

The Executive

Minutes of the meeting held on 17 October 2018

Present: Councillor Leese (Chair)

Councillors: Akbar, Bridges, Craig, N Murphy, S Murphy, Ollerhead, Rahman, Stogia

Apologies: Councillor Richards and Sheikh

Also present as Members of the Standing Consultative Panel: Councillors Karney, Leech, M Sharif Mahamed, Midgley, Ilyas, Taylor and S Judge

Exe/18/93 Minutes

The draft minutes of the meeting on the Executive on 12 September were considered. For Minute Exe/18/88, Proposals for a Resident Parking Policy, it was agreed to add that in responding to the address given by Councillor A Simcock the Executive Member for Environment, Planning & Transport gave an undertaking to meet with the councillors for the wards around the Christie Hospital to discuss how the Christie Hospital Resident Parking Scheme would now progress.

Decision

Subject to the above change, to confirm as a correct record the minutes of the meeting on 12 September.

Exe/18/94 Global Monitoring and Budget Update

A report was submitted to provide a summary of the position of the 2018/19 revenue budget at the end of August 2018. The report gave details of the projected variances to budgets, the position of the Housing Revenue Account, Council Tax and business rate collection, revised prudential borrowing indicators, and the state of the Council's contingency funds. Projecting forward from the position at the end of August 2018 it was forecast that by the year-end in March 2019 the revenue budget would be overspent by £6.145m, which was better than the previous projection of an £13.749m overspend as reported in July (Minute Exe/18/77).

The report explained the steps that had been taken since July to reduce the size of the projected overspend. The budget recovery plan was referred to in July had been implemented

The report examined a proposed change in one of the Prudential Indicators for 2018/19 that had been set by the Council in March 2018 as part of the resolution of the Council's 2018/19 budget (Minute CC/18/17). The indicator for non HRA Capital Expenditure for 2018/19 was forecast to be higher than the target that had been set. It was therefore proposed that the non HRA Capital Expenditure limit now be set at £600m.

The following revenue budget virements were proposed and agreed:

- £292k in Revenue and Benefits and Shared Service Centre transferred from pay to non-pay to enable to service to meet non pay service pressures. Transfer of £189k budget (£283k in 2019/20) for the Research function from City Policy to Performance, Research and Intelligence Team following a service review.
- Transfer of £1.701m budget for Work, Skills and Manchester Adult Education Services and £495k budget for Planning Licensing and Building Control function from the Neighbourhoods Directorate to Strategic Development in line with the changes in Directorate functions approved by Personnel Committee (Minute PC/18/16).
- Transfer of £0.613m budget for the Commissioning Children's Placement Team from Adult Social Care Directorate to Children's services Directorate following a service review.

When setting the 2018/19 budget the Council has agreed to hold some funds that were to be allocated throughout the year. The report proposed the use of some of these budgets to be allocated. These were agreed:

- Pay Inflation - £5.150m for the costs of the pay award which was agreed as 2% at Grade 4 and above with higher percentage increases at Grades 1 to 3. This has been allocated across the council's pay budgets.
- Non pay inflation - Children's Services inflationary increase - £1.859m to support the continued delivery of the Looked After Children strategy.

The report also addressed use of the Council reserves. It explained that the draw-down of £18k of the English Institute of Sport Reserve was requested to invest in sports programmes. That was approved.

1. To recommend to Council that the revised Prudential Indicator for non HRA Capital Expenditure be set at £600m.
2. To note the report.
3. To approve the proposed virements as set out above.
4. To approve the use of budgets to be allocated and contingency as shown above.
5. To approve the use of reserves as set out above.

Exe/18/95 Capital Programme Monitoring 2018/19

The City Treasurer's report informed us of the revised capital budget 2018/19 to 2023/24 taking account of agreed and proposed additions to the programme, profiling changes, and the latest estimates of forecast spend and resources for the 2018/19 capital programme. The report explained the major variations to forecast spend, and any impact that variations had on the five-year Capital Programme.

Appended to the report was a schedule of projects within the overall capital programme where the allocations needed to be revised and funding allocations vired between projects. The appendix showed the virement needed for each scheme and each project. We agreed to recommend to the Council the proposed virements greater than £500,000, as set out in the appendix to these minutes. The virements of less than £500,000 we approved.

Also appended to the report was a full schedule of all projects within the Capital Programme which set out the agreed budget for each project from 2018/19 to 2023/24.

