

Manchester City Council Report for Resolution

Report to: Executive – 5 June 2024
Subject: Capital Programme Outturn 2023/24
Report of: City Treasurer

Summary

This report informs members of:

- (a) The outturn of capital expenditure for 2023/24.
- (b) The financing of capital expenditure for 2023/24.
- (c) The major variances between the 2023/24 outturn and the previous Capital Programme monitoring report submitted in February 2024.
- (d) The revised capital programme budget for 2024/25 and subsequent years as a result of the review of the programme following outturn.

Recommendations

The Executive is requested to:

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 Appendix 3.
 2. To approve, and recommend that Council approve, the budget changes to the Council's capital programme detailed in section 10 and set out in appendix 4.
 3. Note the outturn of capital expenditure 2023/24 was £353.3m.
 4. Note the decisions of the City Treasurer regarding the funding of capital expenditure in 2023/24 (para 5.1).
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Wards Affected: All

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

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

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The capital programme contributes to various areas of the economy including investment in public and private sector housing, education and children's social care, transport infrastructure, major regeneration activities, environmental, cultural and leisure services.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	The capital programme includes substantial investment in education and also provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The capital programme includes investment in adult and children's social care, education, housing and the environment, cultural and leisure services, all of which contribute towards the strategy.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in all areas of the capital programme contributes towards this community strategy, notably the investment in sustainable and affordable housing, building schools for the future, transport, environmental and major regeneration programmes.
A connected city: world class infrastructure and connectivity to drive growth	The capital programme includes investment in highways infrastructure, and broadband expansion.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

All revenue consequences are included in the current Revenue Budget.

Financial Consequences – Capital

The outturn expenditure for 2023/24 for Manchester City Council is £353.3m compared to the current approved budget of £510.5m. The £1,133.4m multi-year programme is subject to continual review to establish whether the forecast remains achievable. Whilst the intention is for the City Council to progress the programme as stated, some projects and their sources of funding may require re-profiling into future years.

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Background documents (available for public inspection):

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

- Report to the Executive 15th February 2023 – Capital Strategy and Budget 2023/24 to 2025/26.
- Report to the Executive 22nd March 2023 – Capital Programme Update Report
- Report to the Executive 31st May 2023 – Capital Programme Update Report
- Report to the Executive 28th June 2023 - Capital Programme Outturn 2022/23
- Report to the Executive 13th September – Capital Programme Monitoring (P4)
- Report to the Executive 15th November– Capital Programme Monitoring (P6)
- Report to the Executive 14th February– Capital Programme Monitoring (P9)
- Report to the Executive 14th February - Capital Strategy and Budget 2024/25 to 2026/27

1 Introduction

1.1 The purpose of the report is to:

- Inform the Executive of the capital outturn position for 2023/24 against the approved budget including total expenditure and funding;
- Confirm that funding sources have been managed to best utilise resources available to fund the capital programme; and
- Present a revised capital programme for the 2024/25 financial year and beyond after taking into account the final outturn position as reported.
- Request approval for new schemes to be introduced to the 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 outturn position, and as a result any changes to the budget that are required.

1.3 Attached to the report are the following appendices:

Appendix 1 – An update on the major projects within the capital programme and explains the variances to budget for 2023/24.

Appendix 2 – Details of other material variations in the programme in 2023/24.

Appendix 3 – Proposed virements

Appendix 4 – Summary of new budget proposals

Appendix 5 – Changes to capital budget since the P9 report to Executive in February.

Appendix 6 - the outturn position for the Council's prudential indicators.

Appendix 7 - the full revised capital budget for each project, taking into account the virements requested, the new budgets introduced, and any re-profiling between years.

2 Capital Programme Outturn 2023/24

2.1 The outturn for the Manchester City Council Capital Programme in 2023/24 was £353.3m, one of the largest programmes delivered to date by the Council. It represents the continued significant investment in Manchester's key infrastructure with over 300 live projects progressing during the year.

2.2 During 2023/24 the Council has delivered several new schemes including; Aviva Studios – Home of Factory International, Abraham Moss Library and Leisure Centre, The Velodrome – including the full refurbishment at the National Cycling Centre, House of Sport Manchester, New Wind Tunnel at Manchester Institute of Health and Performance, Tennis and Football Centre, outdoor football pitch and indoor tennis court upgrades to competition standards, Platt Fields Park, including upgrades to BMX track and sports lighting, 69 affordable low carbon homes at Silk Street in Newton Heath, Highways access improvements adjacent to 38 schools across the city, the implementation and go-live of the Christie Expansion Residents Parking Scheme, two further phases of the 6km Chorlton to Manchester Walking and

Cycling at Upper Chorlton Road and Brooks Bar junction funded by Mayors Challenge Fund and Road Safety improvement programme comprising a range of safety features at 52 locations across the City.

