

Manchester City Council Report for Resolution

Report to: Executive – 12 September 2018

Subject: Capital Programme Update

Report of: Chief Executive and City Treasurer

Summary

This report informs members of requests to increase the capital programme and seeks approval for those schemes that can be approved under authority delegated to the Executive.

Recommendations

Members are requested under powers delegated to the Executive to approve the following changes to the City Council's capital programme:

1. Highways – SEMMMS A6 Scheme. An increase in the capital budget of £2.962m in 2018/19, funded by Department for Transport grant (DfT).
 2. Highways – Large Patching Programme. An increase in the capital budget of £0.439m in 2018/19, funded by Department for Transport grant via Greater Manchester Combined Authority (GMCA).
 3. Highways – School Crossings Programme. An increase in the capital budget of £0.132m in 2018/19, funded by external contributions from Transport for Greater Manchester (TfGM).
 4. Highways – MSIRR Great Ancoats Improvement Scheme. An increase in the capital budget of £0.308m in 2019/20, funded by external contributions from Transport for Greater Manchester (TfGM).
 5. Corporate Services – Band on the Wall Loan. An increase in the capital budget of £0.2m in 2019/20, funded by capital fund.
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Wards Affected: Various

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	Contributions to various areas of the economy including investment in Highways Infrastructure and cultural attractions, encouraging business growth, creating jobs and opportunities.

A highly skilled city: world class and home grown talent sustaining the city's economic success	Investment in Highways Infrastructure and cultural attractions will provide opportunities for the development of skills. The companies that we employ train and invest in learning and development for all their employees. This in turn provides development of new ideas and improved performance and compliance across the works that Manchester are delivering.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Improvements to services delivered to communities including cultural attractions provides more opportunities. Through social value opportunities, school pupils will learn about the construction industry. Pupils will be able to learn about environmental sustainability and how alternative methods of transport such as cycling will support climate change and global warming.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in Highways Infrastructure and public buildings. Safe and improved highways and investment in cultural attractions will encourage people to visit, live and work within the City. A well maintained local road network contributes to a 'sense of place' in neighbourhoods and enhances the area. Better condition roads and footways will encourage cycling and walking, which will contribute to a more healthy population.
A connected city: world class infrastructure and connectivity to drive growth	Investment in Highways Infrastructure will improve accessibility and connectivity for key strategic routes into Manchester City Centre and the North West facilitating the economic and population growth of the City, whilst enhancing the physical environment.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

No revenue consequences.

Financial Consequences – Capital

The recommendations in this report, if approved, will increase Manchester City Council's capital budget by £4.041m, 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 7th February 2018 – Capital Strategy and Budget 2018/19 - 2022/23)

Report to the Executive 7th March 2018 – Capital Programme – Proposed Increases

Report to the Executive 21st March 2018 – Capital Programme – Proposed Increases

Report to the Executive 30th May 2018 – Capital Programme Monitoring 2017/18 Outturn

Report to the Executive 30th May 2018 – Capital Programme – Proposed Increases

Report to the Executive 27th June 2018 – Capital Programme Update

Report to the Executive 11th July 2018 – Capital Programme Update

Report to the Executive 25th July 2018 – Capital Programme Update

1 Introduction

- 1.1 This report outlines the requests for increases to the five-year capital budget 2018/19 to 2022/23.

2 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 make to the City Council. The City Council's resolutions on these recommendations constitute the approval of the five year capital programme for the Council. Proposals for the 2018/19 to 2022/23 capital budget were presented to the Executive on 7^h February 2018, including a revised 2017/18 budget.
- 2.2 The following requests for a change to the programme has been received since the previous report to the Executive on 25 July 2018.
- 2.3 For the changes requested below, the profile of the increase is shown in appendix 1 for each of the projects.

3 Proposals Requiring Specific Council Approval

- 3.1 The proposals which require Council approval are those which are funded by the use of reserves above a cumulative total of £2.0m or where the use of borrowing is required.
- 3.2 There are no proposals requiring specific Council approval in this report.

4 Proposals Not Requiring Specific Council Approval

- 4.1 The proposals which require Executive approval are those which are funded by the use of external resources, the use of capital receipts, and/or the use of reserves below £2.0m or where the proposal can be funded from existing revenue budgets, 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:
- 4.2 Highways – SEMMMS A6. The South East Manchester Multi-Modal Strategy (SEMMMS) A6 to Manchester Airport Relief Road Scheme provides a new two lane dual carriageway on an east-west route from South East Stockport to Manchester Airport and the link road to the M56. The delivery of the scheme will also provide much needed connectivity for key strategic routes into the North West and to Manchester Airport for business, leisure travel and freight. The scheme is administered by Stockport MBC with Cheshire East and Manchester sharing a proportion of the costs. The Council's contribution is 12% of the total cost of works and based on the latest expenditure forecast has been calculated at £2.962m for this financial year. A capital budget increase of £2.962m is therefore requested in 2018/19, funded by Department for Transport grant.

- 4.3 Highways – Large Patching Programme. This relates to the £0.439m pothole capital grant funding award for Manchester from the Department for Transport (DfT) for 2018/19 from a total of £100m funding allocated nationally. This is being provided to help councils improve the condition of the highways and protect local roads from future severe weather. Highways are requesting the use of this allocation to help support the large patching programme of works. A capital budget increase of £0.439m is requested in 2018/19, funded by Department for Transport grant.
- 4.4 Highways – School Crossings. As part of investment into the City's transport system, Transport for Greater Manchester (TfGM) – Minor Works Growth Deal funding, has been allocated to the City Centre and arterial routes totalling £1m, to improve road safety measures near schools. A capital budget increase of £0.868m was introduced in 2017/18 for the first tranche of the grant award and the remaining grant allocation has now been approved by TfGM. A capital budget increase of £0.132m is therefore requested in 2019/20, funded by external contributions from Transport for Greater Manchester (TfGM).
- 4.5 Highways – Manchester and Salford Inner Relief Route (MSIRR) - Great Ancoats Improvement Scheme. There are currently two MSIRR schemes in the capital programme, with the second scheme being improvements at Regent Road. The Regent Road scheme originally included removing a number of trees as part of the works with a specific requirement for a replacement planting programme. However, due to insufficient space to meet the full replacement requirements at Regent Road. This was not included in the budget. TfGM have agreed that additional trees can be included as an addition to the programme of works for the Great Ancoats scheme. A capital budget increase of £0.308m is requested in 2019/20, funded by external contributions from Transport for Greater Manchester (TfGM).
- 4.6 Corporate Services – Band on the Wall Loan. The Council intends to provide a loan of £0.2m to Inner City Music Limited to provide additional funding support towards the costs of a new stage and associated development, where grant funding has already been secured from the Arts Council. An increase to the capital budget of £0.2m is requested in 2019/20, funded by capital fund.

5 Prudential Performance Indicators

- 5.1 If the recommendations in this report are approved the General Fund capital budget will increase by £4.041m, across financial years as detailed in Appendix 1.
- 5.2 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 Global Revenue Monitoring report.

6 Conclusions

- 6.1 The capital budget of MCC will increase by £4.041m, if the recommendations in this report are approved.