

**Manchester City Council
Report for Resolution**

Report To: Executive – 2 June 2010
Subject: Capital Programme – Proposed Increases
Report of: Chief Executive and the City Treasurer

Summary

To inform members of requests to increase the capital programme. To seek approval for those schemes that can be approved under authority delegated to the Executive and to make recommendations to the City Council for proposals that require specific Council approval.

Recommendations

Members are requested to recommend that the City Council approve:-

1. Corporate Services – Acquisition of Manchester Wholesale Flowers: To increase the capital budget by up to £1,000,000 in 2010/11, funded by Capital Fund.

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

2. New East Manchester - Central Park South Remediation: To increase the capital budget by £380,000 in 2010/11, funded by NWDA grant.
 3. Corporate Services - Arndale Bridge: To increase the capital budget by £325,000 in 2010/11, funded from external contribution.
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Wards Affected: Various

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	Acquisition of a strategic site.
Reaching full potential in education and employment	None in this report
Individual and collective self esteem – mutual respect	None in this report
Neighbourhoods of Choice	Refurbishment of a pedestrian bridge

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

- Equal Opportunities Policy
 - Risk Management
 - Legal Considerations
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Financial Consequences – Revenue

If the above capital budget increases are approved they will create only very minor revenue consequences which can be financed from existing revenue budgets.

Financial Consequences – Capital

The recommendations in this report, if approved, will increase the capital budget by £1,705,000, financed by £380,000 government grant, £1,000,000 Capital Fund and £325,000 external contributions.

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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 10 February 2010 (Budget 2010/11 – 2012/13)

1.0 Introduction

1.1 Requests for increases to the current three year capital budget have been identified. This report outlines those requirements.

2.0 Background

2.1 In February each year the Executive receives a report on the capital budget for the forthcoming three 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 three year capital programme for Manchester City Council. Proposals for the 2010/11 to 2012/13 Capital Budget were presented to the Executive on 10th February 2010.

2.2 A summary of the requests for additions to the programme is shown in Appendix 1 and represents requests received since the previous report to the Executive.

3.0 Proposals Requiring Specific Council Approval

3.1 Corporate Services - Acquisition of Manchester Wholesale Flowers. This is an acquisition of a building in disrepair at New Smithfield Market. The costs include stamp duty and fees. An increase to the capital budget of up to £1,000,000 is requested, funded by the Capital Fund. The exact amount to be determined at a later date and the approval be delegated to the City Treasurer in consultation with the Executive Member for Finance and Human Resources.

4.0 Proposals Not Requiring Specific Council Approval

4.1 New East Manchester – Central Park South Remediation. The original cost of this project was £3,855,000. Additional costs of £380,000 have been identified. An increase to the capital budget of £380,000 in 2010/11 is requested, funded by NWDA grant.

4.2 Corporate Services - Arndale Bridge. The glass panels within the Arndale Bridge are in need of replacement. The total cost of these repairs is £675,000, funded by £350,000 from the Asset Management budget and £325,000 external contribution. An increase to the capital budget of £325,000 in 2010/11 is requested, funded by external contribution.

5.0 Prudential Performance Indicators

5.1 If the recommendations in this report are approved, the capital budget increases will be Non-HRA £1,705,000 in 2010/11.

5.2 There is no requirement for unsupported borrowing therefore no impact on the City's Council Tax.

6.0 Conclusions

6.1 The capital budget will increase by £1,705,000 if the recommendations in this report are approved. The addition of these schemes to the programme, as summarised in Appendix 1, will enhance service delivery council wide and be financed by £380,000 government grant, £1,000,000 Capital Fund and £325,000 external contributions.

7.0 Contributing to the Community Strategy

7.1 The Capital Programme provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts.

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

8.0 Key Polices and Considerations

(a) Equal Opportunities

8.1 All proposals have been drawn up in awareness of Council policy on equality.

(b) Risk Management

8.2 All capital projects which go through the Gateway System 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.

Appendix 1

Requests for Additional Capital Budget Provision							
2 JUNE 2010							
Dept	Scheme	Funding	2010/11	2011/12	2012/13	Future	Total
			£000	£000	£000	Years	£000
Corporate Services	Acquisition of Manchester Wholesale Flowers	Capital Fund	1,000				1,000
New East Manchester	Central Park South Remediation	NWDA	380				380
Corporate Services	Arndale Bridge	Contribution	325				325
							0
		TOTAL	1,705	0		0	1,705