

Manchester City Council Report for Resolution

Report to: Executive – 29 July 2020

Subject: Capital Budget Review and Programme Monitoring 2020/21

Report of: The Deputy Chief Executive and City Treasurer

Summary

This report informs members of:

- (a) Progress against the delivery of the 2020/21 capital programme to the end of June 2020.
- (b) The revised capital budget 2020/21 taking account of changes between the approved capital budget and any further changes occurring in year.
- (c) The latest forecast of capital expenditure and the major variances since the Capital Programme Outturn report submitted in June 2020.
- (d) The impact any variations may have on the Capital Programme for the period 2020/21 to 2023/24.

Recommendations

The Executive is recommended:

- 1. To approve, under the emergency provision of the Council Decisions on 25th March 2020 - "Constitutional Amendments and Other Matters for Council Business Continuity - Part 7", the virements over £0.5m between capital schemes to maximise use of funding resources available to the City Council set out in Appendix A.
- 2. To approve the revised prudential indicators, as outlined in Section 21.
- 3. To approve virements under £0.5m within the capital programme as outlined in Appendix A.
- 4. To note and comment on the prioritisation process as outlined in Section 5.
- 5. To approve projects to proceed as identified at paragraph 5.8.
- 6. To note that approvals of movements and transfers to the capital programme, will reflect a revised budget total of £471.5m and a latest full year forecast of £471.4m. Expenditure to the end of June 2020 was £30.7m. Expenditure as at 2nd July 2020 was £140.2m which includes the support for Manchester Airport Group as outlined in paragraph 16.4 below.

7. To note the prudential indicators at Appendix C.

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 latest forecast of expenditure for 2020/21 for Manchester City Council is £471.4m compared to the proposed revised budget of £471.5m after the changes proposed in this report, which is shown in the table at paragraph 18.1. Spend as at 30th June 2020 was £30.7m. Spend as at 2nd July 2020 was £140.2m which includes the support for Manchester Airport Group as outlined in paragraph 16.4 below. The 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 12th February 2020 – Capital Strategy and Budget 2020/21 to 2024/2
- 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

1. Introduction

1.1 The purpose of the report is to:

- Review and update the capital programme following the 2019/20 outturn;
- Provide an update on the impact of COVID-19 on programme delivery, and make recommendations on the schemes which have been paused;
- Update on the overall capital financing position;
- Detail the work underway to review and update capital investment priorities in the light of COVID-19.
- Provide an update to members on the progress of the capital programme in the three months to the end of June 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.
- Update the prudential indicators.

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 June 2020. Appendix B details the revised capital budget for each project, taking into account the virements requested, and any re-profiling between years which has been identified. Appendix C notes the prudential indicators.

2 Contributing to a Zero-Carbon City

2.1 To reflect the climate change emergency that the Council has declared, the capital expenditure business case template has been updated 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.

3 Capital Budget

3.1 Executive approved the revised Capital Budget for the period 2020/21 to 2023/24 in June 2020. Since then, subsequent capital budget increase reports were 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 (June 20)	354.9	324.8	245.1	69.3	994.1

Capital Programme Update (Approved March June 20)	149.7	1.5	0.0	0.0	151.2
Capital Programme Update (Approved July 20)	4.0	0.7	0.0	0.0	4.7
Revised Capital Budget	508.6	327.0	245.1	69.3	1,150.0

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 The lockdown phase of the COVID-19 response had considerable implications for projects across the capital programme. As reported to Executive in May, works were able to continue on site for the two major projects the Town Hall project and The Factory, but productivity was reduced due to social distancing measures being implemented. Works also continued at Alexandra House, on the school works to increase SEN places, the design for a school at Hyde Road, and on minor works across the Council and HRA estates.

4.2 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 to 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 across the programme is already being seen. The social distancing requirements on sites reduces productivity, meaning longer work programmes. 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 A specific budget allocation for future inflation risk was added to the programme in March, of which c. £20m remains. There is a further request for £2.7m to meet the additional inflation costs for Abraham Moss Leisure Centre included in the Capital Update Report.

5 Prioritisation Process

5.1 Given the constraints on resources, the role that capital investment can play in the recovery plan for the City and the number of strategic priorities the Council is committed to deliver, as outlined below, it is essential that there is a full review of the programme and pipeline, and that priority schemes can be progressed at pace and lower priority ones paused or removed.

5.2 In February, as part of the Capital Strategy and Corporate Plan the investment priorities were agreed as follows:

- halving carbon output over the next five years;

- delivery of new affordable housing stock;
- developing a more inclusive economy;
- market intervention where required;
- ensuring the corporate estate is fit for purpose; and
- being a well-managed Council.

- 5.3 Following the work undertaken to form the Recovery Plan for the city is it clear that the following are also important investment priorities to support recovery:
- catalytic for growth;
 - support job creation;
 - reduction of carbon emissions
 - housing growth
 - place-based transformation of health, economic and social outcomes
- 5.4 Work is being undertaken across all service areas to understand the potential future capital investment requirements, to allow for each to be assessed against the Corporate Plan and Recovery Plan priorities. Given the financial situation of the Council, this needs to be coupled with the extent to which projects could support the revenue budget. This could be through:
- creating or supporting the delivery of revenue savings;
 - avoiding additional revenue cost; or
 - increasing revenue income through, for example, increasing the council tax or business rates tax base.
- 5.5 All investment proposals will also be assessed for social value which can be delivered, carbon impact, and contribution to the Our Manchester Strategy objectives.
- 5.6 If investment proposals support delivery of the priorities set out above, and have a positive impact on the revenue budget, they will be considered for approval. Use of external funding must be maximised, as any schemes funded from Council resources will not progress unless they are a clear priority.
- 5.7 Work on the potential future capital investment requirements will continue, with the immediate investment priorities brought forward to the Executive in October. If any projects are particularly urgent they may be brought forward as part of the Capital Update report each month. The longer term capital programme will be considered alongside the revenue budget requirements.
- 5.8 On this basis, it is proposed that the following projects which were paused in response to the COVID-19 pandemic, and which already form part of the approved programme, are progressed:
- Piccadilly Gardens phase 1
 - Hammerstone Road depot redevelopment - subject to a full review of the requirements of what the Council needs from the depot and the scale of the office space to be reconsidered.
 - Medieval Quarter
 - Abraham Moss rebuild - it is estimated that there is an inflationary cost increase of £2.7m following the deferral and due to the impact of COVID-

19. This is one of the proposals in the update report elsewhere on the agenda.

- Gorton Hub - subject to contract review to include provisions for COVID, and potential rescoping of the scale of the project with partners
- West Gorton Park
- Manchester Aquatic Centre - agree to progress to RIBA Stage 4, subject to review of potential maintenance costs if start date for works is deferred.
- National Cycling Centre - agree to progress to RIBA Stage 4.