- 2.3 Other major projects have continued during 2023/24 including:
- the Our Town Hall Project
 - the Highways Investment Programme
 - Private and Public Sector Housing programmes
 - ensuring sufficient school places through the Schools Basic Need Programme
 - the continuation of the Council's ICT investment programme.
- 2.4 More information can be found on these individual projects in appendices A and B.
- 2.5 The outturn by directorate is shown in the table below. The main variances relate to Our Town Hall Refurbishment, This City Housing Delivery Vehicle, Public Sector Housing Programme, Social Housing Decarbonisation Fund, Asset Management Programme, Back of Ancoats Mobility Hub and Public Realm and Varley Street SEND Secondary School. These variances mostly relate to timing differences between the in-year budget and programme meaning reprofiling to and from future years will be required.

Manchester City Council Programme	2023/24					Variance to current budget	Variance Q3 to Q4
	Current Budget	Q2	Q3	Outturn			
	£'m						£'m
Highways	45.6	39.3	40.7	37.8	-7.8		-2.9
Neighbourhoods	47.7	42.8	42.3	31.0	-16.8		-11.3
The Factory International and St John's Public Realm	54.4	54.4	54.4	46.3	-8.1		-8.1
Growth and Development	111.6	91.3	96.2	84.0	-27.6		-12.5
Our Town Hall Refurbishment	79.7	64.3	63.8	61.0	-18.8		-2.8
Housing – General Fund	43.3	28.4	28.6	29.9	-13.4		1.3
Housing – Housing Revenue Account	76.9	42.6	40.3	42.1	-34.8		1.8
Children's Services	41.7	28.4	29.4	16.9	-24.8		-12.5
ICT	5.4	4.2	2.7	1.6	-3.8		-1.1

Manchester City Council Programme	2023/24					Variance to current budget	Variance Q3 to Q4
	Current Budget	Q2	Q3	Outturn			
	£'m						£'m
Corporate Services	3.6	4.2	4.4	2.8	-0.8		-1.6
Total (exc. contingent budgets)	509.9	400.1	402.8	353.3	-156.5		-49.7
Contingent Budgets	0.6	0.9	0.6	0.0	-0.6		-0.6
Total	510.5	401.0	403.5	353.3	-157.2		-50.4

- 2.6 The capital programme covers multiple years and the 2023/24 outturn impacts on the future capital programme forecasts for 2024/25 to 2027/28 as some spend is rephased across those financial years. The future years forecast is set out in section 7 below, which has been adjusted for the reprofiling of capital spend shown in the table above and any underspends with any associated funding released for other investment priorities.
- 2.7 As in previous updates, the report focuses on the top 10 projects which are summarised in Appendix 1. These projects represent c. 42% of the total programme. Appendix 2 provides details of any other material changes and variances in other parts of the programme since the last report to Executive.
- 2.8 As in previous years, the programme contains some budgets yet to be allocated to specific projects but reserved for a particular purpose, examples include the Education Basic Need funding and the budget for inflationary pressures. These will be allocated as the schemes are progressed and the business case for approval completed, or in the case of inflation the business case showing the impact of inflationary pressures on a scheme completed. These requests are then subject to approval through the Council's capital approval process.

3 Social Value

- 3.1 It is important that the capital investments made maximise the benefit to Manchester businesses and residents. Every capital project is required to consider the social value which could be realised through procurement or the creation of the asset. This is one of the key requirements of every capital business case brought forward. Capturing the expected social value benefits allows projects to monitor their social value output on an ongoing basis. In some cases, such as where social value is monitored with groups like the North West Construction Hub, this is done on an aggregate basis rather than project by project.
- 3.2 The PlanBEE Manchester Level 4 apprenticeship scheme continues to provide

construction contractors across all Capital Programmes with an opportunity to collaboratively support Manchester residents into the construction and build environment careers. On the Our Town Hall Project both the Design Team and Lendlease sub-contractors are providing placements for the 2024-25 cohort. The project is continuing to support residents through work placements and does so through every level of the project; notably smaller employers and sole traders have offered valuable work placements to residents this year. Employers are continuing to support pupils of SEND schools, this time working with Lancasterian School to provide bespoke opportunities for pupils. Additional focus has been given to supporting smaller employers to deliver a social value offer to residents, specifically through furniture restoration partners, many of whom have developed quality social value offers in limited previous experience.

