

ANNEX 2

Three Year Capital Programme 2009/10 to 2011/12 (including Capital Strategy and 2008/09 capital monitoring update)

This Annex presents the three year capital programme 2009/10 to 2011/12. The capital programme aims to deliver the optimum combination of projects and programmes that represent the key priorities of the City Council's capital strategy. Details of the capital strategy appear in Appendix D.

This report must be read in conjunction with others elsewhere on this agenda that outline capital investment proposals for the Town Hall Complex and other initiatives. Whilst the revenue consequences of those reports are covered in the revenue budget report their capital expenditure and funding implications are not included in this capital budget report. If the recommendations of the other reports are agreed they will need to be added to the capital programme.

The three year capital programme uses the most up to date forecast of outturn figures for 2008/09 as the base point for its calculation.

Formal resolutions to the following recommendations will be required if the capital investment programme is to be implemented and delivered as part of the integrated budget process presented in this report.

Members are requested to:

1. Note that the capital strategy has been updated and to agree the amended version as presented in Appendix D
2. Note that the latest estimate of capital outturn for 2008/09 is £327,621,000
3. Note the capital programme report as presented.
4. Agree that additional unsupported borrowing currently estimated to be £41,178,000 will be required to finance
 - the delivery of the current 3 programme,
 - the new proposals identified in this report where alternative funding sources have not been identified and
 - the reservation of resources to provide funding for further spending proposals that will be subject to the agreement of the Executive, and to request that the City Council delegate authority to the Executive to increase the capital budget accordingly.

5. Recommend to the City Council for approval the three year capital programme 2009/10 to 2011/12 as presented in Appendix C, agreeing that the housing programme is subject to confirmation as to its affordability and will be the subject of a further report to Executive

6. Delegate authority to;
 - (a) The Chief Executive in consultation with the Leader and Executive Member for Planning and Environment for the approval of the list of schemes to be undertaken under the Transport capital programme,

 - (b) The Head of Engineering to implement these schemes after consultation with the Executive Member for Planning and Environment on the final details and estimated costs.

7. Delegate authority to the City Treasurer in consultation with the Executive Member for Finance and Human Resources to approve unsupported borrowing of up to £5,000,000 in 2009/10 and a further £5,000,000 in each of the two following years for spend to save proposals, where the cost of borrowing (interest and principal repayment in full) for each project can be financed from additional income and / or savings within existing revenue budget limits for the lifetime of the loan period.

8. Delegate authority to the City Treasurer, in consultation with the Executive Member for Finance and Human Resources to accelerate schemes within the three year programme when necessary from 2010/11 and 2011/12 to 2009/10 and / or 2010/11 subject to resource availability.

9. Delegate authority to the City Treasurer in consultation with Executive Member for Finance and Human Resources to agree and approve where appropriate the following:
 - (a) The programme of schemes for the delivery of the corporate asset management programme.

 - (b) Financial management decisions relating to temporary unsupported borrowing and the investment of surplus resources.

10. That authority be delegated to the City Treasurer in consultation with the Executive Member for Finance and Human Resources to make alterations to the schedules for the 3 year capital programme 2009/10 to 2011/12 prior to their submission to Council for approval,
 - Where there exists clearer information relating to the availability of external funding resource or

 - Where expenditure profiles have altered, subject to no changes being made to the overall estimated total cost of each individual project

Attachments

Appendix A Housing Programme
Appendix A (i) Housing Capital Investment Table
Appendix B Transport Programme
Appendix C Detailed Three Year Capital Programme
Appendix D Capital Strategy

Footnote – The Corporate Asset Management Plan 2009 is currently being drafted and will be presented to the Resources and Governance Overview and Scrutiny Committee in the near future.