1. To recommend that the Council approve the virements over £0.5m between capital schemes to maximise use of funding resources available to the City Council as set out in the appendix to these minutes.
2. To note that approval of movements and transfers to the full capital programme, including projects on behalf of Greater Manchester, will reflect a revised total capital programme budget of £616.1m and a latest full year forecast of £604.2m. Expenditure to the end of September 2018 is £197.8m.
3. To agree that the capital budget be amended to reflect movement in the programme, attributable to approved budget increases and updates to spending profiles.
4. To approve the virements below £0.5m between capital schemes to maximise use of funding resources available to the City Council as set out in the appendix to these minutes.
5. To note that capital resources will be maximised and managed to ensure the capital programme 2018/19 remains fully funded and that no resources are foregone.
6. To note that approval of movements and transfers to the Manchester City Council capital programme will reflect a revised capital programme budget of £474.3m and a latest full year forecast of £471.9m. Expenditure to the end of September 2018 is £154.2m.
7. In relation to projects carried out on behalf of Greater Manchester, to agree that the capital budget be amended to reflect movement in the programme, attributable to approved budget increases and updates to spending profiles.
8. To note that approval of movements and transfers to the Greater Manchester capital programme will reflect a revised capital programme budget of £141.8m against a latest full year forecast of £132.3m. Expenditure to the end of September 2018 is £43.6m.

A report concerning requests to increase the capital programme was submitted. We agreed to recommend four changes to the Council and approved three other changes under delegated powers. These changes would change Manchester City Council's capital budget: +£0.926m in 2018/19, +£0.034m in 2019/20, -£150 in 2020/21 and -£150 in 2021/22. A total net increase of £0.66m.

1. To recommend that the Council approve the following changes to Manchester City Council's capital programme:
 - a) Strategic Development – Alexandra House. A capital budget allocation and transfer of £12.0m, £0.885m in 2018/19, £4.790m in 2019/20, £4.0m in 2020/21 and £2.325m in future years, to be met from £10.0m from the Estates Transformation budget funded by borrowing and £2.0m from the Asset Management Programme budget funded by capital receipts.
 - b) Neighbourhoods – Christmas Market Electrical Equipment. A capital budget increase of £0.137m in 2018/19, funded by borrowing.
 - c) Strategic Development – Car Hire, Etihad. A capital budget allocation and transfer of £0.960m in 2018/19, from the Strategic Acquisition budget, funded by Capital Fund.
 - d) Highways – Highways Asset Surveys. A virement from the capital budget to revenue of £1.5m, £1.2m in 2019/20, £0.15m in 2020/21 and £0.15m in 2021/22, funded via Capital Fund.
2. To approve the following changes to the City Council's capital programme:
 - e) Strategic Development – West Gorton Park. An increase in the capital budget of £0.514m in 2018/19 and £1.336m in 2018/19, funded by grant of £1.1m and capital receipts of £0.750m.
 - f) ICT – Care Leavers Phase 1. A capital budget allocation and transfer of £0.091m in 2018/19, from the ICT Investment Plan budget, funded by borrowing.
 - g) ICT – ONE System Developments. A capital budget allocation and transfer of £0.048m in 2018/19, from the Children and Families ICT Projects budget, funded by borrowing.
3. To note the increases to the Programme of £0.423m as a result of delegated approvals.

Exe/18/97 Disposal of leasehold interests in land at Crown Street, Manchester

The Great Jackson Street area is located in the south of the city centre and adjacent to Castlefield. It is bounded by Chester Road and the River Medlock to the north and west, the Mancunian Way to the south and the residential developments on City

Road East to the east. In July 2015 we had considered and endorsed a Development Framework for the area (Minute Exe/15/078). In September 2017 we learned that since 2015 the masterplan design for the area had further evolved and that a revised framework had been drafted. It was agreed that there should be a period of public consultation on that revised framework (Minute Exe/17/121). In January 2018 we had considered the outcome of that consultation and supported the adoption of the Strategic Regeneration Framework (SRF), delegating to the Chief Executive the final decision on adopting the framework document.

A report now submitted by the Strategic Director (Development) dealt with proposals for a land transaction that would support the implementation of the development goals set out in that SRF. The report explained that the Council owned the freehold reversion of three plots of land within the development area. These interests are arranged in three land registry titles, and were the subject of two existing leases to the lead developer in the SFR area, Renaker. The leases were restrictive in their use, permitting only industrial and car parking uses and the unexpired term was insufficient to secure funding for redevelopment of the site in accordance with the SRF. The proposed transaction would comprise an over-arching agreement between the Council and the developer with appropriate conditions to ensure proper and adequate progress with the objectives in the SRF.

1. To note the commitment by the Developer to provide new community amenities in the form of a new educational space, a medical centre and public park within their development proposals.
2. To approve the disposal of new development leases to the existing leaseholder by way of a conditional agreement for lease and lease, on principle terms outlined in the report.
3. To delegate authority to the Strategic Director, Strategic Development, in consultation with the Leader and Executive Member for Housing and Regeneration, to finalise the detailed terms of the commercial agreements.
4. To delegate authority to the City Solicitor to complete the necessary contracts to give effect to the above recommendations.

Exe/18/98 Item withdrawn - First Street Development Framework Update 2018 Consultation

This item of business had been withdrawn before the meeting.

