

**Manchester City Council
Report for Resolution**

Report To: Executive – 26 July 2017
Subject: Capital Programme – Proposed Increases
Report of: Chief Executive and City Treasurer

Summary

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

Recommendations

Members are requested under powers delegated to the Executive to approve:

1. Adult Services Programme – Capitalisation of Community Equipment. To increase the capital budget by £350k in 2017/18, £368k in 2018/19, £386k in 2019/20, £405k in 2020/21 and £425k in 2021/22, funded by Revenue Contributions to Capital.
2. Asset Management Programme – Forum Learning Refurbishment. To increase the capital budget by £1,200k in 2017/18 funded by external contributions from the Department of Work and Pension (DWP).

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 adult education.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Investment in adult education service which will support employment.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Improvements to services delivered to communities.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in public buildings.

Manchester Strategy outcomes	Summary of the contribution to the strategy
A connected city: world class infrastructure and connectivity to drive growth	Investment in community equipment.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The capital financing consequences of additions to the capital programme can be financed from existing revenue budgets.

Financial Consequences – Capital

The recommendation in this report, if approved, will increase Manchester City Council's capital budget by £3,134k; £1,550k in 2017/18, £368k in 2018/19, £386k in 2019/20, £405k in 2020/21 and £425k in 2021/22.

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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 8th February 2017 (Budget 2017/18 - 2021/22)

1 Introduction

- 1.1 This report outlines the requests for increases to the five year capital budget 2017/18 to 2021/22.

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 Manchester City Council. Proposals for the 2017/18 to 2021/22 capital budget were presented to the Executive on 8^h February 2017.
- 2.2 The following requests for a change to the programme has been received since the previous report to the Executive.

3 Proposals Not Requiring Specific Council Approval

- 3.1 Adult Services Programme – Capitalisation of Community Equipment. The service has a policy of capitalising any individual item of community equipment purchased with a value over £100. The budget increase requested in 2017/18 is increased by 5% each year after due to inflation. A capital budget increase of £1,934k is requested; £350k in 2017/18, £368k in 2018/19, £386k in 2019/20, £405k in 2020/21 and £425k in 2021/22, funded by Revenue Contributions to Capital.
- 3.2 Asset Management Programme – Forum Learning Refurbishment. This project involves the refurbishment of the Forum Learning, which will accommodate the new model of delivery. The total cost is expected to cost £1,500k, of which £1,200k will be contributed by the DWP and the rest will be funded from the existing AMP budget. A capital budget increase of £1,200k is requested in 2017/18, funded by external contributions from the Department of Work and Pension (DWP).

4 Prudential Performance Indicators

- 4.1 If the recommendations in this report are approved the General Fund capital budget will increase by £3,134k; £1,550k in 2017/18, £368k in 2018/19, £386k in 2019/20, £405k in 2020/21 and £425k in 2021/22, as detailed in Appendix 1.
- 4.2 There is no requirement for prudential borrowing for this scheme; therefore there are no Council Tax implications.

5 Conclusions

- 5.1 The capital budget of Manchester City Council will increase by £3,134k; £1,550k in 2017/18, £368k in 2018/19, £386k in 2019/20, £405k in 2020/21 and £425k in 2021/22, if the recommendations in this report are approved.

6 Contributing to the Manchester Strategy

6.1 The decisions provide resources for important projects to go forward, each project making its own contribution to the Manchester Strategy.

(a) A thriving and sustainable city

6.2 Contributions to various areas of the economy including investment in adult education.

(b) A highly skilled city

6.3 Investment in adult education service which will support employment.

(c) A progressive and equitable city

6.4 Improvements to services delivered to communities.

(d) A liveable and low carbon city

6.5 Investment in public buildings.

(e) A connected city

6.6 Investment in community equipment.

7 Key Polices and Considerations

(a) Equal Opportunities

7.1 The proposals have been drawn up in awareness of Council policy on equality.

(b) Risk Management

7.2 All capital projects go through the Gateway process and are subject to a risk assessment which includes a rapid risk check, risk workshops and the compilation of risk logs to support project delivery and risk management.

(c) Legal Considerations

7.3 None in this report.

Appendix 1

Requests for Adjustments to the Capital Budget Provision							
26th July 2017 EXECUTIVE							
Dept	Scheme	Funding	2017/18	2018/19	2019/20	Future	Total
			£'000	£'000	£'000	£'000	£'000
<u>Executive Approval Requests</u>							
Adult Services Programme	Capitalisation of Community Equipment	Revenue Contributions to Capital	350	368	386	830	1,934
Asset Management Programme	Forum Learning Refurbishment	External Contributions from the Department of Work and Pension (DWP)	1,200	0	0	0	1,200
<u>Total Executive Approval Requests</u>			<u>1,550</u>	<u>368</u>	<u>386</u>	<u>830</u>	<u>3,134</u>
<u>Total Budget Increase Requests</u>			<u>1,550</u>	<u>368</u>	<u>386</u>	<u>830</u>	<u>3,134</u>