Further updates on these projects can be found in the report below.

6 Capital Programme Forecast 2020/21

6.1 The latest forecast of expenditure for the Manchester City Council Capital Programme in 2020/21 is £471.4m compared to a revised budget of £508.6m. The variations are shown in the table below.

6.2 The tables in this report show the budget approved by the Executive in February 2020, alongside the current revised budget and the latest forecast. The intention is that there is clear transparency in how budgets have changed.

Capital Programme 2020/21 budget, forecast and spend to date at 30th June 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	60.7	53.3	-7.4	5.0	9.4%
Neighbourhoods	16.7	23.1	15.6	-7.5	0.6	3.8%
Growth and Development	119.0	131.2	114.5	-16.7	12.9	11.2%
Town Hall Refurbishment	49.1	42.5	44.2	1.7	2.9	6.6%
Housing – General Fund	22.6	17.8	15.0	-2.8	0.9	6.0%
Housing – Housing Revenue Account	38.8	19.8	17.7	-2.1	0.2	1.1%
Children’s Services	29.5	44.0	43.7	-0.3	2.9	6.6%
ICT	5.7	3.4	3.4	0.0	0.3	8.8%
Corporate Services	38.2	166.0	164.1	-1.9	5.0	3.0%
Total	378.4	508.6	471.4	-37.2	30.7	6.5%
Reprofiling				-33.1		
Cost Variations				-4.0		
Net over (under) spend				-0.1		

6.3 The revised budget shown above reflects the re-profiling noted in the 2019/20 outturn position reported to the Executive in June and any new projects added to the programme since the budget was set in February. Subsequently, the profile of spend for projects from 2020/21 onward has been reviewed to reflect the expected impact of COVID-19 which informs the forecasts shown above.

7 Summary of Main Changes to the Revised Budget

7.1 The most significant change to the 2020/21 capital programme has been the addition of the £142m shareholder loan support agreed for Manchester Airport. The first tranche of this support was paid in early July, as noted in paragraph 16.4 below.

7.2 The main changes to the programme since the report to Executive in June 2020 are as follows:

- Highways - A total of £5.3m for Highways footway and preventative maintenance programmes will be moved into 2021/22 in line with the procurement timescales.
- Neighbourhood Services - The Abraham Moss leisure centre programme was paused due to COVID-19. As a result a total of £2.8m will be reprofiled into next financial year.
- Growth and Development - A total of £9.1m will be reprofiled into future years for the Factory to reflect the revised programme following the cost and programme review and impact of COVID-19. £3.7m across the Asset Management Programme (AMP) will be reprofiled into future years, due to the number of schemes that are currently on hold or have slowed down due to COVID-19. A total of £1.6m will be moved in to 2021/22 for the Piccadilly Gardens phase 1 project due to the decision taken to delay the public consultation until the Autumn.
- There is a variance against the revised Our Town Hall budget of £1.7m due to a number of factors including an increase in the Pre-Construction Services Agreement (PCSA) period, additional costs for COVID-19, along with a number of tenders being returned including Internal Substructure and Structural alterations.
- Housing - total re-profiling across the Northwards programme as a result of COVID-19 is £1.8m.
- 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 £1.6m will be reprofiled into future years. The scope of the scheme is currently being reviewed.

7.3 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 below.

General Programme Risks

7.4 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 had to be deferred or have been 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 further outbreak. The forecasts are therefore subject to change.

- 7.5 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 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. Some of the current risks are outlined below.
- 7.6 General inflation in the North West (NW) construction market has not reduced as predicted over 2020/21 and has become more pronounced within Manchester due to the large volume of construction work over the past 3-4 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 understood.
- 7.7 Current analysis by the Office for Budget Responsibility (OBR) forecasts that GDP could fall by 35% in Quarter 2 2020 and the country could be in the midst of a technical recession 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 a range of other factors. Therefore the forecast of inflationary movement, construction demand, tender price changes, etc. as a result of COVID-19, remain difficult to predict.
- 7.8 Current inflation estimates are between 4 and 7%. This will vary for each project. The Council's capital strategy includes provision for inflation to be allocated when appropriate.
- 7.9 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 and the budgets allocated and the Capital Budget updated accordingly.
- 7.10 Where specific risks have been identified they are detailed in the relevant section below.

8 Highway Services Programme

- 8.1 The schemes within the current Highways portfolio include the highways improvement investment fund, projects to improve and increase the use of cycle routes 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.

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

- At the July meeting, Executive approved a capital budget increase of £5.0m for the Planned Highways Maintenance Carriageway works 2020/21 funded by the Department of Transportation Challenge Fund Grant.
- 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 Highways schemes totalling £5.7m to be funded from the Mayors Challenge Fund.

8.3 The Highways capital programme is forecasting to spend £53.3m compared to a revised budget of £60.7m, a variance of £7.4m. The programme is shown in the table below:

Highways	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 Planned Maintenance Programme	27.9	29.6	22.3	-7.2	119.9	119.9	0.0
Great Ancoats Improvement Scheme	6.0	6.2	5.9	-0.4	9.3	9.3	0.0
Mayor's Challenge Fund Schemes	1.2	6.9	6.9	0.0	11.1	11.1	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	13.1	13.0	-0.1	126.5	126.8	0.4
Total Highways	58.8	60.7	53.3	-7.4	275.6	276.3	0.7
Reprofiling				-8.0			
Cost Variations				-0.1			
Net over (under) spend				0.7			

Activities

8.4 The Patching Defects and Carriageway resurfacing works within the Highways Planned Maintenance programme for 2020/21 are progressing well, as the reduced traffic volumes at the start of the year have enabled works to be accelerated. For other areas of the programme, contract procurement has taken

longer than originally anticipated and so the budget has been reprofiled accordingly. More information can be found below.

- 8.5 The Deansgate pedestrianisation works have commenced and a temporary closure is now in place on a section of the road to enable the works to be completed.
- 8.6 The first area of the Chorlton Cycling scheme is now complete on site, with the section area due to start in July 2020. The waiver for the contract has been signed to enable works to be delivered.

