City Council and the relationship with the DfE is key in ensuring that the free school places are delivered on time in order that the duty can be met.

- 13.13 There is a further risk around the Council's ability to meet the continued growth of pupil numbers – particularly in-year school admissions which is more difficult to accurately project and manage. There is also a risk around the pace of residential development and the demand for school places outweighing the available supply in particular areas of the City. To offset these risks, the Director of Education has developed a School Places plan for 2020 to 2025 using forecasted demand to ensure that there are sufficient high quality school places available in the right areas across the City although this is dependent on identifying appropriate sites in the right areas.

14 ICT Capital Programme

- 14.1 The aim of the ICT programme is to reduce key risks, decommission legacy platforms and to create a simpler, more robust, resilient and easier to support environment. The programme will move towards a modern infrastructure whilst adding business value.
- 14.2 The main variance from the original budget set in February 2020 and before those outlined in this report is that in 2019/20, Executive approved a £1.8m scheme to implement Microsoft 365 across the Council Estate, and as a result the End User devices budget was reprofiled to account for the expected interdependencies between the projects.
- 14.3 The ICT programme is forecasting to spend £3.3m against a budget of £3.6m, a variance of £0.3m. The programme is shown in the table below:

| ICT | 20/21 Budget set in Feb 20 £m | 20/21 Revised Budget £m | 20/21 Forecast £m | 20/21 Variance £m | All Years Budget £m | All Years Forecast £m | All Years Variance £m |
|-------------------------------|--|----------------------------------|-------------------------|-------------------------|------------------------------|--------------------------------|--------------------------------|
| Microsoft 365 | 0.0 | 1.8 | 1.8 | 0.0 | 1.8 | 1.8 | 0.0 |
| End User Experience | 3.4 | 0.6 | 0.6 | 0.0 | 1.6 | 1.6 | 0.0 |
| Other Projects | 2.3 | 1.2 | 0.9 | -0.3 | 41.8 | 41.8 | 0.0 |
| Total ICT | 5.7 | 3.6 | 3.3 | -0.3 | 45.2 | 45.2 | 0.0 |
| Reprofiling | | | | -0.3 | | | |
| Cost Variations | | | | 0.0 | | | |
| Net over (under) spend | | | | 0.0 | | | |

Activities

- 14.4 A number of test users have now migrated to Microsoft Office 365 with user acceptance testing ongoing. The migration of all users is expected to take place over September and October. A number of Change Leads and Digital Champions have been identified across Directorates to support staff in new ways of working.
- 14.5 Work on the Data Centre continues, however some activity over the summer months slipped against the plan to ensure that Direct Access services were bolstered in support of home working, along with social distancing in the Data Centre meaning that tasks had to be done on separate days. The overall programme plan remains sound with the view to completing tasks before year end. The internet migration tasks remain the most challenging of the migrations, however additional due diligence planning workshops took place throughout September so the programme can fully articulate any risks.
- 14.6 The procurement process for the WAN project is expected to conclude by November. The project team are currently applying for a potential £0.9m of support for the project from the Department for Digital, Culture, Media and Sport.

Variances - In Year

- 14.7 Due to procurement taking longer than originally anticipated, there is a requirement to move £0.3m budget into next financial year for the Local Area Network and Network Development programme.

Risks

- 14.8 ICT projects are often interdependent which can lead to adjustments to the schedule of activity should changes occur in a particular project. Some projects may need external support and advice to be delivered and this may create delays as such work is completed.
- 14.9 ICT projects are subject to external factors such as cyber security risks as an incident could result in data being unavailable or lost, impacting the Council's critical applications and services. The Council has a Public Services Network (PSN) compliant infrastructure and up to date anti-virus software to mitigate this. The use of end of life software and hardware form part of the ICT risk profile to ensure ongoing operation of systems and hardware.
- 14.10 Ongoing risks around expiration of licenses and support contracts are managed through monitoring and review at operational and strategic level, taking into account costs associated with maintaining or changing existing arrangements into future years.

15 Corporate Services Programme

15.1 Included in the Corporate Services programme is Gorton Health Hub which will bring together key organisations responsible for tackling worklessness and low skills. This will have a positive impact providing new opportunities for local residents and will contribute to sustainable economic growth by replacing a number of old, poorly maintained and high carbon producing buildings into a more modern, energy efficient purpose built building.

15.2 The main variances from the budget set in February 2020, and prior to those reported in this report are as follows:

- In March, the Integrated Working – Gorton Health Hub project was paused due to COVID-19 and hence required reprofiling of £9.0m into future years.
- The package of shareholder support approved for Manchester Airport Group has now been included in the budget. This was an urgent key decision approved in April 2020.

15.3 The Corporate Services programme is forecasting to spend £155.5m compared to a budget of £164.4m, a variance of £8.9m. The programme is shown in the table below:

| Corporate Services | 20/21 Budget set in Feb 20 £m | 20/21 Budget £m | 20/21 Forecast £m | 20/21 Variance £m | All Years Budget £m | All Years Forecast £m | All Years Variance £m |
|--|--------------------------------------|------------------------|--------------------------|--------------------------|----------------------------|------------------------------|------------------------------|
| Integrated Working – Gorton Health Hub | 17.2 | 8.2 | 4.4 | -3.8 | 22.8 | 22.8 | 0.0 |
| BioMedical Investment | 6.1 | 6.1 | 3.8 | -2.3 | 21.3 | 21.3 | 0.0 |
| Manchester Airport Group Support | 0.0 | 142.7 | 142.7 | 0.0 | 142.7 | 142.7 | 0.0 |
| Other Projects | 14.9 | 7.4 | 4.6 | -2.8 | 158.5 | 158.2 | -0.3 |
| Total Corporate Services | 38.2 | 164.4 | 155.5 | -8.9 | 345.3 | 345.0 | -0.3 |
| Reprofiling | | | | -1.6 | | | |
| Cost Variations | | | | 0.0 | | | |
| Net over (under) spend | | | | -0.3 | | | |

Activities.