- 3.3 Highways are currently using the Social Value Portal to track, monitor and report social value delivery across the service. During the financial year 2023/2024, there has been significant social value provided by various contractors across the service. Common areas of social value have been around community support e.g. offer of materials, labour and donations in kind as well as volunteering hours and help for the homeless. The recent highlights include:

Major Projects:

- 262 hours of staff volunteering, examples include supporting the Mustard Tree's foodbank, community clean up days, planting of plants in planters and supporting Just Helping with their collection of Christmas trees for St. Ann's Hospice and St Francis House and the Wood Street Mission.
- 97 staff hours spent on local school and college visits supporting pupils e.g. delivering career talks, curriculum support, literacy support, safety talks, What's My Job aspiration programme, Women In Construction events.
- In-kind donation of funds and/or materials. Examples include in kind donations towards local charities including We Love Manchester, The Mustard Tree, The Spirit of Manchester to support their cost-of-living appeal. Headline sponsorship towards the Young Buzz awards, football kits for Beswick FC under 9's. The cost of materials, equipment and traffic management for community clean up days, walk to school week, clean air day and resurfacing requests.
- £11,422 donations or in-kind contributions towards road safety materials and equipment (e.g.: example road closed signs, high vis vests or road safety resources) "Don't Park Here" signs and the 10 road safety theatre performances for primary school pupils across Road safety week 2023.

Network Management:

- 235 hours of volunteering time towards cycling related activities including the delivery of bespoke adult cycling sessions and Dr Bike cycle maintenance sessions. Volunteering time towards GB Spring Clean litter pick. The attendance at community events, Reuse recycle events.
- Other examples include:
 - In-kind donations towards the delivery of bikes to schools when children

- don't have their own.
- Funding towards first aid training for volunteers
- Financial donation towards Caritas Cornerstone Day Centre and The Hideaway Youth Zone.
- The cost and installation of a plinth for an age friendly bench at Boggart Hole Clough.
- The cost of traffic management support, barriers and materials towards Heart murals.
- School uniform recycle assistance.

4 Contributing to a Zero-Carbon City

- 4.1 The City Council has declared a Climate emergency and is working towards a science-based target to become carbon neutral by 2038. The Council is currently on track to remain within its carbon budget for the period 2020-25.
- 4.2 An approach to reducing carbon emissions has been embedded into all capital planning and investment. Changes in how buildings are operated alongside behavioural changes such as recycling are important but must be supported by capital investment aimed at reducing carbon.
- 4.3 The Council has an important leadership role working alongside the Manchester Climate Change Partnership and the Greater Manchester Combined Authority. This includes the development of the Local Plan and Manchester Low Carbon Build Standard for new developments. Our direct investment will include continuing to roll out a decarbonisation programme across the council's operational estate.
- 4.4 A significant challenge remains the retrofit of the city's housing stock. The Council, alongside other Registered Providers is retrofitting its own stock, and is working on plans to support and influence decarbonisation of private housing stock.
- 4.5 The majority of the Council's direct carbon emissions are from its existing corporate estate. Significant investment will be required to bring these buildings up to net zero standards. This, alongside the citywide housing retrofit challenge, represents a major opportunity to establish Manchester as a centre for green technology and services, and to work with local skills providers to ensure that the city's residents are given the best possible opportunities to access these new careers.

5 Capital Financing 2023/34

- 5.1 The funding of the 2023/24 Capital Programme is summarised below:

	£m	%
Capital Expenditure	353.3	
<i>financed by:</i>		
Government Grants	91.1	25.8%
Other External Contributions	23.3	6.6%
Capital Receipts	49.3	13.9%
Revenue Funding	1.5	0.4%
HRA Major Repairs Reserve	21.3	6.1%
Borrowing	166.8	47.2%