Variances – All Years

- 8.7 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 from the original contractor, delays in the programme and adverse weather conditions.
- 8.8 There is an expected £0.3m overspend against the Mancunian Way and Princess Parkway NPIF scheme as a result of the inclusion of the Stretford Road link into the scheme following a change request from Transport for Greater Manchester (TfGM). The overspend is expected to be funded from the Mayor's Cycling Fund and a business case has been submitted to TfGM for approval.

Variances – In Year

- 8.9 The main variances to the revised budget are:

Highways Planned Maintenance Programme

- The Planned Maintenance Programme budget has been reprofiled as the reduced traffic volumes have enabled £1.6m of patching defects and carriageway resurfacing works to be accelerated into 2020/21.
- A total of £5.3m for the footways and preventative maintenance programmes will be moved into 2021/22 due to the contract procurement taking longer than originally anticipated.
- A total of £2.6m will be reprofiled into future years for other highways improvement works. The current forecast now reflects the works that are underway including the design and implementation of the pedestrianisation of Deansgate and the design of the highways corridor works. The service is reviewing potential further schemes for this year and this will be reported back to Executive in October.
- There is a requirement to move £0.9m into future years for the Highways Maintenance Challenge Fund schemes. An additional £5.0m of grant funding has been received this year and added to the budget. Whilst the delivery of the works

are out to tender, with a programme expected to be developed by September, part of these works will be delivered in 2021/22.

Great Ancoats Improvement Scheme

- There is a requirement to move £0.4m budget for the Great Ancoats Improvement Scheme into next financial year following the reprofiling of contingency that will not be utilised this year.

Risks

- 8.10 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.
- 8.11 There are inherent risks around external factors such as weather conditions which can hinder the schedule of work. The availability of appropriately skilled 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.
- 8.12 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. The intention 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.

9 Neighbourhoods Programme

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

Neighbourhoods	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
Environment and Operations	6.0	15.3	11.0	-4.3	0.1	0.9%
Leisure	10.1	6.7	3.5	-3.2	0.3	2.7%
Libraries and Culture	0.6	1.1	1.1	0.0	0.2	20.2%
Total Neighbourhoods	16.7	23.1	15.6	-7.5	0.6	3.8%
Reprofiling				-4.6		
Cost Variations				-2.9		
Net over (under) spend				0.0		

9.2 In March, Executive approved a budget increase of £9.4m for the purchase of electric refuse vehicles within the Environment and Operations budget, and full spend is expected this financial year.

9.3 At Outturn, the Abraham Moss budget was paused due to COVID-19. The budget was reprofiled due to full review of project cost and scope being undertaken before the scheme progresses to the construction phase. The 2020/21 budget is now £3.0m.

Environment and Operations Programme

9.4 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.

9.5 The Environment and Operations programme is forecasting to spend £11.0m compared to a budget of £15.3m, a variance of £4.3m. 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	1.1	0.0	4.7	4.7	0.0
Waste Contract	3.8	3.8	0.2	-3.6	11.5	8.6	-2.9
Purchase of electric RCVs	0.0	9.4	9.4	0.0	9.4	9.4	0.0
Cremator and Mercury Abatement	1.0	1.0	0.3	-0.7	1.6	1.6	0.0
Total Environment	6.0	15.3	11.0	-4.3	27.3	24.4	-2.9
Reprofiling				-0.7			
Cost Variations				-2.9			
Net over (under) spend				0.0			

Activities

9.6 The Cremator and Mercury Abatement Plant Replacement programme has started the procurement process to appoint a contractor. The programme for the specification and design is expected to start in September 2020 with onsite construction in May 2021.

Variances – All Years

- 9.7 The Waste contract budget will be reduced by £2.9m, as the majority of the vehicles will now be replaced through the spend to save scheme to purchase 27 electric refuse collection vehicles. In light of this, the remaining budget has been reviewed and a total of £0.7m will be moved into future financial years.

Leisure Programme

- 9.8 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.
- 9.9 The Leisure programme is forecasting to spend £3.5m compared to a budget of £6.7m, a variance of £3.2m. The programme is shown in the table below:

Leisure	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
Parks Programme	3.1	1.4	1.0	-0.4	14.2	14.2	0.0
Indoor Leisure – Abraham Moss	6.0	3.0	0.2	-2.8	22.0	24.7	2.7
Other Projects	1.0	2.3	2.3	0.0	13.2	12.8	-0.4
Total Leisure	10.1	6.7	3.5	-3.2	49.4	51.7	2.3
Reprofiling				-3.2			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

- 9.10 The Manchester Regional Arena Outdoor Athletics Track Replacement project is due to be formally completed in July. The main track laying works are complete with the final account to be prepared.
- 9.11 The outdoor gym for the Greenbank Park Mellands Levenshulme project is now complete. The main contractor for the Rushford Park Mellands Longsight project has been appointed and the planning application submitted. The Debdale Water Sports Centre upgrade is also complete for the Gorton and Abbey Hey project.
- 9.12 Progress has been made with the proposed refurbishment and ongoing maintenance works at the Manchester Aquatics Centre (MAC) and works to the National Cycling Centre (NCC). The RIBA Stage 2 health check for the MAC was undertaken in June 2020. The NCC programme RIBA Stage 2 health check was

undertaken at the end of March with a full report issued. This will inform a further request of funding to take the project to RIBA Stage 4, if agreed.

Variances - All Years

- 9.13 The Abraham Moss Leisure Centre is currently forecasting an overspend of £2.7m against its approved budget. The route to the contract process has been completed however, due to COVID-19, signing of the main contract was placed on hold and the scheme paused, as noted in section 5 above. The temporary library was completed on 22 May 2020 and the temporary sports hall works completed in July. More information can be found in the Capital Update report elsewhere on the agenda.
- 9.14 The Manchester Regional Arena Outdoor Athletics Track Replacement Project has an underspend of £0.4m as result of the final costs coming in lower than the approved budget.

Variances - In Year

- 9.15 There is a requirement to move £0.4m into next financial year for the Parks Development Programme (PDP), due to delays arising from COVID-19.
- 9.16 Further to the points noted in paragraph 9.13, the pausing the Abraham Moss programme has resulted in a total of £2.8m being reprofiled into next financial year.

Libraries Programme

- 9.17 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.
- 9.18 The Libraries programme is forecasting to spend £1.1m against a budget of £1.1m, a variance of nil. The programme is shown in the table below:

Libraries	20/21 Budget set in Feb 20 £m	20/21 Revised Budget £m	20/21 Foreca st £m	20/21 Varianc e £m	All Years Budget £m	All Years Forecast £m	All Years Variance £m
Open Libraries	0.3	0.3	0.3	0.0	0.5	0.5	0.0
Other Projects	0.3	0.8	0.8	0.0	2.0	2.0	0.0
Total Libraries	0.6	1.1	1.1	0.0	2.5	2.5	0.0
Reprofiling				0.0			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

9.19 Design proposals are awaited for the HOME Arches scheme to transform three railway arches situated between HOME’s building and Whitworth Street West into a talent development centre for artists of all ages, disciplines and stages of their careers. Once these are agreed, feasibility works will commence.