- 15.4 Following the unpausing of the scheme by the Executive in July, the Integrated Working - Gorton Health Hub Project Team is due to be reconvened and the project restarted. The scope of the project is currently under review including the size of the office space required.

Variances - All Years

- 15.5 There is a total expected underspend of £0.3m for the Pay and Display Machines project as a result of the total contingency budget not being utilised. Once quantified, this will be removed from the Capital Programme.

Variances – In Year

- 15.6 As reported in paragraph 15.4, the Gorton Health hub project forecast has been updated in light of COVID-19 and the review of the scope with partners. As a result, a total of £3.8m will be reprofiled into future years.
- 15.7 The Council's support for the BioMedical Investment scheme is a mix of equity, loans and grant. The equity has been drawn down, and the funding requests in regard to the loans in 2020/21 are now expected to be lower than originally anticipated, but the expectation is that these will be drawn down in future years and the programme as a whole remains on track. As a result, a total of £2.3m will be moved into next financial year.
- 15.8 During the 2020 budget process, a fund for Voluntary, Community and Social Enterprise (VCSE) organisations to bid for small works to premises to boost capacity and increase service provision was established. The governance process for reviewing and approving bids to the Fund is being drafted and therefore the £0.5m budget will be moved into next financial year.
- 15.9 The unallocated inflation budget for 2020/21 of £2.0m has been reprofiled into future years. Other variances are as in paragraph 15.5.

Risks

- 15.10 The nature and scope of the schemes within the Corporate Programme mean that project progression is highly reliant on third parties and there is therefore a risk of external factors causing delays.

16 Capital Resources

- 16.1 The capital programme is reviewed on an ongoing basis to confirm the resources required to finance capital spend are in place, the future years programme is fully funded and that the required resources are secured within an affordable level of prudential borrowing.
- 16.2 The table below summarises the current funding assumptions for the full programme. This will be reviewed in line with the overall review of capital

programme priorities. The Deputy Chief Executive and City Treasurer will continue to manage the financing of the programme to ensure the final capital funding arrangements secure the maximum financial benefit to the City Council.

Funding position for 2020/21 Capital Programme based on current forecast:

| | £ m |
|----------------------------------|--------------|
| Grants | 65.7 |
| External Contributions | 38.2 |
| Capital Receipts | 20.2 |
| Revenue Contributions to Capital | 18.6 |
| Capital Fund | 5.3 |
| Borrowing | 287.9 |
| Total | 435.9 |

- 16.3 To note, the draft funding position above includes the financing of the net £0.2m overspends across the Capital Programme. As highlighted in the relevant sections of this report, every effort is being made by officers of the Council to address and reduce this overspend prior to the end of the financial year.

17 Capital Programme Re-phasing and Variations

- 17.1 Based on the monitoring information above, it is proposed that the capital programme budget is re-phased to reflect the planned delivery of projects in 2020/21 to 2023/24. The cumulative impact of these adjustments are shown in the table below.

Proposed Capital Programme variations 2020/21 to 2023/24

| | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m | Total Programme £m |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|--------------------------|
| Capital Budget (July 20) | 485.2 | 374.4 | 259.5 | 110.2 | 0.0 | 1,229.3 |
| | | | | | | |
| Forecast Reprofile | -48.9 | 11.5 | 2.5 | 0.9 | 34.1 | 0.0 |

| | | | | | | |
|--------------------------------|-------|-------|-------|-------|------|---------|
| Cost Variations | -0.6 | -0.1 | 0.0 | 0.0 | 0.0 | -0.7 |
| | | | | | | |
| Proposed Capital Budget | 435.7 | 385.7 | 262.0 | 111.1 | 34.1 | 1,228.6 |

- 17.2 This re-phasing does not include provision for the net £0.2m forecast overspends noted above, as work continues to mitigate these.

Virements

- 17.3 Various schemes across the programme require virements in 2020/21 - 2022/23, as shown in the Appendix A.
- 17.4 The Council is requested to approve virements over £0.5m within the capital programme as outlined in Appendix A.
- 17.5 The Executive is recommended to approve virements under £0.5m within the capital programme as outlined in Appendix A.

18 Social Value

- 18.1 All capital business cases are required to provide information on social value impact likely to be generated as part of the scheme. These include details of employment of local residents, training of local residents, improvements in key health outcomes, support of community cohesion, improvement in key education outcomes, help to other excluded groups and promoting environmental sustainability. These are considered as part of the scheme approval process via the Checkpoint system. Work is on-going as part of improving overall contract monitoring to review the monitoring of these activities.

19 Changes to PWLB borrowing rates

- 19.1 On the 9th of October 2019 the Public Work Loans Board, an executive agency of the Treasury, increased the cost of borrowing available to the Council by 100 basis points. This means that the future cost of borrowing for the Council has increased, and has implications for local authority debt markets.
- 19.2 Further details on this change, and its implications, can be found in the report on capital financing which was discussed at Resources and Governance Scrutiny Committee on the 5th of November 2019.
- 19.3 As part of the Government's March 2020 budget, a consultation on the future of the PWLB was launched, and the Council responded in July. The outcome of the consultation, and any subsequent changes to the PWLB and its borrowing terms, are awaited.

