

**Manchester City Council  
Report for Resolution**

**Report to:** Executive – 28 July 2021

**Subject:** Capital Programme Update

**Report of:** Deputy Chief Executive and City Treasurer

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**Summary**

This report informs members of requests to increase the capital programme, seeks approval for those schemes that can be approved under authority delegated to the Executive and asks the Executive to recommend to the City Council proposals that require specific Council approval.

**Recommendations**

- (1) Under powers delegated to the Executive, to approve the following changes to the City Council's capital programme:
    - Private Sector Housing – Disabled Facilities Grant (DFG). A capital budget increase of £6.289m is requested, funded by Government Grant
    - Highways Services – Great Ancoats Street Tree Maintenance. A capital budget decrease of £0.040m is requested and approval of a corresponding transfer of £0.040m to the revenue budget, funded by Capital Fund.
  - (2) To note increases to the programme of £0.295m as a result of delegated approvals.
  - (3) To note virements in the programme of £0.241m as a result of virements from approved budgets
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**Wards Affected** - Various

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

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

<b>Our Manchester Strategy outcomes</b>	<b>Contribution to the strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Contributions to various areas of the economy including investment in ICT services, Housing, and leisure facilities.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	Investment provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Improvements to services delivered to communities and enhanced ICT services.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in cultural and leisure services and housing.
A connected city: world class infrastructure and connectivity to drive growth	Through investment in ICT and the City's infrastructure of road networks and other travel routes.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

### **Financial Consequences – Revenue**

The recommendations in this report, if approved, would increase Manchester City Council's revenue budget by £0.040m.

### **Financial Consequences – Capital**

The recommendations in this report, if approved, will increase Manchester City Council's capital budget by £6.249m across the financial years as detailed in Appendix 1.

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

Report to the Executive 17<sup>th</sup> February 2021 – Capital Strategy and Budget 2020/21 to 2024/25

Report to the Executive 17<sup>th</sup> March 2021 - Capital Programme Update

Report to the Executive 2<sup>nd</sup> June 2021 – Capital Programme Update

Report to the Executive 30<sup>th</sup> June 2021 – Capital Programme Update and Capital Programme Monitoring 2020/21 Outturn

## **1.0 Introduction**

- 1.1 This report outlines the requests for changes to the capital budget from 2021/22.

## **2.0 Background**

- 2.1 In February each year the Executive receives a report on the capital budget for the forthcoming five financial years and approves a series of recommendations to the City Council which then constitute the approval of the five-year capital programme. Proposals for the capital budget were presented to the Executive on 17th February 2021.
- 2.2 The capital programme evolves throughout the financial year, and as new projects are developed, they will be reviewed under the current governance framework and recommendations made regarding whether they should be pursued.
- 2.3 The following requests for a change to the programme have been received since the previous report to the Executive on 30<sup>th</sup> June 2021.
- 2.4 Note that where requests are made in the report to switch funding from capital to revenue and to fund the revenue spend from the Capital Fund, this is a funding switch from within the capital programme and will not have a negative impact on the Fund itself.
- 2.5 For the changes requested below, the profile of the increase, decrease or virement is shown in Appendix 1 for each of the projects.

## **3.0 Proposals Not Requiring Specific Council Approval**

- 3.1 The proposals which do not require Council approval and only require Executive approval are those which are funded by the use of external resources, use of capital receipts, use of reserves below £2.0m, where the proposal can be funded from existing revenue budgets or where the use of borrowing on a spend to save basis is required. The following proposals require Executive approval for changes to the City Council's capital programme:
- 3.2 Private Sector Housing – Disabled Facilities Grant (DFG). Government grant allocation for home adaptations for people with disabilities. A capital budget increase of £6.289m is requested, funded by Government Grant
- 3.3 Highways Services – Great Ancoats Street Tree Maintenance. The Great Ancoats Street (GAS) Improvement scheme set out to plant 70 trees along Great Ancoats Street and the surrounding areas. Typically, the main contractor would be responsible for maintenance of landscaping works for 12 months post completion as part of the defects period. For this scheme, it was decided that an extended maintenance period of 3-years would apply in order to ensure the trees would be fully established, funded by GAS Improvement

Scheme, given that the trees were such an integral feature of the scheme. The trees are to be maintained by Manchester City Council Maintenance team. A capital budget decrease of £0.040m is requested and approval of a corresponding transfer of £0.040m to the revenue budget, funded by Capital Fund.

#### **4.0 Delegated budget Approvals**

- 4.1 There have been increases to the programme totalling £0.295m as a result of delegated approvals since the previous report to the Executive on 30<sup>th</sup> June 2021. These are detailed at Appendix 2.

#### **5.0 Virements from Approved Budgets**

- 5.1 Approval has been given for two capital budget virements from the Parks Development Programme budget totalling £0.241m. Following the fire restoration work, office refurbishment works (£0.211m) will be carried out to reactivate Wythenshawe Hall for both staff and community use by returning the staff to the office space and carrying out some cosmetic improvements to the Tenants Hall, bar and public toilets. Funding has also been allocated for Site Investigation for improvements to Heaton Park Overflow Car Park (£0.030m).

#### **6.0 Prudential Performance Indicators**

- 6.1 If the recommendations in this report are approved the General Fund capital budget will increase by £6.249m across financial years, as detailed in Appendix 1.
- 6.2 This will also result in an increase in the prudential indicator for Capital Expenditure in corresponding years. Monitoring of all prudential indicators is included within the Capital Monitoring Report during the year.

#### **7.0 Contributing to a Zero-Carbon City**

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

#### **8.0 Contributing to the Our Manchester Strategy**

##### **(a) A thriving and sustainable city**

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

##### **(b) A highly skilled city**

8.2 Investment provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts.

**(c) A progressive and equitable city**

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

**(d) A liveable and low carbon city**

8.4 Investment in cultural and leisure services and housing.

**(e) A connected city**

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

**9.0 Key Policies and Considerations**

**(a) Equal Opportunities**

9.1 None.

**(b) Risk Management**

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

**(c) Legal Considerations**

9.3 None.

**10.0 Conclusions**

10.1 The revenue budget of the City Council will increase by £0.040m, if the recommendations in this report are approved.

10.2 The capital budget of the City Council will increase by £6.249m, if the recommendations in this report are approved.

**11.0 Recommendations**

11.1 The recommendations appear at the front of this report.