Variances – In Year

9.20 There are currently no variances projected against budget for the Libraries Programme.

Risks

9.21 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.

10 Growth and Development Programme

10.1 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	71.9	62.8	-9.1	3.7	5.9%
Corporate Estates	33.4	26.7	22.9	-3.8	3.1	14.0%
Development	29.9	32.5	28.8	-3.7	6.1	20.8%
Total Growth and Development	119.0	131.2	114.5	-16.7	12.9	11.3%
Reprofiling				-15.5		
Cost Variations				-1.0		
Net over (under) spend				-0.2		

Culture Programme

10.2 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.

10.3 Following notice to proceed (NTP) being received, the Factory budget has continually been reviewed and updated, for the revised cash flow from the contractor in line with the latest construction programme and revised fees. The revised budget is now £69.7m.

10.4 The Culture programme is forecasting to spend £62.8m compared to a budget of £71.9m, a variance of £9.1m. 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	69.7	62.8	-9.1	144.9	144.9	0.0
St Johns Public Realm	1.7	2.2	2.2	0.0	6.7	6.7	0.0
Total Cultural	55.7	71.9	62.8	-9.1	151.6	151.6	0.0
Reprofiling				-9.1			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

10.5 As previously outlined work on site is continuing for The Factory but productivity has been impacted by COVID-19 with social distancing measures slowing the work on site. A detailed cost and programme review is nearing completion. The Arts Council England has released funding of £9.3m ahead of the next key stage review, to assist with cashflow on the project.

10.6 A revised design is expected for the St Johns Public Realm works at the end of July.

Variances – All Years

10.7 As stated above a full cost and programme review is currently underway.

Variances – In Year

10.8 A total of £9.1m will be reprofiled into future years, as a number of work packages have been paused whilst the programme is reviewed. This position is likely to change as further work on the cost plan and programme completes.

Risks

10.9 The risk profile for the Factory focuses on ensuring the project is delivered within the revised project timescales and forecast. The delivery and installation of the steel 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

10.10 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.

10.11 The main changes since the budget set in February 2020 and prior to the proposals highlighted in this report are as follows:

- 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.
- 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 was revised to £3.9m.

10.12 The Corporate Estates programme is forecasting to spend £22.9m compared to a budget of £26.7m, a variance of £3.8m. 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	11.7	8.0	-3.7	21.4	21.4	0.0
Hammerstone Road Depot	9.3	4.7	4.7	0.0	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	26.7	22.9	-3.8	85.7	85.7	-0.1
Reprofiling				-3.7			
Cost Variations				0.0			
Net over (under) spend				-0.1			

Activities

10.13 As noted in paragraph 5.8, the Hammerstone Road project will be subject to a full review of the requirements of what the Council needs from the depot and the scale of the office space is to be reconsidered. It is expected that, if approved, the scheme will go into contract in December 2020 for a start in January 2021.

10.14 Works contracts for 8 buildings within the Carbon Reduction Programme phase 1 project have been agreed and works have commenced with solar panels installed on Wythenshawe Forum. The lighting design for the Town Hall Extension has now been agreed and start on site is expected in July. Following the approval by Executive of the second phase of the programme, consumption data is being analysed and a scheme of works put together. It has been identified that there may be opportunities for more carbon reduction work on the buildings from phase 1.

10.15 Work is continuing 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

10.16 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.

Variances – In Year

10.17 There is a requirement to reprofile £3.7m across the Asset Management Programme (AMP) into future years, which relates to a number of schemes that are currently on hold or have slowed down due to COVID-19. The main schemes that are affected are works at Platt Hall, markets safety works, the Regional Athletics Centre, Sharp and Space buildings. Further to this, there are mechanical and electrical (M&E) and structural works at various sites that cannot currently progress due to access issues. The entire programme is under constant review in line with government guidelines.

Risks

10.18 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.

10.19 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.

10.20 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

10.21 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.

10.22 The main changes since the budget set in February 2020 and prior to those noted in this report are that at March Executive, a capital budget virement of £1.8m from the Sustaining Key Initiatives budget was approved for the phase 1 works to Piccadilly Gardens.

10.23 The Development programme is forecasting to spend £28.8m compared to a budget of £32.5m, a variance of £3.7m. 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	2.4	0.2	-2.2	27.1	26.1	-1.0
Strategic Acquisitions Board	3.0	3.0	3.0	0.0	17.2	17.2	0.0
Northern Gateway	6.7	6.8	6.8	0.0	25.6	25.6	0.0
Eastern Gateway	0.8	0.7	0.7	0.0	42.5	42.5	0.0
City Centre	6.6	8.0	6.4	-1.6	66.6	66.6	0.0
Other Growth & Development	11.4	11.6	11.6	0.0	52.6	52.6	0.0
Total Development	29.9	32.5	28.8	-3.7	231.6	230.6	-1.0
Reprofiling				-2.7			
Cost Variations				-1.0			
Net over (under) spend				0.0			

Activities

10.24 The final fit out works at the Tech Hub in the Bonded Warehouse are now complete with the final payment made for the scheme in May 2020. The first tenants are due to go in during July with an official launch of the building expected to be arranged when social distancing measures permit.

- 10.25 A contractor has been appointed and planning application submitted for the demolition of the concrete wall within Piccadilly Gardens. The second phase of the project will be the appointment of the designer and contractor for the wider scheme after a public consultation is undertaken.
- 10.26 In June, the first four sections of the 'Tower of Light' were installed for the Civic Quarter Heat Network project. The tower will generate low-carbon heat and power for a number of City Centre buildings. Work is expected to be completed later this summer, when the final five sections of the tower are due to be lifted into place, with the wider network expected to be in place by the end of the year.

Variances – All Years

- 10.27 The £1.0m budget for the Space project phase 2 is no longer required and therefore will be removed from the Capital Programme. A new scheme for phase 3 works to the building will be brought forward once developed.