20 Prudential Indicators

- 20.1 The prudential indicators as at the end of August 2020 are shown at appendix C.

21 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.

22 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.

Appendix A – Proposed Programme Virements

| | In year virement proposed | | | | |
|--|---------------------------|----------|----------|----------|----------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| Project Name | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | |
| Other Improvement works | | 359 | | | |
| Princess Rd Safety Review | | -359 | | | |
| | | | | | |
| Total Highways Programme | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| External cyclical works Charlestown Chain Bar Hillingdon Drive maisonettes | | -11 | | | |
| External cyclical works Crumpsall Blackley Village | | -20 | | | |
| Environmental improvements Moston corrolites | 31 | | | | |
| Delivery Costs | -5 | -4 | | | |
| Fire Risk Assessments | | | 800 | | |
| Delivery Costs | | 54 | 138 | | |
| Delivery Costs | -2 | | | | |
| Delivery Costs | 14 | | | | |
| Northwards Housing Programme - Unallocated | -38 | -19 | -938 | | |
| | | | | | |
| Total Public Sector Housing (HRA) Programme | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| St.Augustine's | 1 | | | | |
| Mauldeth Rd Rewire | 17 | | | | |
| Charlestown Community Fire Alarm/Lighting | -80 | | | | |
| Manley Park Primary roof repairs | -1 | | | | |
| Schools Capital Maintenance -unallocated | 63 | | | | |
| | | | | | |
| Total Children's Services Programme | 0 | 0 | 0 | 0 | 0 |

| | In year virement proposed | | | | |
|--------------------------------|---------------------------|----------|----------|----------|----------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| Project Name | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | |
| Total Capital Programme | 0 | 0 | 0 | 0 | 0 |

Appendix B – Proposed Revised Capital Budget

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Drainage | 2,120 | 1,871 | 0 | 0 | 0 | 3,991 |
| Patching Defect repairs | 2,000 | 528 | 0 | 0 | 0 | 2,528 |
| Carriageway Resurfacing | 8,592 | 8,499 | 0 | 0 | 0 | 17,091 |
| Footway schemes | 1,316 | 2,110 | 0 | 0 | 0 | 3,426 |
| Carriageway Preventative | 3,500 | 1,100 | 0 | 0 | 0 | 4,600 |
| Bridge Maintenance | 500 | 2,234 | 2,233 | 2,233 | 0 | 7,200 |
| Other Improvement works | 739 | 4,164 | 4,164 | 4,164 | 0 | 13,231 |
| Highways Maintenance Challenge Fund | 5,160 | 910 | 0 | 0 | 0 | 6,070 |
| Hyde Road (A57) Pinch Point Widening | 3,147 | 0 | 0 | 0 | 0 | 3,147 |
| Manchester/Salford Inner Relief Road (MSIRR) | 100 | 0 | 0 | 0 | 0 | 100 |
| Great Ancoats Improvement Scheme | 5,854 | 514 | 0 | 0 | 0 | 6,368 |
| Mancunian Way and Princess Parkway NPIF | 4,910 | 87 | 0 | 0 | 0 | 4,997 |
| Christie Extension Residents Parking Zones | 108 | 201 | 0 | 0 | 0 | 309 |
| Hathersage Residents Parking Zones | 60 | 0 | 0 | 0 | 0 | 60 |
| North Mcr General Hospital Residents Parking Zones | 63 | 0 | 0 | 0 | 0 | 63 |
| St George's Residents Parking Zones | 90 | 71 | 0 | 0 | 0 | 161 |
| Rusholme Residents Parking Zones | 55 | 204 | 0 | 0 | 0 | 259 |
| School Crossings | 3,784 | 0 | 0 | 0 | 0 | 3,784 |
| Chorlton Cycling Scheme | 4,381 | 7,645 | 354 | 0 | 0 | 12,380 |
| Northern Quarter Cycling Scheme | 1,996 | 8,280 | 0 | 0 | 0 | 10,276 |
| Manchester Cycleway | 415 | 178 | 0 | 0 | 0 | 593 |
| Beswick Filtered Neighbourhood Development Costs | 938 | 494 | 0 | 0 | 0 | 1,432 |

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | |
| Green Bridge at Airport City | 852 | 71 | 0 | 0 | 0 | 923 |
| A6 Stockport Road Pinch Point Scheme | 438 | 8 | 0 | 0 | 0 | 446 |
| Levenshulme Mini Holland Cycling and Walking scheme | 638 | 340 | 0 | 0 | 0 | 978 |
| Northern/Eastern GW Walking and Cycling scheme-development costs | 503 | 111 | 0 | 0 | 0 | 614 |
| Rochdale Canal | 168 | 9 | 0 | 0 | 0 | 177 |
| 20mph Zones (Phase 3) | 124 | 0 | 0 | 0 | 0 | 124 |
| Princess Rd Safety Review | 60 | 28 | 0 | 0 | 0 | 88 |
| Public Realm | 1,500 | 924 | 0 | 0 | 0 | 2,424 |
| Street Lighting PFI | 1,500 | 3,039 | 0 | 0 | 0 | 4,539 |
| Didsbury West | 23 | 0 | 0 | 0 | 0 | 23 |
| A56 Liverpool Road | 62 | 0 | 0 | 0 | 0 | 62 |
| A56 Chester Road | 40 | 0 | 0 | 0 | 0 | 40 |
| Sunbank Lane | 7 | 0 | 0 | 0 | 0 | 7 |
| Sharston Roundabout SCOOT | 6 | 0 | 0 | 0 | 0 | 6 |
| Derwent Avenue | 8 | 0 | 0 | 0 | 0 | 8 |
| Woodhouse Park | 16 | 0 | 0 | 0 | 0 | 16 |
| Arena Security Measures | 28 | 0 | 0 | 0 | 0 | 28 |
| Ladybarn District Centre | 26 | 0 | 0 | 0 | 0 | 26 |
| CCTV Operating System Upgrade | 243 | 0 | 0 | 0 | 0 | 243 |
| Manchester Trash Screens | 143 | 0 | 0 | 0 | 0 | 143 |
| Oldham Rd Feasibility study | 255 | 45 | 0 | 0 | 0 | 300 |
| | | | | | | |