Appendix

Exe/18/96 Capital Programme Monitoring 2018/19

Capital Virements October 2018 – Project Name	2018/19 Virement £m	2019/20 Virement £m	2020/21 Virement £m	2021/22 Virement £m
Highway Programme				
Highways Planned Maintenance Programme				
Disabled Bays/ line markings		-150	-50	-50
Network Maintenance		-150	-50	-50
Carriageway Resurfacing		10		
Other Improvement works		300	100	100
Highways Stand Alone Projects Programme				
Velocity		-10		
Total Highways Programme	0	0	0	0
Public Sector Housing				
01.00 Northwards - External Work				
Charlestown - Victoria Ave multistorey window replacement and ECW - Phase 1			-3807	
Collyhurst Environmental programme	45			
Updating of Electricity Northwest distribution network phase 2 to multi storeys, maisonettes and retirement blocks	-53			
Updating of Electricity Northwest distribution network phase 3	-52			
External cyclical works ph 3b Moston Estates (Chauncy/Edith Cliff/Kenyon/Thorveton Sq)	-1			
External cyclical works ph 3b Ancoats Smithfields estate	257			
External cyclical works ph 4b Charlestown Chain Bar low rise	5			
External cyclical works ph 4b Charlestown Chain Bar Hillingdon Drive maisonettes	-5			
External cyclical works ph 4b Newton Heath Assheton estate	-1			
Charlestown - Victoria Ave multistorey replacement door entry systems		-30	-100	
ENW distribution network phase 4 (various)	113	291		
Dam Head - Walk up flates communal door renewal	309	2		
02.00 Northwards - Internal Work				
Decent Homes mop ups phase 8 and voids	-115			

Capital Virements October 2018 – Project Name	2018/19 Virement £m	2019/20 Virement £m	2020/21 Virement £m	2021/22 Virement £m
One off rewires, boilers, doors, insulation etc	-15			
Retirement blocks lift programme	-2			
Multi-storey lift replacement	-8			
Boiler Replacement at Cheetham Hill Local Services Office	-1			
Lift replacement / refurbishment programme	-27			
Replacement warden call to Edward Grant Court	-1			
Fire precaution works - installation of fire seal box to electric cupboards on communal corridors in retirement blocks	-1			
Community Room emergency lighting at Victoria Square	-3			
Decent Homes mop ups ph 9 and decent homes work required to voids	-214			
Whitemoss Road and Cheetham Hill Road Local Offices - Improvements	8			
Job 40502 Aldbourne Court/George Halstead Court/Duncan Edwards Court works	20			
Install intercom systems to replace buzzers (various)	-172	-9		
Crumpsall - Bennet Rd flats fire upgrade works	-12	-1		
Collyhurst - Rainwater pipes/guttering rectification work		-62		
Boiler replacement programme - Job 40491		-62		
Kitchen and Bathrooms programme	109		60	
Decent Homes mop ups phase 10 and voids	329			
Installations of sprinkler systems - multi storey blocks		1400		
14.00 Northwards - Adaptations				
Disabled Adaptations	-145			
Adaptations	300			
Adaptations - Northwards	-575			
Adaptations - 18/19	420			
Northwards Housing Programme 2017/18	-512	-1529	3847	
Total Public Sector Housing (HRA) Programme	0	0	0	0
Children's Services Programme				
Basic Need Programme				
Crab Lane - Increase capacity	-9			

Capital Virements October 2018 – Project Name	2018/19 Virement £m	2019/20 Virement £m	2020/21 Virement £m	2021/22 Virement £m
E-Act Academy - increase capacity	-36			
Crosslee - Increase capacity	-22			
Mauldeth Road - Increase capacity	-47			
Charlestown - Increase accommodation	-50			
St. John's CE Primary	-58			
Holy Trinity VC Primary	-28			
Stanley Grove - contribution to PFI	13			
Dean Trust Ardwick	-44			
Rodney House conversion	-63			
Basic need - unallocated funds	344			
Schools Maintenance Programme				
Moston Lane Primary	-68			
Wilbraham Primary Roof	-188			
Crowcroft Park PS-Rewire	10			
Pike Fold Community Primary - Ground Stabilisation	-1			
Charlestown Primary ED43076	-1			
All Saints PS	-5			
Collyhurst Nursery School	-35			
Armitage CE Primary	-28			
Crowcroft Park PS - Roof Repairs	-25			
Northenden Primary School - Part Reroof	-138			
Abbot Community Primary - Ext Joinery Repair	-15			
St Mary's PS - Joinery Repairs	-7			
Sandilands PS - Joinery Repairs	-65			
Lancasterian ID Secure Lobby	-4			
Cheetwood PS - Rewire	-112			
Schools Capital Maintenance -unallocated	682			
Total Children's Services Programme	0	0	0	0
ICT Capital Programme				
ICT Infrastructure & Mobile Working Programme				
End User Computing	-64			
Internet Resilience	-101			
ICT Investment Plan	165			
Total ICT Programme	0	0	0	0
Total CAPITAL PROGRAMME	0	0	0	0