Background

1. The current 3 year capital programme 2008/09 to 2010/11 originally approved by the Executive in February 2008 is being implemented, subsequently enhanced by a number of amendments and additions approved by the Executive and Council throughout the year. The proposals for the new three year programme 2009/10 to 2011/12 are based on the general understanding that the current 3-year programme will continue to conclusion as planned.
2. The capital programme 2009/10 to 2011/12 will therefore be formed by the continuation of the current three-year programme plus approved new proposals that will be outlined later in this report. The figures relating to the programme continuation are based on estimates compiled during the most recent monitoring exercise. The three year programme 2009/10 to 2011/12 has been calculated on the expectation that the current year (2008/09) outturn will be £327,621,000. This figure compares with the previous forecast of £324,755,000 reported to Executive in January 2009. The increase is attributable to a combination of additional approvals agreed by the Executive in December 2008 / January 2009 £3,867,000 offset by reductions due primarily to budget adjustments and slippage from 2008/09 to 2009/10 of £1,001,000. No external funding has been lost as a consequence of these changes.
3. The estimated spending profiles in 2009/10 and 2010/11 have been reviewed to check that the original forecasts were still realistic and achievable, and where necessary amendments have been made. The three year programme has also been formulated in recognition that there are capacity constraints that could limit the size of programme that the City Council can deliver each year. (It must be appreciated that if outturn 2008/09 slips below its current predicted figure then any expenditure slipping into 2009/10 may have a “knock-on” effect and cause subsequent delay to the delivery of other projects causing corresponding slippage into 2010/11 and beyond due to these capacity constraints.)
4. Resources available for Housing, Transport and Children’s Services have been ring fenced. Proposals relating to the three year capital programmes 2009/10 to 2011/12 for Housing and the Transport local transport plan (LTP) are explained in Appendices A and B respectively. Their programmes have been formulated on the basis that the resources available are ring fenced. Members should note that Transport programme is two years only because the five year LTP finishes in March 2011 and resource allocations beyond that date have not yet been announced. The Transport Programme is estimated to be £20,920,000 in 2009/10, £19,223,000 in 2010/11, and £5,205,000 in 2011/12. The estimated Housing Programme is based on forecasts of resource availability of total resource availability £209,648,000 (£96,030,000 for 2009/10, £78,733,000 in 2010/11 and £34,885,000 in 2011/12). The precise content of the programme is under review and will be the subject of a further report to Executive. There are sufficient approvals already in place to ensure that the review will not compromise the delivery of the essential investment requirements of the current three year programme.

Bids 2009/10 to 2011/12

5. Throughout the year service departments have submitted bids identifying capital investment requirements supporting service and budget strategies in accordance with the Gateway evaluation process to ensure that bids are strategically sound and meet corporate objectives.
6. All bids must be examined and tested to ensure that they can be delivered in terms of technical quality and that all financial implications (capital and revenue) are clearly identified and are affordable. Bids that have been fully appraised and where their funding availability is confirmed are in a position to be included in the capital budget, subject to the agreement of the Executive and the City Council. If bid appraisal is incomplete then the proposal should not seek capital budget approval, but there still exists the opportunity for members to agree that resources should be reserved in anticipation that appraisal will be completed successfully.
7. A number of bids relating to the delivery of cultural strategies were considered during last year's process and it was agreed that £3m of resources would be reserved to provide funding over the three years 2008/09 to 2010/11. The majority of this funding provision is still uncommitted. The cultural strategy programme still requires its final prioritisation exercise to be completed and it is therefore suggested that the uncommitted resources remain reserved to provide funding for the top priority projects.
8. The evaluation process is supplemented by final detailed scrutiny for (a) the impact of the associated VAT on the Council's overall finances and (b) a confirmation of capital and revenue affordability at capital expenditure approval stage - the final clearance stage immediately prior to scheme implementation.

Treatment of Resources

9. The total amount of resources that are expected during the three years 2009/10 to 2011/12 has been calculated. The national economic downturn has had significant impact on the resources available for the capital programme
 - (a) The original forecast amount of usable capital receipts available to the City Council has reduced. This is attributable to a reduced demand for sites, resulting in forecast receipts slipping to later years. The reduced demand for sites also contributes to reductions in site values generally.
 - (b) The City Council has taken measures to minimise the reduction in capital receipts by reviewing the capital disposals strategy, so that only essential sales and ones that represent best value are completed. This has resulted in the disposal timetable for a number of large sites being re-scheduled into future years in the expectation of market recovery and increased land sale receipts.
 - (c) The revenue budget contains sufficient provision to cover the required level of unsupported borrowing to finance the shortfall created by the reduced resources and for the proposals requiring City Council resources proposed elsewhere in this report