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | |
| Total Highways Programme | 56,468 | 43,665 | 6,751 | 6,397 | 0 | 113,281 |
| | | | | | | |
| Waste Reduction Measures | 750 | 330 | 0 | 0 | 0 | 1,080 |
| Waste Contract | 200 | 350 | 350 | 0 | 0 | 900 |
| Purchase of Electric Refuse Charging Vehicles | 9,896 | 0 | 0 | 0 | 0 | 9,896 |
| Cremator and Mercury Abatement Plant Replacement Strategy | 310 | 1,241 | 0 | 0 | 0 | 1,551 |
| Park Events Infrastructure | 12 | 0 | 0 | 0 | 0 | 12 |
| Parks Development Programme | 552 | 3,200 | 3,574 | 4,685 | 0 | 12,011 |
| Somme 100 Year Memorial | 3 | 0 | 0 | 0 | 0 | 3 |
| Painswick Park Improvement | 2 | 0 | 0 | 0 | 0 | 2 |
| Heaton Park Southern Play Area | 28 | 0 | 0 | 0 | 0 | 28 |
| Wythenshawe Park Sport Facilities | 5 | 0 | 0 | 0 | 0 | 5 |
| King George V Park | 15 | 0 | 0 | 0 | 0 | 15 |
| Angel Meadow | 192 | 0 | 0 | 0 | 0 | 192 |
| Gately Brook Pre-Development Fees | 116 | 0 | 0 | 0 | 0 | 116 |
| Indoor Leisure - Abraham Moss | 212 | 9,631 | 13,030 | 46 | 0 | 22,919 |
| Indoor Leisure - Moss Side | 68 | 0 | 0 | 0 | 0 | 68 |
| Boggart Hole Clough - Visitors Centre | 0 | 535 | 0 | 0 | 0 | 535 |
| Mount Road | 0 | 32 | 0 | 0 | 0 | 32 |
| Culture Website | 4 | 0 | 0 | 0 | 0 | 4 |
| Manchester Regional Arena Track Replacement | 404 | 434 | 0 | 0 | 0 | 838 |
| Mellands Playing Fields - Levenshulme | 164 | 0 | 0 | 0 | 0 | 164 |
| Mellands Project - Longsight Ward | 330 | 0 | 0 | 0 | 0 | 330 |

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | |
| Gorton & Abbey hey Project | 292 | 0 | 0 | 0 | 0 | 292 |
| Hough End Master Plan - Strat Football Hub Development Costs | 508 | 0 | 0 | 0 | 0 | 508 |
| Range Stadium Capital Project | 168 | 0 | 0 | 0 | 0 | 168 |
| Manchester Aquatics Centre - Car Park Improvements | 402 | 0 | 0 | 0 | 0 | 402 |
| Non-Turf Wickets - Parks & Playing Fields | 232 | 0 | 0 | 0 | 0 | 232 |
| Central Library Wolfson Award | 2 | 0 | 0 | 0 | 0 | 2 |
| Central Library Refresh | 194 | 763 | 0 | 0 | 0 | 957 |
| Open Libraries | 115 | 190 | 0 | 0 | 0 | 305 |
| Contact Theatre loan | 200 | 0 | 0 | 0 | 0 | 200 |
| HOME Arches Phase 1 | 215 | 0 | 0 | 0 | 0 | 215 |
| | | | | | | |
| Total Neighbourhoods Programme | 15,591 | 16,706 | 16,954 | 4,731 | 0 | 53,982 |
| | | | | | | |
| First Street Cultural Facility | 14 | 0 | 0 | 0 | 0 | 14 |
| The Factory (Build) | 37,930 | 36,931 | 227 | 0 | 0 | 75,088 |
| St Johns (Public Realm) | 288 | 3,820 | 91 | 0 | 0 | 4,199 |
| Asset Management Programme | 7,536 | 13,291 | 0 | 0 | 0 | 20,827 |
| Manchester Aquatics Centre feasibility works | 464 | 0 | 0 | 0 | 0 | 464 |
| Town Hall Complex Transformation Programme | 54 | 0 | 0 | 0 | 0 | 54 |
| Hammerstone Road Depot | 2,154 | 11,303 | 5,815 | 0 | 0 | 19,272 |
| Carbon Reduction Programme | 3,910 | 10,200 | 5,000 | 5,000 | 0 | 24,110 |
| Greening of the City | 500 | 500 | 0 | 0 | 0 | 1,000 |