Variances – In Year

- 10.28 There is a requirement to reprofile £0.6m into the next financial year for the Sharp project as the offices are currently let on a temporary basis and the company in situ have extended their occupation, pending suitable space for their size requirement becoming available at the Sharp Project. Once the offices are vacated, the required surveys and design work will be undertaken in order to inform a business case for the expenditure.
- 10.29 COVID-19 has had a significant impact on lettings for the Digital Asset Base - One Central Park project, and so a total of £0.5m has been moved into next financial year to reflect the additional time required to let the building as the office market begins to recover.
- 10.30 A total of £1.6m will be moved in to 2021/22 for the Piccadilly Gardens phase 1 project due to the decision taken to delay the public consultation until the Autumn. After, approval will be sought for a concept design and a complete and detailed design brief for the contractor.

Risks

- 10.31 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 e.g. for 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.

11 Our Town Hall Refurbishment

- 11.1 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 July Executive when Notice to Proceed (NtP) was instructed which detailed the latest information on the scheme, cost and programme.

- 11.2 The Our Town Hall Refurbishment programme is forecasting to spend £44.2m compared to a revised budget of £42.5m, a variance of £1.7m. 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	42.5	44.2	1.7	305.2	305.2	0.0
Total Our Town Hall Refurbishment	49.1	42.5	44.2	1.7	305.2	305.2	0.0
Reprofiling				1.7			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

- 11.3 The project has now achieved Notice to Proceed (NtP). The completion of the Building is expected by May 2024 and Albert Square by October 2023.
- 11.4 Work on site continues, with the temporary accommodation now fully operational and the Our Town Hall electric supply decommissioned, with the building now being supplied from a temporary supply. Temporary protection is now being undertaken throughout the building, and the Chimes of the Town Hall Clock have now been turned off. Scaffolding work has now commenced on Princess Street.

Variances – In Year

- 11.5 There is a variance against the revised budget of £1.7m due to a number of factors including an increase in the Pre-Construction Services Agreement (PCSA) period, additional costs for COVID-19, along with a number of tenders being returned over budget such as Internal Substructure & Structural alterations. These have been partially offset by re-profiling of the contingency allowances and Design team fees.

Risks

- 11.6 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.

- 11.7 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.
- 11.8 External factors such as supply chain uncertainty 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.
- 11.9 A risk to the programme is the nesting peregrine falcons. The ecologist's advice is that there is now only one remaining and the earliest date it might fledge is July. A plan is being developed with the scaffolders to re-mobilise as soon as it has fledged to mitigate any further programme risk.

12 Housing - General Fund

- 12.1 The Private Sector Housing programme focuses on providing affordable housing including the facilities, adaptations and community focus required.
- 12.2 The major changes since the original budget set in February 2020 are as follows:
- As reported at 2019/20 outturn a total of £1.5m for the Disabled Facilities Grant was accelerated from 2020/21 into 2019/20.
 - At Outturn, a review of Private Sector Housing schemes was undertaken in light of the expected impact of COVID-19 and a total of £3.3m was re-profiled into future years.
- 12.3 The Private Sector Housing programme is forecasting to spend £15.0m compared to a budget of £17.8m, variance of £2.8m. 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	0.6	0.0	-0.6	9.5	9.5	0.0
Disabled Facilities Grant	7.5	6.0	6.0	0.0	53.9	53.9	0.0
Extra Care	1.2	1.2	0.0	-1.2	6.0	6.0	0.0
Ben St Regeneration	0.9	0.2	0.4	0.2	8.7	8.7	0.0
Marginal Viability Fund – New Victoria	6.7	5.6	5.6	0.0	10.5	10.5	0.0
Other Projects	5.7	4.2	3.0	-1.2	85.7	85.7	0.0
Total Private Sector Housing (General Fund)	22.6	17.8	15.0	-2.8	174.3	174.3	0.0

Reprofiling				-2.5			
Cost Variations				0.0			
Net over (under) spend				-0.3			

Activities

- 12.4 The Disabled Facilities Grant award for 2020/21 was received in May 2020. The budget for future years has been reprofiled accordingly to reflect its proposed drawdown and usage.
- 12.5 The Chimebank s.106 scheme purchase has been completed. Highways works within the West Gorton Programme are now complete and works to West Gorton Park have now resumed following the COVID-19 shutdown. Completion is expected in quarter 2.

Variances – In Year

- 12.6 A total of £1.2m has been moved into future years for the Extra Care scheme whilst the Council continues to review schemes to find the optimum balance between those led internally and those by Registered Providers.
- 12.7 A total of £0.2m will be accelerated in to 2020/21 for the Ben Street project as the compulsory purchase order (CPO) has now been completed for a piece of land and one property, and the process of procuring a contractor for the property refurbishment and facelifts, the alley gating and land remediation has now begun.
- 12.8 There is a requirement to move £0.3m into next financial year for the Miles Platting Scheme due to outstanding compensation claims that need to be finalised.
- 12.9 Elsewhere within the Private Sector Housing portfolio, a further review of the likely impact of COVID-19 has been undertaken and a total of £1.5m will be reprofiled into future years across the West Gorton Community Park scheme, the West Gorton phase 2 demolition and acquisition scheme and Brunswick PFI Land Assembly. The Council will continue to review the forecasts in light of COVID-19 and more information will be provided to Executive in October.

Risks

- 12.10 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. Similarly, delays to Extra Care schemes could impact on savings projected by Adult Services and the availability of funding from third parties. Given the early stage of this project this risk is not quantifiable but will be closely monitored.

13 Housing Revenue Account (HRA)

- 13.1 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.
- 13.2 As noted at Outturn, 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 £19.8m.
- 13.3 The Public Sector Housing (HRA) programme is forecasting to spend £17.7m compared to a budget of £19.8m, a variance of £2.1m. 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	18.5	16.7	-1.8	80.2	80.2	0.0
North Manchester New Builds	3.5	0.6	0.3	-0.3	10.2	10.2	0.0
Other Projects	4.6	0.6	0.6	0.0	40.6	40.6	0.0
Total Public Sector Housing (HRA)	38.8	19.8	17.7	-2.1	131.0	131.0	0.0
Reprofiling				-2.1			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

- 13.4 Heads of Terms are being prepared with the delivery partner for the Collyhurst Programme, along with progression of master planning and designs for the initial phase of works, as well as the planned public consultation.

Variances – In Year

- 13.5 The defects liability period for the North Manchester New Builds 1 project has been extended due to COVID-19. There is a potential saving of £0.3m against the project, however this has been moved into next financial year until it is determined whether this can be fully realised.
- 13.6 The full programme review in light of COVID-19 for the Northwards Programme has resulted in a total of £1.8m being reprofiled into future years.