Proposed Programme 2009/10 to 2011/12

10. After financing existing commitments from the current programme there remains a funding shortfall (non housing) of £16,497,000. The proposals in this report to commit additional projects and to reserve more resources will increase the funding shortfall further.
11. Capital investment may be required for a number of developing initiatives. Further detail is required before individual proposals can be reported back to the Executive. Whilst every effort will be made to maximise external funding there are likely to be requirements for the City Council to provide capital funding and as a consequence the City Council may need to reserve resources £11m for the following projects – Neighbourhood Funding Strategy, Customer Relationship Management, Corporate Contact Centre, Miles Platting Joint Service Centre Infrastructure. It should also be noted that resources reserved last year for projects not yet commenced - Irwell City Park and the unallocated element of the global provision for investment on cultural strategy priorities are still in place.
12. The continuation of current capital programme strategy will require the following levels of capital investment
 - (a) Settlement of outstanding liabilities relating to old CPO's £30,000 for each of the three years 2009/10 to 2011/12
 - (b) Disabled employees equipment & adaptations 2011/12 £30,000
 - (c) Disabled access grants 2011/12 £145,000
 - (d) Demolition of buildings 2011/12 £50,000
 - (e) Ongoing IT infrastructure investment 2011/12 £500,000
 - (f) Continuation of the AMP repairs programme 2011/12 £10,000,000
13. A combination of capital allocations and grant earmarked by Government for schools £29,975,000 in 2011/12 will be applied as follows :
 - (a) Primary rebuilding programme - £16,989,000
 - (b) Devolved Capital Grant £5,402,000
 - (c) Schools Access initiative £677,000
 - (d) Manchester Partnership Programme £4,500,000 in 2008/09
 - (e) Extended services for schools £543,000
 - (f) ICT Harnessing Technology £1,864,000
14. The following list of projects represents the other corporate priorities that will require funding from Council capital resources and are recommended to be included in the new three year programme.
 - (a) Increased CPO and other costs relating to Cheetham District Centre £1,250,000 in 2009/10
 - (b) Asbestos removal various premises in 2009/10 £100,000
 - (c) Single Point of Failure £1,516,000 in 2009/10 to provide ICT investment to address the serious risk to Council business by computer "down time".

- (d) Additional support from Capital Fund funding towards City Centre Public Realm (inc Mosley Street) £2,000,000 in 2010/11. This is in accordance with the City Council's strategy for continued public realm investment to enhance Manchester's ability to attract businesses to locate to the City as agreed by the Executive in December 2008.

15. There are certain types of proposals that require capital expenditure funded from unsupported borrowing, where the cost of borrowing (interest and provision for loan repayment) will be recovered by revenue budget savings and / or additional income generated. Thus these projects can be delivered at net nil cost to the City Council. There is one such project for which capital budget approval is requested for 2011/12:

- Pavement repairs £2,669,000

16. It is recognised that further "spend to save" investment opportunities may arise and in order to deliver these types of projects it is recommended that delegated authority is given to the City Treasurer, in consultation with the Executive Member for Finance and Human Resources to increase the capital budget accordingly. The extent of this delegation should be limited to a total of £5,000,000 in 2009/10 and £5,000,000 per year in the two subsequent years. This is on the understanding that the costs of borrowing (interest and principal) of any such additions to the capital budget are financed in full by additional income / revenue budget savings.

The proposals contained in this report would create a three year capital programme of £364,146,000 in 2009/10, £303,156,000 in 2010/11, and £121,020,000 in 2011/12, if approved. A summary of estimated spend by department is contained at the front of Appendix C followed by schedules containing individual scheme details.

17. Work is continuing to produce the best estimate of figures for the three years 2009/10 to 2011/12. This will include the effect on 2009/10 and future years of any changes in the delivery of the current 3 year programme 2008/09 to 2010/11. If changes to figures in 2008/09 are identified in the current year's monitoring processes these will need to be fed into the new 3 year programme schedules. Any such changes should simply be re-profiling between financial years with no overall change to the estimated total cost of any individual project, or amendments where clearer information has become available relating to the availability of external funding sources. Members are requested to agree that authority be delegated to the City Treasurer, in consultation with the Executive Member for Finance and Human Resources to continue to make such alterations after this report to Executive to enable the best set of figures to be presented to full Council in March.