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | |
| Estates Transformation | 0 | 0 | 800 | 0 | 0 | 800 |
| Estates Transformation - Hulme District Office | 90 | 0 | 0 | 0 | 0 | 90 |
| Estates Transformation - Alexandra House | 5,426 | 1,180 | 0 | 0 | 0 | 6,606 |
| Ross Place Refurbishment | 0 | 0 | 0 | 0 | 0 | 0 |
| Proud Trust - Sidney Street | 250 | 0 | 0 | 0 | 0 | 250 |
| Space - Phase 3 | 195 | 455 | 0 | 0 | 0 | 650 |
| The Sharp Project | 0 | 600 | 0 | 0 | 0 | 600 |
| Digital Asset Base - One Central Park | 230 | 538 | 0 | 0 | 0 | 768 |
| Strategic Acquisitions Programme | 3,038 | 1,323 | 0 | 0 | 0 | 4,361 |
| Sustaining Key Initiatives | 0 | 2,858 | 8,600 | 0 | 0 | 11,458 |
| Mayfield Park | 296 | 35 | 0 | 0 | 0 | 331 |
| Housing Infrastructure Fund | 2,230 | 14,000 | 16,500 | 18,270 | 0 | 51,000 |
| Acquisition of land at Red Bank | 2,305 | 0 | 0 | 0 | 0 | 2,305 |
| Northern Gateway | 6,700 | 4,445 | 7,275 | 4,875 | 0 | 23,295 |
| Eastern Gateway - Central Retail Park | 709 | 0 | 0 | 0 | 0 | 709 |
| Eastern Gateway - New Islington Marina | 10 | 55 | 0 | 0 | 0 | 65 |
| House of Sport | 432 | 7,988 | 0 | 0 | 0 | 8,420 |
| St. Peters Square - Peterloo | 106 | 0 | 0 | 0 | 0 | 106 |
| Medieval Quarter Public Realm | 851 | 801 | 0 | 0 | 0 | 1,652 |
| Manchester College | 5,000 | 0 | 0 | 0 | 0 | 5,000 |
| Digital Business Incubators | 200 | 0 | 0 | 0 | 0 | 200 |
| Lincoln Square | 0 | 1,200 | 0 | 0 | 0 | 1,200 |
| Piccadilly Gardens - Phase 1 | 250 | 1,561 | 0 | 0 | 0 | 1,811 |

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | |
| Manchester Digital Security Innovation hub | 0 | 2,000 | 0 | 0 | 0 | 2,000 |
| New Smithfield Market | 100 | 369 | 0 | 0 | 0 | 469 |
| Heron House and Registrars | 1,966 | 0 | 0 | 0 | 0 | 1,966 |
| Civic Quarter Heat Network | 9,679 | 4,000 | 0 | 0 | 0 | 13,679 |
| | | | | | | |
| Total Growth & Development Programme | 92,913 | 119,453 | 44,308 | 28,145 | 0 | 284,819 |
| | | | | | | |
| Our Town Hall refurbishment | 39,140 | 70,327 | 86,216 | 50,397 | 34,094 | 280,174 |
| | | | | | | |
| Total Town Hall Refurbishment Programme | 39,140 | 70,327 | 86,216 | 50,397 | 34,094 | 280,174 |
| | | | | | | |
| Brunswick PFI Land Assembly | 100 | 593 | 677 | 0 | 0 | 1,370 |
| Collyhurst Regeneration | 0 | 178 | 1,000 | 2,700 | 0 | 3,878 |
| Collyhurst Environmentals | 0 | 55 | 0 | 0 | 0 | 55 |
| Collyhurst Land Assembly | 29 | 0 | 0 | 0 | 0 | 29 |
| Collyhurst Land Acquisitions | 0 | 210 | 799 | 0 | 0 | 1,009 |
| Eccleshall Street - 3 Sites | 0 | 0 | 500 | 0 | 0 | 500 |
| Site Investigation and Early Works HIF Pilot Sites | 0 | 0 | 65 | 0 | 0 | 65 |
| Miles Platting PFI Land Assembly | 4 | 146 | 266 | 0 | 0 | 416 |
| Disabled Facilities Grant | 4,004 | 7,200 | 1,000 | 0 | 0 | 12,204 |
| Toxteth St CPO & environmental works | 1 | 29 | 0 | 0 | 0 | 30 |
| Bell Crescent CPO | 0 | 0 | 0 | 482 | 0 | 482 |
| HCA Empty Homes Cluster Phase 2 | 107 | 415 | 891 | 0 | 0 | 1,413 |

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | |
| Princess Rd | 100 | 0 | 0 | 0 | 0 | 100 |
| Empty Homes Scheme | 2,000 | 0 | 0 | 0 | 0 | 2,000 |
| Ancoats Dispensary: Survey Work to Confirm Major Project Viability | 352 | 0 | 0 | 0 | 0 | 352 |
| Redrow Development Phase 2 onward | 21 | 0 | 0 | 0 | 0 | 21 |
| West Gorton Compensation | 4 | 0 | 0 | 0 | 0 | 4 |
| West Gorton Ph 2A Demolition & Commercial Acquisitions | 51 | 386 | 904 | 0 | 0 | 1,341 |
| HMRF | 10 | 30 | 89 | 0 | 0 | 129 |
| Collyhurst Acquisition & Demolition (Overbrook & Needwood Close) | 0 | 664 | 0 | 0 | 0 | 664 |
| Extra Care | 0 | 1,245 | 1,200 | 0 | 0 | 2,445 |
| Moston Lane Acquisitions | 0 | 0 | 0 | 7,500 | 0 | 7,500 |
| Equity Loans | 0 | 0 | 397 | 0 | 0 | 397 |
| West Gorton Community Park | 350 | 25 | 25 | 0 | 0 | 400 |
| Ben Street Regeneration | 428 | 623 | 0 | 0 | 0 | 1,051 |
| Marginal Viability Fund - New Victoria | 6,215 | 5,185 | 0 | 0 | 0 | 11,400 |
| Chimebank | 34 | 0 | 0 | 0 | 0 | 34 |
| | | | | | | |
| Total Private Sector Housing Programme | 13,810 | 16,984 | 7,813 | 10,682 | 0 | 49,289 |
| | | | | | | |
| Charlestown - Victoria Ave multistorey window replacement and external cyclical works | 2,382 | 6,420 | 3,481 | 0 | 0 | 12,283 |