Risks

- 13.7 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.
- 13.8 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.
- 13.9 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.

14 Children's Services

- 14.1 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.
- 14.2 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 Executive. The 2020/21 budget is now £5.2m.
- 14.3 The Children's Services programme is forecasting to spend £43.7m compared to a budget of £44.0m, a variance of £0.3m. 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	20.1	20.1	0.0	135.3	135.3	0.0
School Maintenance programme	3.6	5.2	5.2	0.0	11.2	11.2	0.0
Other Projects	5.0	18.7	18.4	-0.3	22.0	22.0	0.0

Total Children's Services	29.5	44.0	43.7	-0.3	168.5	168.5	0.0
Reprofiling				-0.3			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

- 14.4 The North Ridge School Project is facing delays as the window manufacturer shut down their facility due to COVID-19. The Project is expected to be completed by December 2020 but this is under review and may change as the full implications of COVID-19 are established. At this stage the project team believes it may be possible to contain the COVID-19 implications within the overall budget approval.
- 14.5 The Special Educational Needs and Disabilities (SEND) Programme is progressing through the design process for all three projects (North Hulme, Camberwell and Roundwood) within the programme. The market testing for Roundwood is expected to commence within the next few weeks. This process will inform the impact of COVID-19 on the supply chain and the programme.

Variances – All Years

- 14.6 The SEND programme is reporting a total overpend of £0.9m due to inflationary pressures and increased preliminary costs and social distancing measures due to COVID-19. Work is ongoing with the contractor to seek to mitigate cost and programme impacts through value engineering and revised methodologies. The additional funds will be vired from the Education Basic Need Unallocated budget. More information can be found in the Capital Update report elsewhere on the agenda.

Variances – In Year

- 14.7 A total of £0.3m will be moved into next financial year for the Healthy Pupil Capital Fund whilst a scheme is developed for its proposed use.

Risks

- 14.8 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.
- 14.9 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.

15 ICT Capital Programme

15.1 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.

15.2 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.

15.3 The ICT programme is forecasting to spend £3.4m against a budget of £3.4m, a variance of nil. 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	1.1	1.1	0.0	41.7	41.7	0.0
Total ICT	5.7	3.4	3.4	0.0	45.1	45.1	0.0
Reprofiling				0.0			
Cost Variations				0.0			
Net over (under) spend				0.0			

Activities

15.4 The new system as part of the GDPR Project, Infreemation, went live on 1 June 2020. The required training for all users was completed via google meet, which proved to be a successful way of learning in the current COVID-19 situation.

15.5 The Telephony contract was awarded in April 2020, and the first stage has now been delivered for the Contact Centres and the ICT helpdesk. Future phases of the project are reliant on the progression of the Microsoft 365 project and the End User Devices scheme.

- 15.6 The procurement process for the LAN and Wireless project has been completed with 6 responses received. The service is currently reviewing these.

Variances

- 15.7 There are currently no variances within the ICT portfolio.

Risks

- 15.8 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.
- 15.9 ICT projects are subject to external factors such as cyber security risks as an incident could result in data unavailability or loss, impacting the Council's critical applications and services. The Council has 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.
- 15.10 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.

16 Corporate Services Programme

- 16.1 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.
- 16.2 The main variances from the budget set in February 2020, and prior to those reported in this report are as follows:
- At Outturn, the Integrated Working – Gorton Health Hub project assumed a 3 month project delay due to COVID-19 and hence required reprofiling of £7.4m 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.
- 16.3 The Corporate Services programme is forecasting to spend £164.1m compared to a budget of £166.0m, a variance of £1.9m. 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	9.8	8.2	-1.6	22.8	22.8	0.0
BioMedical Investment	6.1	6.1	6.1	0.0	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	7.1	-0.3	158.5	158.2	-0.3
Total Corporate Services	38.2	166.0	164.1	-1.9	345.3	345.0	-0.3
Reprofiling				-1.6			
Cost Variations				0.0			
Net over (under) spend				-0.3			

Activities

- 16.4 The support package sought by Manchester Airport Group has progressed, and the negotiations with banks and bondholders have successfully concluded, resulting in the requested covenant waivers for the next 12 months being obtained, and providing breathing space for the Group to begin its recovery. As a shareholder in the Group the Council has previously agreed support, and the first tranche of c. £106.5m has been paid in early July.
- 16.5 Route to contract negotiations for the Integrated Working - Gorton Health Hub project were agreed, although the contract was not executed due to COVID-19. Partners for the scheme have now been contacted to assess whether their plans for the building have altered in light of COVID-19. The forecast has been updated, assuming a start on site in September 2020.
- 16.6 The final installment of the Manchester Airport Carpark investment was paid in April 2020.

Variances - All Years

- 16.7 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.

Variances – In Year

- 16.8 As reported in paragraph 16.5, 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 £1.6m will be reprofiled into future years.

16.9 Other variances are as in paragraph 16.7.

Risks

16.10 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.

17 Capital Resources

17.1 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.

17.2 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.

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

	£m
Grants	66.3
External Contributions	35.6
Capital Receipts	25.5
Revenue Contributions to Capital	19.1
Capital Fund	6.1
Borrowing	318.8
Total	471.4

17.3 To note, the draft funding position above includes the financing of the net £0.1m underspends 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.

18 Capital Programme Re-phasing and Variations

18.1 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	Total Programme £m
Capital Budget (July 20)	508.6	327.0	245.1	69.3	1,150.0
Forecast Reprofile	-33.1	0.5	-0.1	32.7	0.0
Cost Variations	-4.0	0.0	0.0	0.0	-4.0
Proposed Capital Budget	471.5	327.5	245.0	102.0	1, 146.0

Virements

- 18.2 Various schemes across the programme require virements in 2020/21 - 2022/23, as shown in the Appendix A.
- 18.3 The Executive is recommended to approve, under the emergency provision of the Council Decisions on 25th March 2020 - "Constitutional Amendments and Other Matters for Council Business Continuity - Part 7", virements over £0.5m within the capital programme as outlined in Appendix A.
- 18.4 The Executive is recommended to approve virements under £0.5m within the capital programme as outlined in Appendix A.

19 Social Value

- 19.1 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.

20 Changes to PWLB borrowing rates

- 20.1 On the 9th of October 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.
- 20.2 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.
- 20.3 As part of the Government's March 2020 budget, a consultation on the future of the PWLB was launched, which has a revised response date of the end of July.

