

Date: 25th September 2020

Subject: GMCA Capital Update 2020/21

Report of: Cllr David Molyneux, Portfolio Holder - Resources
Steve Wilson, Treasurer to GMCA

PURPOSE OF REPORT

To present an update in relation to the Greater Manchester Combined Authority 2020/21 capital expenditure programme.

RECOMMENDATIONS:

GMCA are requested to;

1. Note the current 2020/21 forecast underspend of £21.319m compared to the 2020/21 capital budget; and
2. Approve the addition to the 2020/21 Capital Programme of £1.9 million of costs to be funded from the capital grant of £1.9 million that forms part of the £3.2 million of Emergency Active Travel (Tranche 1) funding as set out in section 6 of this report.

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Risk Management – An assessment of major budget risks faced by the authority are carried out quarterly as part of the reporting process – at the present time a significant proportion of the capital budget is funded through grant. In order to mitigate the risk of monetary claw back the full

programme is carefully monitored against the grant conditions and further action would be taken as necessary.

Legal Considerations – There are no specific legal implications contained within the report

Financial Consequences – Revenue – There are no specific revenue considerations contained within the report, however the revenue budget contains resources to meet the capital costs of the authority. Changes in the capital programme can affect the budget to meet these costs.

Financial Consequences – Capital – The report sets out the forecast expenditure for 2020/21.

Equalities Implications - There are no specific equality implications contained within the report, however the capital programme approved by the GMCA reflects the priorities for Greater Manchester.

BACKGROUND PAPERS:

Report to Greater Manchester Combined Authority: ‘GMCA Capital Programme 2019/20 – 2022/23’: 14 February 2020.

Report to Greater Manchester Combined Authority: ‘GMCA Local Growth Fund Programme Update and Approvals’ : 31 July 2020.

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		Yes
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		No
TfGMC	Overview & Scrutiny Committee	
N/A	N/A	

1. INTRODUCTION AND BACKGROUND

- 1.1 The Greater Manchester Combined Authority (GMCA) approved the 2020/21 Capital Programme at its meeting on 14 February 2020.
- 1.2 GMCA's capital programme includes Economic Development and Regeneration programmes, Waste and the continuation of the programme of activity currently being delivered by Transport for Greater Manchester ("TfGM") and Local Authorities including the following elements:
- The Greater Manchester Transport Fund ('GMTF');
 - Metrolink Phase 3 extensions;
 - Metrolink Trafford Line extension;
 - Other Metrolink Schemes;
 - Transport Interchanges;
 - Bus Priority;
 - Other capital projects and programmes including Transforming Cities, Early Measures, Cycle Safety, Smart Ticketing and Cycle City Ambition Grant (CCAG 2);
 - Growth Deal Major Schemes;
 - Minor Works (including schemes funded by Integrated Transport Capital Block and Growth Deal);
 - Capital Highways Maintenance, Traffic Signals and Full Fibre;
 - Investments including Growing Places, Regional Growth Fund and Housing Investment Fund; and
 - Economic Development and Regeneration Growth Deal Schemes.

The 2020/21 Capital Programme is summarised in Appendix A and the major variances are described in this report.

- 1.3 The report to GMCA on 31st July on 'Local Growth Fund Programme Update and Approval' provided an update on the Growth Deal projects and programme. At the meeting the GMCA approved the proposal to utilise financial flexibilities available to Greater Manchester in order to bring existing projects into the LGF portfolio. Whilst this does not result in a change to the capital programme, it does amend the funding structure for projects in order to fully commit and spend the full LGF funding by March 2021.

2. IMPACT OF COVID-19

- 2.1 During the period since the last update, the progression of a significant number of schemes and their associated expenditure profiles has been impacted by the COVID-19 pandemic. During this period TfGM and Local Authority Delivery Partners have been working with their respective supply chains to keep these impacts to a minimum; whilst simultaneously

prioritising the need to ensure that all work that takes place is carried out in a manner which is both safe and compliant with national guidance.

- 2.2 Some of these impacts have already manifested themselves on the forecasts reported within this update, and it is anticipated that these impacts will continue to varying degrees into the future. These impacts are being kept under regular review and will continue to be reported to the Combined Authority through future Capital Programme updates.

3. GREATER MANCHESTER TRANSPORT FUND (GMTF)

- 3.1 The GMTF programme is funded from a combination of grants from the Department for Transport; a 'top slice' from the Greater Manchester Integrated Transport Block (ITB) LTP funding; and from a combination of borrowings, to be undertaken by GMCA, and partly from local/third party contributions and local resources (including LTP and prudential borrowings).

Metrolink Expansion Programme

- 3.2 The Metrolink Expansion programme included:
- The Phase 3 programme;
 - Metrolink Second City Crossing ('2CC'); and
 - SEMMMs Interface Works.
- 3.3 The current forecast expenditure for 2020/21 on residual works is £6.8 million, compared to a budget of £7.0 million.
- 3.4 The total forecast outturn cost is within the total approved budget.

Metrolink Renewal and Enhancement Capital Programme

- 3.5 The current forecast expenditure for 2020/21 is £6.8 million, compared to a budget of £8.0 million. This variance is primarily due to a number of procurement activities, contract awards and start on site start dates being delayed as a result of COVID-19.
- 3.6 The total forecast outturn cost is within the total approved budget.