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | |
| Harpurhey Lathbury & 200 Estates external cyclical works | -18 | 18 | 0 | 0 | 0 | 0 |
| Environmental works | 0 | 5 | 0 | 0 | 0 | 5 |
| Moston Miners Low Rise externals | 0 | 18 | 0 | 0 | 0 | 18 |
| Newton Heath Limestone Drive externals | 0 | 6 | 0 | 0 | 0 | 6 |
| External cyclical works Ancoats Smithfields estate | 75 | 0 | 0 | 0 | 0 | 75 |
| External cyclical works New Moston (excl corrolites) | 0 | 8 | 0 | 0 | 0 | 8 |
| Environmental improvements Moston corrolites | 81 | 0 | 0 | 0 | 0 | 81 |
| ENW distribution network (various) | 194 | 0 | 0 | 0 | 0 | 194 |
| Various Estate based environmental works | 100 | 163 | 0 | 0 | 0 | 263 |
| Moston Corrolites external work | 53 | 1,050 | 117 | 0 | 0 | 1,220 |
| Charlestown Pevensey and Rushcroft Courts door entry systems renewal | 49 | 0 | 0 | 0 | 0 | 49 |
| Retaining Walls | 0 | 150 | 150 | 0 | 0 | 300 |
| Delivery Costs | 540 | 1,002 | 486 | 0 | 0 | 2,028 |
| Decent Homes mop ups ph 9 and decent homes work required to voids | 0 | 20 | 0 | 0 | 0 | 20 |
| One offs such as rewires, boilers, doors, insulation | 0 | 31 | 0 | 0 | 0 | 31 |
| Ancoats - Victoria Square lift replacement | 4 | 0 | 0 | 0 | 0 | 4 |
| Boiler replacement programme | -6 | 0 | 0 | 0 | 0 | -6 |
| Harpurhey - Monsall Multis Internal Works | 583 | 365 | 0 | 0 | 0 | 948 |
| Newton Heath - Multies Internal Works | 1,452 | 1,685 | 0 | 0 | 0 | 3,137 |
| Higher Blackley - Liverton Court Internal Works | 4 | 62 | 0 | 0 | 0 | 66 |

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | |
| Various - Bradford/Clifford Lamb/Kingsbridge/Sandyhill Court Internal Works | 152 | 0 | 0 | 0 | 0 | 152 |
| Charlestown - Rushcroft/Pevensey Court Internal Works | 678 | 265 | 0 | 0 | 0 | 943 |
| Collyhurst - Mossbrook/Roach/Vauxhall/Humphries Court Internal Works | 405 | 127 | 0 | 0 | 0 | 532 |
| Decent Homes mop ups and voids | 181 | 214 | 22 | 0 | 0 | 417 |
| One off work - rewires, boilers, doors | 2 | 50 | 0 | 0 | 0 | 52 |
| Fire precautions multi storey blocks | 0 | 150 | 0 | 0 | 0 | 150 |
| ERDF Heat Pumps | 2,488 | 1,825 | 101 | 0 | 0 | 4,414 |
| Charlestown - Rushcroft/Pevensey Courts Lift Refurb | 0 | 300 | 225 | 0 | 0 | 525 |
| One off type work (rewires/boilers/doors) | 211 | 0 | 0 | 0 | 0 | 211 |
| Fire Risk Assessments | 697 | 3,473 | 1,640 | 0 | 0 | 5,810 |
| Northwards - Harpurhey 200 Estate Internal Works | 636 | 215 | 0 | 0 | 0 | 851 |
| Rushcroft and Pevensey Courts Ground Source Heat Pumps | 1,261 | 1,162 | 0 | 0 | 0 | 2,423 |
| Harpurhey Baths Estate (excl Edward Grant Court) and Cheetham Appleford Estate | 318 | 507 | 0 | 0 | 0 | 825 |
| Newton Heath Troydale and Croyden Drive Low Rise Estates | 463 | 1,637 | 0 | 0 | 0 | 2,100 |
| Responsive Investment Works | 0 | 650 | 100 | 0 | 0 | 750 |
| Retirement blocks various M&E/H&S works | 215 | 769 | 250 | 0 | 0 | 1,234 |

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | |
| Retirement blocks lift replacement apprentice and edward grant courts | 0 | 114 | 0 | 0 | 0 | 114 |
| One off type work such as rewires boilers doors | 0 | 350 | 0 | 0 | 0 | 350 |
| Delivery Costs | 1,804 | 1,760 | 301 | 0 | 0 | 3,865 |
| Bringing Studio Apartments back in use | 0 | 12 | 0 | 0 | 0 | 12 |
| Various Locations - bringing bedsits back into use | 0 | 104 | 0 | 0 | 0 | 104 |
| Delivery Costs | 0 | 15 | 0 | 0 | 0 | 15 |
| Improvements to Homeless accommodation city wide | 0 | 36 | 0 | 0 | 0 | 36 |
| Plymouth Grove Women's Direct Access Centre | 0 | 28 | 0 | 0 | 0 | 28 |
| Improvements to Homeless Accommodation Phase 2 | 375 | 355 | 0 | 0 | 0 | 730 |
| Woodward Court reroofing | 102 | 145 | 0 | 0 | 0 | 247 |
| Woodward Court lift replacement | 0 | 0 | 434 | 0 | 0 | 434 |
| Delivery Costs | 88 | 71 | 54 | 0 | 0 | 213 |
| Stock Acquisitions | 2 | 0 | 0 | 0 | 0 | 2 |
| Adaptations | 150 | 202 | 0 | 0 | 0 | 352 |
| Various Locations - Adaptations | 305 | 388 | 0 | 0 | 0 | 693 |
| Delivery Costs | 56 | 50 | 0 | 0 | 0 | 106 |
| Northwards Housing Programme - Unallocated | 0 | 0 | 13,366 | 0 | 0 | 13,366 |
| Collyhurst Maisonette Compensation & Dem | 0 | 89 | 935 | 0 | 0 | 1,024 |
| West Gorton PH2A Low & High Rise Demolition | 26 | 0 | 0 | 0 | 0 | 26 |
| Collyhurst Estate Regeneration | 0 | 0 | 1,541 | 0 | 0 | 1,541 |
| Buy Back Properties - Right to Buy | 6 | 0 | 0 | 0 | 0 | 6 |