21 Prudential Indicators

- 21.1 The prudential indicators as at the end of June 2020 are shown at appendix C. A number are breached.
- 21.2 Following the decision to provide financial support to Manchester Airport noted above, the indicators need to be revised to reflect this additional capital expenditure which was not part of the budget set in February, and on which the prudential indicators were based.
- 21.3 On the basis of the current capital expenditure and borrowing forecasts included in this report it is proposed that the following indicators are revised:

Indicator	Original	Revised
Forecast Capital Expenditure (Non-HRA)	£339.6m	£453.7m
Forecast Capital Financing Requirement (Non-HRA)	£1,543.1m	£1,637.1m
Maturity Structure of Borrowing - Upper Limit for 10 years and above	40%	20%

22 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.

23 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

Project Name	2020/21 In year virement proposed £000	2021/22 In year virement proposed £000	2022/23 In year virement proposed £000
Carriageway Resurfacing	836	8,385	
Footway schemes	-836	-3,561	
Carriageway Preventative		-4,824	
Total Highways Programme	0	0	0
Harpurhey Lathbury and 200 Estates external cyclical works		-13	
Harpurhey Shiredale Estate externals		-15	
External cyclical works Moston Estates (Chauncy/Edith Cliff/Kenyon/Thorveton Sq)		-2	
External cyclical works Cheetham Appleford estate		-2	
External cyclical works Higher Blackley South		-1	
External cyclical works Newton Heath Assheton estate		-27	
Electricity North West distribution network phase 4 (various)	162		
Delivery Costs			229
Newton Heath - Multi Internal Works	-87		
Higher Blackley - Liverton Court Internal Works	-13		
Various - Bradford/Clifford Lamb/Kingsbridge/Sandyhill Court Internal Works	-74		
Collyhurst - Mossbrook/Roach/Vauxhall/Humphries Court Internal Works	283	49	
Installations of sprinkler systems - multi storey blocks		-274	
ERDF Heat Pumps	108	391	101
Fire Risk Assessments	-758	-42	
Rushcroft and Pevensey Courts Ground Source Heat Pumps	13		
Delivery Costs	-81		
Delivery Costs	4		
Stock Acquisitions	2		
Delivery Costs	-10		
Northwards Housing Programme - Unallocated	451	-64	-330
Total Public Sector Housing (HRA) Programme	0	0	0
Brookside Road Moston		324	

Project Name	2020/21 In year virement proposed £000	2021/22 In year virement proposed £000	2022/23 In year virement proposed £000
North Hulme		266	
Roundwood Road		333	
Basic need - unallocated funds		-923	
Moston Lane Reroof	6		
Schools Capital Maintenance -unallocated	-6		
Total Children's Services Programme	0	0	0
Total Capital Programme	0	0	0

Appendix B – Capital Budgets

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Highway Programme						
Drainage	2,120	1,871	0	0	0	3,991
Patching Defect repairs	2,000	528	0	0	0	2,528
Carriageway Resurfacing	8,049	9,042	0	0	0	17,091
Footway schemes	1,209	2,217	0	0	0	3,426
Carriageway Preventative	2,350	2,250	0	0	0	4,600
Bridge Maintenance	500	2,234	2,233	2,233	0	7,200
Other Improvement works	951	11,921	0	0	0	12,872
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	155	154	0	0	0	309
Hathersage Residents Parking Zones	60	0	0	0	0	60
North Manchester 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	2,838	1,093	0	0	0	3,931
Northern Quarter Cycling Scheme	1,356	737	0	0	0	2,093
Manchester Cycleway	415	178	0	0	0	593
Beswick Filtered Neighbourhood Development	554	0	0	0	0	554

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Costs						
Green Bridge at Airport City	852	71	0	0	0	923
A6 Stockport Road Pinch Point Scheme	441	5	0	0	0	446
Levenshulme Mini Holland Cycling and Walking scheme	978	0	0	0	0	978
Northern/Eastern Gateway Walking and Cycling scheme-development costs	614	0	0	0	0	614
Rochdale Canal	177	0	0	0	0	177
20mph Zones (Phase 3)	124	0	0	0	0	124
Princess Road Safety Review	60	387	0	0	0	447
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
Total Highways Programme	52,568	38,437	2,233	2,233	0	95,471

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Waste Reduction Measures	1,080	0	0	0	0	1,080
Waste Contract	200	350	350	0	0	900
Purchase of Electric Refuse Collection Vehicles	9,400	0	0	0	0	9,400
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	958	2,952	3,574	4,685	0	12,169
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
Indoor Leisure - Abraham Moss	212	9,631	10,325	46	0	20,214
Indoor Leisure - Moss Side	68	0	0	0	0	68
Boggart Hole Clough - Visitors Centre	0	535	0	0	0	535
Mount Road	32	0	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
Gorton and Abbey Hey Project	292	0	0	0	0	292
Hough End Master Plan - Strat Football Hub Development Costs	200	0	0	0	0	200
Range Stadium Capital Project	168	0	0	0	0	168
Manchester Aquatics Centre - Car Park Improvements	402	0	0	0	0	402

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Non-Turf Wickets - Parks & Playing Fields	232	0	0	0	0	232
GM Archives Web Portal	128	0	0	0	0	128
Central Library Wolfson Award	2	0	0	0	0	2
Central Library Refresh	194	763	0	0	0	957
Open Libraries	305	0	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	15,565	15,906	14,249	4,731	0	50,451
First Street Cultural Facility	14	0	0	0	0	14
The Factory (Build)	60,598	14,415	0	0	0	75,013
St Johns (Public Realm)	2,218	1,981	0	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	4,749	11,333	3,190	0	0	19,272
Carbon Reduction Programme	3,910	10,200	10,000	0	0	24,110
Greening of the City	500	500	0	0	0	1,000
Estates Transformation	0	800	0	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	130	0	0	0	0	130
Proud Trust - Sidney Street	250	0	0	0	0	250
The Sharp Project	0	600	0	0	0	600
Digital Asset Base - One Central Park	230	538	0	0	0	768

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Strategic Acquisitions Programme	3,038	1,323	0	0	0	4,361
Sustaining Key Initiatives	0	3,189	8,600	0	0	11,789
Acquisition of land at Red Bank	2,305	0	0	0	0	2,305
Northern Gateway	4,470	6,675	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
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
New Smithfield Market	0	469	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	114,753	74,111	29,065	4,875	0	222,804
Town Hall Refurbishment Programme						
Our Town Hall refurbishment	44,198	73,369	93,389	69,218	0	280,174
Total Town Hall Refurbishment Programme	44,198	73,369	93,389	69,218	0	280,174
Brunswick PFI Land Assembly	0	1,151	0	0	0	1,151
Collyhurst Regeneration	0	178	1,000	2,700	0	3,878
Collyhurst Environmentals	0	55	0	0	0	55