Conclusions

18. Approval of the recommendations contained in this Annex will authorise the capital programme detailed in Appendix C, plus reserved resources.
19. The latest forecast of funding shortfalls in the current three year programme and the proposed additions (including reserved resources) that require City Council resources indicates a requirement for additional unsupported borrowing £41,178,000 to be financed from existing revenue budget provision.
20. The estimated funding profile for the financial year 2009/10 is as follows:

	£000
Supported Borrowing	39,687
Unsupported Borrowing	13,378
Grants	248,779
Contributions	3,628
Capital Fund	9,327
Revenue	16,847
Capital Receipts	32,500
Total	364,146

APPENDIX A

HOUSING INVESTMENT PROGRAMME 2009/10 to 2011/12

The level of available resources sets the financial limits for the final expenditure programme. The latest Housing resource availability forecast 2009/10 to 2011/12 as reported to the Housing Investment Board (HIB) is £209.648m analysed by financial year in the table below. A more detailed analysis is shown in Appendix A (i).

	2009/10 £000	2010/11 £000	2011/12 £000	Total £000
Resource Availability	96,030	78,733	34,885	209,648

The resources estimates are still under review, in particular capital receipts forecasts for the three years 2009/10 to 2011/12. There is a risk that some capital receipts could slip into 2012/13 and later years.

If the whole programme is approved there will be significant commitments beyond 2011/12. This is attributable to the future contractual commitments to complete the land assembly programmes for the Collyhurst and Brunswick PFI's in particular. The longer term commitments require assumptions about the levels of resources that might be available beyond the current 3 year programme. The ability to fund the Housing capital programme would depend heavily on Regional Housing Pot resources (or equivalent) maintaining current forecast amounts of circa £14m per year up to and including 2013/14 and for a further £11.9m to cover commitments in 2014/15.

Further work is also needed to prioritise the spending proposals. A whole budget review is in progress and the completion of this exercise will then provide the information required to outline the capital spending options that remain to bring expenditure plans in line with resource availability. Whilst the programme is already constrained by limited resources it is essential to ensure that all spending requirements (including any further land assembly programmes) over the three year budget period have been identified. It might be necessary also to consider if a contingency for emerging priorities not yet identified should be incorporated in the final programme.

The current three year programme is already contractually committed to a significant value of projects (approx £84m) and further works packages (£67m) will commence so that the ongoing programme delivery for 2009/10 can continue without impediment and the budget review will be conducted with this principle in mind.

It is therefore not possible to present the detail of the expenditure programme to this meeting. A further report will be submitted to Executive as soon as possible by which time it is expected that a detailed capital programme will be available for consideration and agreement.

Details on contractual commitments and new work packages are summarised below.

Contractual Commitments

As mentioned above there are £84m of contractually committed works to be completed within the 2009/12 capital programme period. These are summarised, as follows:

Works to the retained Housing Stock - £1.1m.

Residual works to communal areas of multi-storey blocks, residual boiler replacement works and other pre-stock transfer related expenditure in East Manchester.

Works to Manchester's ALMO, (Northwards) - £14.4m.

Replacement window programme in Charlestown, Cheetham, Higher Blackley, Moston and Newton Heath wards, totalling £2.8m.

External works in Higher Blackley totalling £0.2m.

Kitchen and bathroom replacement in Charlestown, Cheetham, Higher Blackley, Moston and Newton Heath, totalling £9.9m.

Committed environmental projects and thermal insulation works to the Moston Corolite properties, totalling £1.5m.

Housing Market Renewal - £46.6m.

Acquisition, relocation and demolition works, associated with site assembly, (CPO), programmes, totalling £41.4m.

Facelift, security and environmental commitments, totalling £5.2m.

PFI Programme - £21.9m.

Acquisition of residential and commercial properties; council tenant relocation and homeloss; and 'tying in' works to former Right to Buy properties, within Miles Platting PFI.

New work packages, to commence in 2009/10.

As mentioned above, there are £67m of further works packages, to commence in 2009/10, to ensure that ongoing programme delivery can occur. This includes £9.198m for the Brunswick PFI project which will be spent between 2012 and 2014. These are summarised as follows:

PFI Programme - £15.337m.

Brunswick PFI will require support for the acquisition of residential and commercial properties; council tenant homelessness and relocation; and 'tying in' works to former Right to Buy properties. These capital requirements will be met from within Housing's Capital resources, however, as the sources of funding are only approved on an annual basis this estimation will necessarily have to be revisited annually. The funding profile, for approval is as follows:

2009/10	2010/11	2011/12	Future
£2.151m	£0.165m	£3.823m	£9.198m

Works to the retained housing stock - £3.654m.