- 5.2 The Executive is asked to note the following decisions made by the City Treasurer regarding the funding of the capital expenditure incurred in 2023/24.
- 5.3 Any unused grant, subject to conditions, has been carried forward into 2024/25 and will be matched against future spend. The programme was managed to ensure that any grant with a risk of claw back due to time constraints or other factors was fully utilised in 2023/24. Similarly, any external contributions that have not been used will be carried forward into 2024/25.
- 5.4 The balance of available capital receipts carried forward from 2022/23 was £154.0m. A further £23.3m receipts were received in 2023/24 including pooled receipts from the sale of Council housing. Drawdown from capital receipts was £49.3m with the balance of £128m committed to the current approved programme of which £89.6m relate to Housing. Any new receipts generated in 2024/25 will be available for use in future programmes and added to the amount available. The Housing receipts are expected to support the achievement of the Council's housing strategy and plans for their use will come forward in due course.
- 5.5 A £1.5m revenue contribution to capital expenditure was made. In addition, £21.4m from the Major Repairs Reserve part funded expenditure on the HRA capital programme. The use of this reserve includes self-financing revenue from the HRA revenue budget.
- 5.6 Long-term borrowing of £166.8m has been used to fund the programme this year. This borrowing figure represents the amount to be funded by borrowing in the long term and is not necessarily borrowed in year. The Council's approach to actual borrowing drawn down in year is governed by its Treasury Management strategy. This reflects an approach to debt which considers volatility of interest rates during the year and the forecast changes to the Bank of England base rate. The Council has funded a large amount of its long-term borrowing from internal cash balances and is in an under borrowed position. As this position starts to be unwound, a total of £295m of long-term external debt was borrowed in 2023/24.
- 5.7 The Council must set aside part of its annual revenue budget for the

repayment of its long-term debt, this is known as the minimum revenue provision (MRP). The MRP for 2023/24 (excluding PFIs and leases) was £36.9m which has been funded from the Council's capital financing budget. The capital financing budgets are set at a level which allows the council to fund its existing capital programme commitments. Any underspend on this budget is allocated to the Capital Fund budget which in turn is available to support the delivery of the approved programme. The Council's borrowing is therefore in line with the CIPFA Prudential Code and is affordable, sustainable, prudent and proportionate.

- 5.8 Whilst the current approved capital programme is affordable from within existing resources, the capacity for new schemes is limited. New proposals will have to be funded from new external grants, the additional sale of capital assets, developer contributions (S106) or from borrowing, to be repaid from savings, efficiencies or income generated by the asset created.

6 Programme Risks

- 6.1 Inflation in the UK in the 12 months to March 2024, as measured through CPI, is currently 3.2%. This is 0.2% lower than February 2024, down from a peak of 11.1% in October 2022. This figure remains relatively elevated.
- 6.2 The March 2024 statistics of building materials and components from the Department for Business and Trade (formerly BEIS) noted that the price index for all construction works was 2.3% lower than the same month the previous year. As previously reported, some prices have started to come down from their elevated levels with some significant price decreases for example fabricated structural steel (-19.5%), concrete reinforcing bars (steel) (-18.7%) and Gravel, sand, clays & kaolin (including aggregate levy) (-14.0%). This figure does however include price increases for some construction materials, such as metal doors and windows (17.4%), pipes and fittings (flexible) (20.6%) and ready-mixed concrete (12.4%).
- 6.3 It has previously been reported that many projects in the capital programme have faced an extremely challenging 2-year period with intense pressures on cost due to extraordinary levels of inflation and unprecedented pressure on the supply chain (labour and materials availability). These pressures continue to be seen and remain a significant risk across the capital programme. Although inflation is falling, the impacts of a sustained inflationary period can still be seen in the construction sector. Annual average for all construction works remains 0.9% higher than the average from the previous year, and 20.1% higher than the average for 2021.
- 6.4 The impact of inflation on the capital programme will continue to be managed, monitored and reported to members. The unallocated inflation budget set aside is currently £30.0m.
- 6.5 The capital budget is prepared on the best estimate of the start date and spend profile for each scheme, which is likely to change as the scheme develops. The project cash flow will be variable throughout the life of a

project, and therefore the forecast expenditure in each financial year will also vary. This report therefore considers the total life and cost of schemes and the risks associated with their development. All projects carry risk such as delivery risk, third party risk and market risk, including build cost and inflation.

- 6.6 Where funding sources for the programme are time-limited, such as the Public Sector Decarbonisation Scheme, officers will continue to monitor progress against these schemes to seek to maximise the level of grant funding used.

7 Capital Programme Re-phasing and Variations

- 7.1 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 2023/24 to 2027/28. The cumulative impact of these adjustments is shown in the table below. The future programme will be reviewed throughout 2024/25 to reflect changes to the proposed profile of spend.