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | |
| Collyhurst Regeneration - Highways Phase 1 | 0 | 287 | 1,394 | 0 | 0 | 1,681 |
| Collyhurst Regeneration - Churnett Street | 0 | 0 | 790 | 0 | 0 | 790 |
| Collyhurst Regeneration - Needwood & Overbrook acquisition / demolition | 0 | 134 | 0 | 0 | 0 | 134 |
| Willert Street Park Improvements | 0 | 10 | 0 | 0 | 0 | 10 |
| North Manchester New Builds | 38 | 339 | 0 | 0 | 0 | 377 |
| North Manchester New Builds 3 | 245 | 0 | 0 | 0 | 0 | 245 |
| Parkhill Land Assembly | 0 | 0 | 4,270 | 0 | 0 | 4,270 |
| Collyhurst | 500 | 13,890 | 4,210 | 0 | 0 | 18,600 |
| Buying Back Former Council Homes | 0 | 500 | 500 | 500 | 0 | 1,500 |
| | | | | | | |
| Total Public Sector Housing (HRA) Programme | 16,897 | 41,226 | 34,367 | 500 | 0 | 92,990 |
| | | | | | | |
| Lytham Rd | 14 | 0 | 0 | 0 | 0 | 14 |
| Plymouth Grove Refurbishment | 89 | 0 | 0 | 0 | 0 | 89 |
| Crossacres Primary School | 24 | 0 | 0 | 0 | 0 | 24 |
| Dean Trust Expansion | 2,859 | 0 | 0 | 0 | 0 | 2,859 |
| Brookside Rd Moston | 4,632 | 2,784 | 5 | 0 | 0 | 7,421 |
| North Hulme Adv Playground | 2,522 | 2,127 | 10 | 0 | 0 | 4,659 |
| Roundwood Road | 5,940 | 1,905 | 159 | 0 | 0 | 8,004 |
| Coop North Expansion | 488 | 0 | 0 | 0 | 0 | 488 |
| Our Lady's Expansion | 160 | 0 | 0 | 0 | 0 | 160 |
| Manchester Communications Academy | 111 | 0 | 0 | 0 | 0 | 111 |
| Hyde Road Secondary School | 1,000 | 1,000 | 0 | 0 | 0 | 2,000 |

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | |
| St Peters RC High school expansion | 383 | 0 | 0 | 0 | 0 | 383 |
| Basic need - unallocated funds | 0 | 20,866 | 44,359 | 0 | 0 | 65,225 |
| Universal Infant Free School Meals (UIFSM) - Allocated | 7 | 0 | 0 | 0 | 0 | 7 |
| Universal Infant Free School Meals (UIFSM) - Unallocated | 75 | 0 | 0 | 0 | 0 | 75 |
| Broad Oak Primary School Kitchen | 757 | 0 | 0 | 0 | 0 | 757 |
| Lily Lane Prim Windows | 0 | 46 | 0 | 0 | 0 | 46 |
| Moston Lane Reroof | 6 | 0 | 0 | 0 | 0 | 6 |
| St.Augustine's | 68 | 0 | 0 | 0 | 0 | 68 |
| Medlock Primary - Boundary Wall rebuild | 80 | 0 | 0 | 0 | 0 | 80 |
| Crumpsall Lane - Electrical rewire | 899 | 0 | 0 | 0 | 0 | 899 |
| Mauldeth Rd Rewire | 693 | 0 | 0 | 0 | 0 | 693 |
| Button Lane Primary Fire Alarm | 161 | 0 | 0 | 0 | 0 | 161 |
| Charlestown Comm Fire Alarm/Lighting | 202 | 0 | 0 | 0 | 0 | 202 |
| Northenden Primary Pipework and Radiators | 258 | 0 | 0 | 0 | 0 | 258 |
| Crowcroft Park roof repairs | 324 | 0 | 0 | 0 | 0 | 324 |
| St Wilfreds CE roof repairs | 6 | 444 | 0 | 0 | 0 | 450 |
| Northenden Comm external works | 81 | 0 | 0 | 0 | 0 | 81 |
| Abbott Kitchen ventilation | 114 | 0 | 0 | 0 | 0 | 114 |
| Manley Park Primary roof repairs | 350 | 0 | 0 | 0 | 0 | 350 |
| Broad Oak Reception class and roof repair | 346 | 0 | 0 | 0 | 0 | 346 |
| Schools Capital Maintenance -unallocated | 150 | 3,361 | 0 | 0 | 0 | 3,511 |
| Early Education for Two Year Olds - Unallocated | 52 | 0 | 0 | 0 | 0 | 52 |