There will be a continuing need to invest in council housing until it's future is resolved through transfer or PFI. This investment will deliver equipment and adaptations for residents; obsolete boiler replacements; lift replacements within sheltered accommodation; and other pre-transfer related activity.

2009/10	2010/11	2011/12
£3.654m	£0m	£0m

Achieving the decent homes standard in Manchester's ALMO, (Northwards) - £38.857m.

Northwards Housing will be commencing the fourth year of the £201m programme to achieve the decent homes standard, with total investment over the next three years anticipated to be:

2009/10	2010/11	2011/12
£18.894m	£18.386m	£1.577m

Access to Affordable Housing and Housing Market Renewal - £3.492m

Housing Market Renewal and Regional Housing Pot resources are directed to achieving decent affordable homes within the private sector, through the market restructuring programme. The investment will be:

2009/10	2010/11	2011/12
£3.492m	£0m	£0m

Equipment and adaptations - £4.448m.

The Housing Capital Programme provides adaptations to owner occupied homes, those managed by registered social landlords and within the private rented sector, through Disabled Facilities Grants, providing support for individuals in their own homes and increasing the stock of adapted properties (the budget for equipment and adaptations for Council tenants is included under the heading “**Works to the retained housing stock**” on the previous page.

2009/10	2010/11	2011/12
£4.448m	£0m	£0m

Grant and Loans Assistance - £1.220m

Energy Efficiency works and loan products to owner-occupiers for home improvements to address fuel poverty and meet decent homes standards.

2009/10	2010/11	2011/12
£1.220m	£0m	£0m

A report outlining full proposals for the Housing capital investment programme will be submitted to the Executive as soon as possible.

Appendix A (i) Housing Capital Investment

Total Housing Capital Programme Resources 2009/10 to 2013/14

	PROPOSED 2009/10 TOTAL	PROPOSED 2010/11 TOTAL	PROPOSED 2011/12 TOTAL	PROPOSED 3 YR TOTAL
	£m	£m	£m	£m
Supported Capital Expenditure	2.540	1.968	0.000	4.508
Regional Housing Pot Grant	13.837	13.837	14.000	41.674
Major Repairs Allowance (annual allowance)	8.321	8.957	7.492	24.770
Major Repairs Allowance (reserve)	7.026	1.000	0.000	8.026
Capital Receipts	10.902	6.210	2.199	19.311
Almo Funding	16.346	13.710	8.000	38.056
Housing Market Renewal Grant HMR and RHP ringfenced receipts	5.740	3.375	0.525	9.640
Disabled Facilities Grant	2.669	2.669	2.669	8.007
Utilities funding / PCT Energy Efficiency	0.100	0.000	0.000	0.100
Utilities funding -Decent Homes	0.060	0.015	0.000	0.075
Total Anticipated Resources	96.030	78.733	34.885	209.648

APPENDIX B

TRANSPORT CAPITAL PROGRAMME

Transport Services (Regeneration) – 2009/10-2011/12 Local Transport Plan and other Highway Capital Funding Requirements

(Reference: Transport Services Regeneration Business Plan 2009/10 – 2011/12)

1.0 Introduction and Background

The City Council wants Manchester to have a transport system equal of the best in Europe. An effective transport system is a pre-condition of continued economic growth, the continuation of our transformation agenda and to securing the social and environmental well being of the City. The provision of transport has tremendous impact on the communities of Manchester. Well planned transport services contribute to the achievement of successful communities, healthier residents, more equality and social inclusion, sustainability and better local economies.

Manchester's transport strategy, policy framework and indicative investment programmes are set out in the Second Greater Manchester Local Transport Plan (LTP2) for the 5 year period 2006 – 2011. This document outlines the approach to transport planning being taken by the ten District Local Authorities and the Greater Manchester Passenger Transport Authority. LTP2 builds on the First LTP period (2001-2006) and the longer-term vision set out in the Greater Manchester Integrated Transport Strategy (GMITS).

In the light of the outcome on TIF there is a need to revisit plans and the time scales for major infrastructure improvements working with other AGMA authorities to review the options available to secure the investment to fund elements of the proposals. This review which is now in hand will take into account the availability of regional funding streams and other forms of locally generated capital and the LTP.

Nonetheless, the transport agenda over the next three years is one that creates opportunities, not least through the Local Transport Act, Community Strategy/Local Area Agreement and the creation of our new Local Development Framework. The opportunities that Manchester must seize on relate to:

- better delivery to customers of transport services
- better planning and resourcing of future transport
- the opportunity to better capitalise on the chance to take more control of decision-making in transport.