Proposed Capital Programme variations 2023/24 to 2027/28

	2023/24	2024/25	2025/26	2026/27	2027 to 29	Total Programme
	£'m					
Revised Capital Budget (Strategy Feb 2024 and subsequent additions)	510.5	451.7	116.6	44.3		1,123.1
Forecast Re-profile	(156.1)	42.8	68.8	20.7	23.8	0.0
Cost Variations	(0.5)	(0.3)				(0.8)
Accounting Adjustments		(6.7)				(6.7)
Budget increases as per Section 10	0.0	16.5	1.7	0.3	0.0	18.4
Proposed Capital Budget	353.9	504.0	187.0	65.2	23.8	1,133.9
Under/Overspends	(0.6)	(0.6)	0.6			(0.6)
Total Forecast	353.3	503.4	187.6	65.2	23.8	1,133.3

- 7.2 The forecast capital programme has increased by £10.2m from £1,123.1m to £1,133.3m. The table includes new proposals, totalling £18.4m which are detailed in section 10. The position also reflects variance to current budget of £8.1m relating to:

- Forecast under and overspends in the existing programme (net £0.6m underspend), which are being actively managed. If forecast overspends cannot be mitigated within the project budget, they will be subject to future budget approvals.
- Cost variations (£0.8m), where reduced costs for projects have been confirmed and budget can therefore be removed from the programme.
- An accounting adjustment relating to the Education Basic Need programme, which was funded in advance from borrowing. The grant has now been received and will be used to repay the borrowing. By funding in advance from the Council's own resources, additional school places were able to be built in time for receiving the additional pupils.

Virements in 2023/24

- 7.3 A number of schemes require virements in 2023/24 and future years, as shown in Appendix 3. Examples include under and overspends in the Schools Maintenance Programme which will be vired back to the unallocated budget to be utilised in future years, and virements between projects within the Highways and Housing Revenue Account portfolios.
- 7.4 The Council is recommended to approve virements over £0.5m within the capital programme as outlined in Appendix 3.
- 7.5 The Executive is recommended to approve virements under £0.5m within the capital programme as outlined in Appendix 3.
- 7.6 As shown in the table above, there are a small number of budget reductions that can be removed from the Capital Programme which total £0.8m. In the main this relates to House of Sport and Mayors Challenge Fund Projects. When budget reductions relate to grant funded projects, efforts will be made to apply the grant to other relevant schemes.

8 Capital Programme Forecast for 2024/25 and future years

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

Manchester City Council Programme	2023 /24	2024 /25	2025 /26	2026 /27	2027/ 28	2028/ 29	Total All Years	All Years Variance to Current Budget
	£'m							
Highways	37.8	41.6	26.2	19.4	0.0	0.0	124.9	(0.4)
Neighbourhoods	31.0	34.2	5.9	0.0	0.0	0.0	71.0	(0.5)
Factory International and St John's Public Realm	46.3	8.1	0.0	0.0	0.0	0.0	54.4	0.0
Growth and Development	84.0	132.1	34.3	26.4	0.0	0.0	276.7	0.4

Manchester City Council Programme	2023 /24	2024 /25	2025 /26	2026 /27	2027/ 28	2028/ 29	Total All Years	All Years Variance to Current Budget
	£'m							
Town Hall Refurbishment	61.0	78.7	31.2	0.0	0.0	0.0	170.8	0.0
Housing – General Fund	29.9	54.2	18.8	2.4	0.0	0.0	105.3	(0.3)
Housing – HRA	42.1	72.9	36.9	16.6	20.4	3.4	192.4	0.1
Children’s Services	16.9	48.3	1.5	0.0	0.0	0.0	66.7	(6.7)
ICT	1.6	4.2	0.0	0.0	0.0	0.0	5.8	0.0
Corporate Services	2.8	3.1	0.5	0.5	0.0	0.0	6.9	(0.7)
Total (exc. Contingent budgets)	353.3	477.2	155.3	65.2	20.4	3.4	1,074.9	(8.1)
Contingent Budgets	0.0	26.2	32.3	0.0	0.0	0.0	58.5	0.0
Total	353.3	503.4	187.6	65.2	20.4	3.4	1,133.3	(8.1)

8.2 The forecasts in the table show an overall forecast variance of £8.1m against the programme budget.

9 Capital Resources

9.1 The table below summarises the current funding assumptions for the Capital Programme based on the current forecast. This will continue to be reviewed to ensure that the optimum value for money is achieved when making capital financing decisions.