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
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	127	150	266	0	0	543
Disabled Facilities Grant	6,004	6,200	0	0	0	12,204
Toxteth St CPO and environmental works	0	156	0	0	0	156
Bell Crescent CPO	0	0	0	482	0	482
HCA Empty Homes Cluster Phase 2	107	415	891	0	0	1,413
Princess Road	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 Demolition & Commercial Acquisitions	0	1,341	0	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	550	25	25	0	0	600
Ben St. Regeneration	428	623	0	0	0	1,051
Marginal Viability Fund - New Victoria	5,550	4,950	0	0	0	10,500

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Chimebank	34	0	0	0	0	34
Total Private Sector Housing Programme	15,316	17,393	5,232	10,682	0	48,623
Charlestown - Victoria Ave multistorey window replacement	1,000	8,320	2,963	0	0	12,283
Harpurhey Lathbury and 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 Charlestown Chain Bar Hillingdon Drive maisonettes	0	11	0	0	0	11
External cyclical works Crumpsall Blackley Village	0	20	0	0	0	20
External cyclical works New Moston	0	8	0	0	0	8
Environmental improvements Moston corrolites	50	0	0	0	0	50
Electricity North West distribution network (various)	194	0	0	0	0	194
Various Estate based environmental works	100	163	0	0	0	263
Delivery Costs	594	867	385	0	0	1,846
Decent Homes mop ups 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

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
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	707	241	0	0	0	948
Newton Heath - Multies Internal Works	1,625	1,512	0	0	0	3,137
Higher Blackley - Liverton Court Internal Works	4	62	0	0	0	66
Various - Bradford/Clifford Lamb/Kingsbridge/Sandyhill Court Internal Works	152	0	0	0	0	152
Charlestown - Rushcroft/Pevensey Court Internal Works	785	158	0	0	0	943
Collyhurst - Mossbrook/Roach/Vauxhall/Humphries Court Internal Works	483	49	0	0	0	532
Decent Homes mop ups phase 10 and voids	197	198	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	2,613	1,700	101	0	0	4,414
Charlestown - Rushcroft/Pevensey Courts Lift Refurb	0	525	0	0	0	525
One off type work (rewires/boilers/doors)	211	0	0	0	0	211
Fire Risk Assessments	1,600	3,410	0	0	0	5,010
Northwards - Harpurhey 200 Estate Internal Works	717	134	0	0	0	851
Rushcroft and Pevensey Courts Ground Source Heat Pumps	1,535	888	0	0	0	2,423
Delivery Costs	1,672	1,187	120	0	0	2,979
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

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
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	445	285	0	0	0	730
Delivery Costs	80	45	0	0	0	125
Stock Acquisitions	2	0	0	0	0	2
Adaptations	150	202	0	0	0	352
Various Locations - Adaptations	305	388	0		0	693
Delivery Costs	42	50	0		0	92
Northwards Housing Programme - Unallocated	1,407	0	21,552	0	0	22,959
Collyhurst Maisonette Compensation and Demolition	0	89	935	0	0	1,024
West Gorton Low and 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
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	10	0	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	600	13,890	4,110	0	0	18,600
Buying Back Former Council Homes	0	500	500	500	0	1,500

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
Total Public Sector Housing (HRA) Programme	17,652	36,155	38,683	500	0	92,990
Lytham Road	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 Road Moston	5,324	2,069	28	0	0	7,421
North Hulme	3,400	1,248	11	0	0	4,659
Roundwood Road	6,510	1,460	34	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
Basic need - unallocated funds	0	21,249	44,359	0	0	65,608
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
School Cap Maintenance 2020/21	4,110	0	0	0	0	4,110
Schools Capital Maintenance -unallocated	327	3,000	0	0	0	3,327
Early Education for Two Year Olds - Unallocated	52	0	0	0	0	52

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £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	200	483	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
Total Children's Services Programme	43,638	30,876	44,432	0	0	118,946
Internet Resilience	30	0	0	0	0	30
Communications Room Replacement Phase 2	360	3,591	2,331	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
ICT Investment Plan	0	6,717	8,900	7,690	0	23,307
Total ICT Programme	3,430	11,508	11,231	7,690	0	33,859
Pay and Display Machines	220	0	0	0	0	220
Phase 1 Implementation - Locality Plan Programme Office	487	0	0	0	0	487
Integrated Working - Gorton Health Hub	8,234	11,462	483	0	0	20,179
BioMedical Investment	6,100	7,785	0	0	0	13,885

Project Name	2020/21 Proposed revised budget £000	2021/22 Proposed revised budget £000	2022/23 Proposed revised budget £000	2023/24 Proposed revised budget £000	2024/25 Proposed revised budget £000	Total Revised Budget £000
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	500	500	0	0	0	1,000
Irish World Heritage Centre Loan	10	0	0	0	0	10
Manchester Airport Group Support	142,700	0	0	0	0	142,700
Inflation	1,980	10,000	6,000	2,000	0	19,980
Total Corporate Capital Programme	164,421	29,747	6,483	2,000	0	202,651
Total Manchester City Council Capital Programme	471,541	327,502	244,997	101,929	0	1,145,969

Appendix C – Prudential Indicators Monitoring

No	Prudential Indicator		Target		As at end June 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	339.6	453.7	Y	
		HRA	38.8	17.7	N	
		Total	378.4	471.4	Y	
3	Forecast Capital Financing Requirements	Non – HRA	1,543.1	1,637.1	Y	
		HRA	299.2	299.2	N	
		Total	1,842.3	1,936.3	Y	
4	Authorised Limits for External Debt	Borrowing	1,384.5	782.7	N	
		Other Long Term Liabilities	190.0	190.0	N	
		Total	1,574.5	972.7	N	
5	Operational Boundaries for External Debt	Borrowing	1,006.2	782.7	N	
		Other Long Term Liabilities	190.0	190.0	N	
		Total	1,196.2	972.7	N	
6	Upper Limits for Principle Sums Invested for over 364 days		0	0	0	N
			<i>Lower Limit</i>	<i>Upper Limit</i>	<i>%</i>	
7	Maturity Structure of Borrowing	under 12 months	80	0	47.8	N
		12 months and within 24 months	70	0	13.3	N
		24 months and within 5 years	60	0	9.2	N
		5 years and within 10 years	50	0	0.2	N
		10 years and above	80	40	29.5	Y