At the centre of improving service to customers across the community is the outcome of the work of the Highways Service Improvement Project. This project brings with it both a series of efficiency savings and a better focus on the customer and customer

service. Members of the public, as well as Councillors and internal clients will, from March 2009, have a single point of contact when dealing with a host of highways issues ranging from roads maintenance to promoting new works. The new customer-focussed team will be complemented by new client and network operations and works delivery functions which will be developed in 2009/10. The aim is to continue to develop the newly established joined-up service for all highway matters leading to better management and investment decisions in relation to the way that Manchester's highway assets contribute to the Council's Community Strategy.

2.0 Key Issues

Delivery of the Local Transport Plan 2 (2006/07 – 2011/12) is at the heart of much of the work of the transport services team. An annual survey is carried out to review whether Manchester is on track in delivering against this plan – this year's review, which is nearing completion, suggests the following priorities for 2009/10:

- Building on the success of recent years, further reducing the number of casualties and fatalities associated with road traffic incidents. This links to the Community Strategy and Corporate Plan priorities and in particular travel planning work and the implementation of the 'safe routes to school' programme
- Continuing to support a range of measures, which encourage a higher proportion of journeys to be made by public transport, on foot or by bike. Whilst this has an obvious impact on road congestion it also has a major impact on the environment – and takes its place in the "greening the city" agenda
- Supporting physical improvements to local centres and neighbourhoods – enhancing the sense of community well-being and cohesiveness that is a key theme in the Community Strategy
- Improving the way in which we monitor against plan delivery and set in place remedial actions where we are falling short of our targets

To achieve its transport objectives Manchester will work with other AGMA authorities, including the Greater Manchester Passenger Transport Authority and key business and community stakeholders to deliver the Manchester elements of an innovative, regeneration driven, transport strategy for the wider Manchester City region. This will include working with local communities and agencies to support their regeneration and the creation of sustainable neighbourhoods where people choose to live.

Regional Centre Transport Strategy (RCTS)

Whilst the current transport infrastructure supports the economy of the City and local people's access to work, education, shopping, health, leisure and cultural facilities, there is an urgent requirement for higher and sustained levels of investment if our transport network is not to constrain growth of the City and the well-being of its people. In spite of the recent economic downturn the Regional Centre is still expected to experience significant employment growth over the next 15 – 20 years.

The transport proposals set out in the Regional Centre Transport Strategy will need to meet the demand for forecast changes in trips patterns. The continuing success of the Regional Centre is critical to addressing the long-standing challenges of social

exclusion faced by many Manchester residents, in particular those in the inner areas immediately on its periphery. The challenge is to translate the sustained economic growth and competitiveness of the Regional Centre into real quality of life benefits for all residents and users.

Again, in light of the decision on TIF a review will be undertaken to assess RCTS proposals and which priorities can be realistically funded and taken forward.

Key issues include:

Public Transport: More public transport capacity is needed on all modes to support the City's growth. There is also a need for a greater degree of control over local bus services to ensure that they play their full part in meeting future transport needs. Connectivity must be improved to support labour movement and promote accessibility. Our challenge is to support measures that encourage a higher proportion of journeys to be made by public transport, (on foot and by bike) thereby making a contribution to reducing congestion, improving air quality and reducing carbon emissions.

Local Public Service Agreement: Manchester has signed a Local Public Service Agreement (LPSA 2 Target 11) with Government which commits us to achieving a 3.6 percentage point increase in the share of trips which access the city centre in the morning peak by means other than the private car.

Accessibility: The local public transport network needs to provide good access for people across the city. An important priority is to work with the PTA to address problems of transport related social exclusion and to work to develop a transport system which provides good connections to employment, education, healthcare, fresh food and leisure facilities.

Traffic Management: In parallel with improvements to mass transit services, the demand for and use of congested sections of the strategic highway network needs to be proactively managed during the times that they are congested to maximise the capacity for safe journeys by all users. There is a need to maximise the use of the existing infrastructure and make efficient use of the available capacity.

Local Service Improvements: Local centres and service clusters need improved access for walking, cycling, community transport and car parking to encourage use of local services. Improving linkages and permeability will help drive our regeneration objectives for local districts.