	Funding	Draft Funding				
	2023/24	2024/25	2025/26	2026/27	Future Years	All Years
	£'m					
Grants	88.4	119.8	47.9	0.8		256.9
Contributions	26.0	19.2	8.0	3.0		56.2
Capital Receipts	49.2	105.9	59.3	41.9	0.6	256.9
Revenue Contributions to Capital	22.9	50.5	23.5	17.5	23.2	137.6
Capital Fund	0.0	2.4	2.4	1.3		6.1
Borrowing	166.8	205.6	46.5	0.7		419.6
Total	353.3	503.4	187.6	65.2	23.8	1,133.3

- 9.2 Modelling the Council's future cash flow is based on the funding assumptions and anticipated changes to working capital. This provides an assessment of the ongoing affordability of the forecast capital programme. The current forecasts show that the financing costs remain affordable within the revenue budget available including reserves. The capital financing reserves will start to be drawn down to meet the costs associated with the borrowing in 2024/25. The model is based on a significant number of assumptions, including the timing of future borrowing, and forecast future interest rates. The position is subject to change.
- 9.3 All capital financing decisions are made to maximise the resources available to the Council and fund in the most efficient way.
- 9.4 The Council will not dispose of land at sub-optimal prices, and this can mean that the timing of capital receipts can be changeable. During this financial year some receipts have not progressed as expected, and therefore the expected receipts will be re-profiled into future years. Where land is not sold it will remain an asset on the Council's balance sheet. It is important to state that if the disposal of land has been delayed it has not resulted in a diminution in value of the assets the Council is disposing of, and in general the in-year disposals are at, or ahead of, the projected receipts.
- 9.5 The current forecasts for the Council's Prudential indicators, compared to those included in budget reports to Executive and Council, are shown at Appendix 6.

10 Capital Programme Budget changes

- 10.1 The capital programme continues to be updated on a rolling basis throughout the financial year with new schemes brought forward through the Capital Approvals Process. The following projects have been brought forward since the previous update to Executive. A summary of the schemes, funding and spend profile can be found at appendix 4 and are set out below:
- 10.2 For Executive approval schemes totalling £18.424m:
- Children's Services - Schools Capital Maintenance Programme. The Council receives grant funding each year from the Department for Education for maintenance to the school estate. The council has received an allocation of £3.971m for 2024/25, funding will be used to address condition needs identified in the Council's estate of maintained schools which includes community, voluntary controlled and foundation schools. A capital budget increase of £3.971m in 2024/25 is requested, funded by Government Grant.
 - Estates – Asset Management Programme. This scheme will address the considerable change and re-shaping of the office estate required since the COVID pandemic. There are now numerous pressures emerging from business areas and specific buildings relating to repair or replacement of end-of-life office fixtures, as well as changes required due to a change in

ways of working and new technology deployed. A capital budget increase of £0.500m in 2024/25, £0.250m in 2025/26 and £0.250m in 2026/27 is requested, funded by Capital Receipts.

- Highways Services - Removal of Obstructions – Decluttering. The objective of this project is to review the existence of street furniture within the city centre initially with the intention to remove or combine where appropriate and effectively declutter the footways to make them safer and more accessible for all users. Two streets have been chosen as the pilot, namely Peter Street and Oxford Street, and the furniture being reviewed includes A-boards, litter bins and signposts in the short term. Longer term bus shelters, cycle racks, Haldo pillars, lighting columns, telephone boxes, and trees for pruning only will all be considered. A capital budget decrease of £0.200m is requested and approval of a corresponding transfer of £0.200m to the revenue budget, funded by Capital Fund.
- Public Sector Housing – Housing Operations Programme 2024-25. To undertake a series of specific investment works in response to immediate priorities resulting from asset condition, demand and/or surveys. A capital budget increase of £3m in 2024/25 and £1.4m in 2025/26 is requested, funded by HRA Reserve.
- Private Sector Housing – Disabled Facilities Grant. 2024-25 Government grant allocation for home adaptations for people with disabilities. A capital budget increase of £9.253m in 2024/25 is requested, funded by Government Grant.

11 Prudential Indicators

11.1 The prudential indicators as at the end of March 2024 are shown at Appendix 6.

12 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.

13 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 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.