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | |
| Healthy Pupil Capital Funding | 0 | 257 | 0 | 0 | 0 | 257 |
| North Ridge SEN | 3,127 | 9 | 0 | 0 | 0 | 3,136 |
| Special Educational Needs grant | 0 | 683 | 0 | 0 | 0 | 683 |
| Seymour Road | 653 | 0 | 0 | 0 | 0 | 653 |
| Commercial Wharf/ISS Refurbishment of YJS Building | 97 | 43 | 0 | 0 | 0 | 140 |
| Ghyll Head | 1,091 | 0 | 0 | 0 | 0 | 1,091 |
| Acquisition of land at Hyde Road | 13,157 | 12 | 0 | 0 | 0 | 13,169 |
| Nurseries Capital Fund - Unity Community | 230 | 139 | 0 | 0 | 0 | 369 |
| Lyndene Children's Home Refurbishment | 655 | 220 | 0 | 0 | 0 | 875 |
| | | | | | | |
| Total Children's Services Programme | 41,861 | 33,896 | 44,533 | 0 | 0 | 120,290 |
| | | | | | | |
| Internet Resilience | 30 | 0 | 0 | 0 | 0 | 30 |
| Network Refresh Programme | 96 | 3,837 | 2,349 | 0 | 0 | 6,282 |
| Data Centre Network Design and Implementation | 510 | 0 | 0 | 0 | 0 | 510 |
| End User Experience | 570 | 1,000 | 0 | 0 | 0 | 1,570 |
| Microsoft 365 | 1,760 | 0 | 0 | 0 | 0 | 1,760 |
| Telephony | 200 | 200 | 0 | 0 | 0 | 400 |
| Technology Enabled Care Digital Platform | 157 | 0 | 0 | 0 | 0 | 157 |
| ICT Investment Plan | 0 | 6,560 | 8,900 | 7,690 | 0 | 23,150 |
| | | | | | | |
| Total ICT Programme | 3,323 | 11,597 | 11,249 | 7,690 | 0 | 33,859 |
| | | | | | | |

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------|
| Project Name | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Proposed revised budget | Total Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | | | | |
| Pay and Display Machines | 220 | 0 | 0 | 0 | 0 | 220 |
| Phase 1 Implementation - Locality Plan Programme Office | 375 | 112 | 0 | 0 | 0 | 487 |
| Integrated Working - Gorton Health Hub | 4,429 | 14,674 | 1,076 | 0 | 0 | 20,179 |
| BioMedical Investment | 3,792 | 7,785 | 2,308 | 0 | 0 | 13,885 |
| Manchester Jewish Museum Loan | 290 | 0 | 0 | 0 | 0 | 290 |
| Manchester Airport Car Park Investment | 3,730 | 0 | 0 | 0 | 0 | 3,730 |
| FC United | 170 | 0 | 0 | 0 | 0 | 170 |
| VCSE Small premises works | 0 | 500 | 500 | 0 | 0 | 1,000 |
| Irish World Heritage Centre Loan | 10 | 0 | 0 | 0 | 0 | 10 |
| Airport Loan | 142,700 | 0 | 0 | 0 | 0 | 142,700 |
| Inflation | 0 | 8,783 | 5,965 | 2,527 | 0 | 17,275 |
| | | | | | | |
| Total Corporate Capital Programme | 155,716 | 31,854 | 9,849 | 2,527 | 0 | 199,946 |
| | | | | | | |
| Total Capital Programme | 435,719 | 385,708 | 262,040 | 111,069 | 34,094 | 1,228,630 |

Appendix C – Prudential Indicators as at end of August 2020

| No | Prudential Indicator | | Target | | As at end Aug 20 | Target Breached Y/N |
|----|--|--------------------------------|-------------|-------------|------------------|---------------------|
| | | | £m | | £m | |
| 1 | Estimated Financing Costs to Net Revenue Stream | | 6.7% | | 6.7% | N |
| 2 | Forecast Capital Expenditure | Non – HRA | 453.7 | | 419.0 | N |
| | | HRA | 38.8 | | 16.9 | N |
| | | Total | 492.5 | | 435.9 | N |
| 3 | Forecast Capital Financing Requirements | Non – HRA | 1,637.1 | | 1,457.4 | N |
| | | HRA | 299.2 | | 299.2 | N |
| | | Total | 1,936.3 | | 1,756.6 | N |
| | | | | | | |
| 4 | Authorised Limits for External Debt | Borrowing | 1,384.5 | | 784.6 | N |
| | | Other Long Term Liabilities | 190.0 | | 190.0 | N |
| | | Total | 1,574.5 | | 974.6 | N |
| 5 | Operational Boundaries for External Debt | Borrowing | 1,006.2 | | 784.6 | N |
| | | Other Long Term Liabilities | 190.0 | | 190.0 | N |
| | | Total | 1,196.2 | | 974.6 | N |
| 6 | Upper Limits for Principle Sums Invested for over 364 days | | 0 | | 0 | |
| | | | Upper Limit | Lower Limit | | |
| 7 | Maturity Structure of Borrowing | under 12 months | 80 | 0 | 47.9% | N |
| | | 12 months and within 24 months | 70 | 0 | 13.3% | N |

| | | | | | | |
|--|--|------------------------------|----|----|-------|---|
| | | 24 months and within 5 years | 60 | 0 | 9.1% | N |
| | | 5 years and within 10 years | 50 | 0 | 0.2% | N |
| | | 10 years and above | 80 | 20 | 29.5% | N |

Appendix D – Capital Approval Process Flowchart