Casualty Reduction: In common with other urban centres, Manchester has a high number of road traffic casualties. Strategies are in place to reduce the numbers of casualties, particularly at busy junctions, high streets and on school journeys. These need to be continually monitored and enhanced. Our target is to reduce the total number of people killed and seriously injured on Manchester's roads by 50% by 2010 compared with the average position between 1994/98 and reduce the number of children killed or seriously injured by 55% over the same period.

Local Environment: The environmental quality of centres and neighbourhoods needs enhancing through good design, high quality lighting, maintenance and management of urban spaces (parks, squares, open spaces, streets, waterways) and the encouragement of non-car modes of transport to improve air and noise quality.

Smarter Travel: In addition to improved levels of service provision there is also a need to improve the level of information provided to the public to enable smarter travel choices to be made and to improve customer satisfaction with transport services. Changing travel behaviour will contribute to ease the congestion that results from our peak journey to schools and the workplace.

School Travel Plans/Safer routes To School: School Travel Plans (STPs) / Safer Routes to Schools (SRTS) are funded by either (or both) the LTP2 and the Neighbourhood Renewal Fund (NRF). The STP / SRTS programmes aim to create networks of safer walking and cycling routes throughout school catchment areas and achieve: improving children's safety on their journey to school; encouraging modal shift; reducing traffic; reducing congestion; reducing pollution, and encouraging a healthy lifestyle.

3.0 Funding

Manchester's targeted objectives, at national, regional and local levels are intrinsically linked with the approved Transport Services Regeneration Business Plan (2009/10 – 2011/12), the 2nd Local Transport Plan and Local Public Service Agreements. The emergence of Local Area Agreements as the expression of local vision and priorities set out in the Community Strategy will include transport indicators from the Local Transport Plan. Local transport capital block allocations will continue to be part of the single capital pot, paid directly from the Department for Transport, and authorities have flexibility about how to invest them across the full range of their responsibilities.

The 2nd Local Transport Plan runs up to 2011 for which the approved funding is as outlined in 3.1 below.

3.1 Summary of Transport Funding

	Summary of Headline Priorities (Reference: Transport Services Regeneration Business Plan 2009/10 – 2011/12 – Priorities for Improvement)	Proposed Funding Source (2009/11)	2009/2010	2010/11
1.	Public transport led strategy to include walking and cycling to deliver people along corridors to the City Centre, the Airport, the Universities (Knowledge Capital) and other areas of economic activity and to manage the demand for travel on congested corridors at peak times with specific consideration for agreed national, regional and Manchester's own targets.	Department for Transport - Local Transport Capital Settlement 2008/11	3,162	3,356
2.	Reducing casualties from road traffic collisions is a continuing high priority. Programmed interventions include physical improvements at casualty hot spot locations, training children to safely use the highway and targeting road safety campaigns at key audiences	Department for Transport - Local Transport Capital Settlement 2008/11	1,700	1,800
3.	South East Manchester Multi Modal Strategy (SEMMMS) targeted interventions to improve access to primary and secondary service clusters (local centres) by non-car modes, improve social inclusion and increasing the number of people cycling and walking.	Department for Transport - Local Transport Capital Settlement 2008/11 (SEMMMS)	1,503	1,504
4.	Maintenance of highway assets including bridges to be fit for purpose is a priority. This includes reconstructing footways to minimise trip hazards, increasing resources to prevent further deterioration of carriageways and the strengthening and maintenance of bridges to agreed standards	Department for Transport - Local Transport Capital Settlement 2008/11 (Structural Maintenance)	4,256 (+ 1.092m PRN Bridge strengthening)	4,894

3.2 Summary of Transport Funding: -

3.2.1 Total Department for Transport - Local Transport Capital Settlement 2009/11		
	2009/10	2010/11
	£000	£000
Minor Works	4,862	5,156
SEMMMS	1,503	1,504
Maintenance	4,256	4,894
PRN Bridge Strengthening scheme	1,092	
Total	11,713	11,554
3.2.2 Non LTP Transport		
Pavement Repairs (Spend to Save)	2,669	2,669
Urban Traffic Control	3,000	3,000
City Centre Public Realm – Metrolink	2,680	2,000
<u>3.2.3 Total Transport</u>	20,062	19,223

These allocations do not reflect the most recent changes – increases and slippage figures – January increases plus £682,000 has slipped from 2008/09 into 2009/10 – as reported in the main body of the report and as detailed within the Transport Section of Appendix C.