Bus Priority Programme

- 3.7 The current forecast for 2020/21 is £0.2 million, compared to a budget of £0.3 million.
- 3.8 The total forecast outturn cost is within the total approved budget.

Park and Ride

3.9 The current forecast for 2020/21 is £0.1 million is in line with the budget.

3.10 The total forecast outturn cost is within the total approved budget.

A6 to Manchester Airport Relief Road (A6MARR)

3.11 Stockport Council is responsible for the delivery of the A6MARR, resulting in the expenditure largely comprising grant payments to Stockport MBC.

3.12 The current forecast expenditure in 2020/21 is £4.1 million, compared to a budget of £3.9 million. The variance is a result of bringing forward into 2020/21 certain costs associated with closing final accounts and land acquisitions.

3.13 The total forecast outturn cost is within the total approved budget.

Stockport Town Centre Access Plan

3.14 Stockport MBC is responsible for the delivery of Stockport Town Centre Access Plan, a Growth Deal major DfT retained scheme.

3.15 The current forecast expenditure in 2020/21 is £3.4 million, compared to a budget of £2.3 million. The variance is due to expenditure previously forecast to be incurred in the previous year now being incurred in the current financial year.

3.16 The total forecast outturn cost is within the total approved budget.

4. METROLINK TRAFFORD EXTENSION

4.1 The current forecast expenditure in 2020/21 is £8.3 million, compared to a budget of £6.2 million. The variance is due primarily to the scope of works now including an expanded park and ride facility.

4.2 Total forecast outturn cost is within the total approved budget.

5. TRANSFORMING CITIES FUND (TCF)

5.1 This programme includes:

- Metrolink Additional Capacity; and
- Cycling and Walking Mayoral Challenge Fund (MCF)

5.2 The Metrolink Additional Capacity programme includes the purchase of 27 additional trams and additional supporting infrastructure. The current forecast expenditure in 2020/21 for the Metrolink Additional Capacity programme is £25.2 million compared to the budget of £30.1 million. The variance includes the anticipated impacts of COVID-19 across the programme,

including the impacts on the tram manufacturer's supply chain. Whilst the full impacts are being evaluated, manufacturing is continuing, and discussions are ongoing with the suppliers and contractors to mitigate these impacts.

5.3 The Cycling and Walking Challenge Fund 2020/21 forecast spend is £22.6 million, compared to a budget of £26.7 million. The variance is primarily due to reductions in scheme development and delivery activities due to COVID-19. This has been partly mitigated by the expenditure on 'emergency' works, funded by the MCF, to encourage active travel during the pandemic.

5.4 Total forecast outturn costs are within the total approved budgets.

6. EMERGENCY ACTIVE TRAVEL FUND (TCF)

6.1 In May 2020 DfT announced indicative funding allocations from the Emergency Active Travel fund, to support local transport authorities with delivering cycling and walking facilities. The funding is in 2 tranches. Tranche 1, to support the installation of temporary projects; and tranche 2, for the creation of longer-term projects. GMCA were allocated and, following a bid that was submitted on 5 June 2020, were subsequently awarded £3.2 million of funding from Tranche 1; and have been indicatively allocated £12.7 million for Tranche 2, with a bid for this allocation was submitted on 7 August.

6.2 The Tranche 1 funding includes a combination of capital grant (£1.9 million) and revenue grant (£1.3 million). It is recommended to approve the addition to the 2020/21 Capital Programme of £1.9 million of forecast costs that will be funded from the capital referred to above.

7. OTHER CAPITAL SCHEMES & PROGRAMMES

7.1 The other capital projects include

- Cycle City Ambition Grant 2 (CCAG);
- Cycle safety;
- Joint Air Quality Unit (JAQU) Early Measures; and
- Clean Bus Initiatives.

7.2 The current forecast expenditure in 2020/21 on the CCAG 2 programme is £2.2 million, compared to a budget of £2.3million.

7.3 Joint Air Quality Unit (JAQU) Early Measures Investment Funding (EMIF) 2020/21 current forecast expenditure is £0.9 million compared to a budget of £1.3 million. This variance is due to budgeted expenditure on the electric charging equipment having been incurred in late 2019/20, thereby reducing budgeted expenditure in 2020/21.

7.4 The Clean Bus Technology Fund 2020/21 forecast of £4.3 million compared to a budget of £3.6 million. This variance is due to elements of expenditure budgeted for 2019/20 now being occurred in 2020/21, due to a revised equipment installation schedule having been agreed with the bus operators.

7.5 Total forecast outturn cost for all projects and programmes included in Section 6 is within the total approved budget.

8. GROWTH DEAL MAJORS SCHEMES and GROWTH DEAL 3 (Major and Minor Schemes)

8.1 The Growth Deal 1 & 3 Majors Programme consists of 17 major schemes (excluding Stockport TCAP) which are being delivered by TfGM and Local Authorities. The current forecast expenditure in 2020/21 is £45.1 million, compared to a budget of £44.6 million. The variance is due to an acceleration of Growth Deal expenditure on a number of these schemes including Great Ancoats Street, Salford and Bolton Network Improvements (SBNI) and Stockport Interchange / Mixed Use Development, offset by reduced forecasts on other schemes, including the South Heywood Area Wide Improvements scheme where timing of spend has been impacted by COVID-19 and also in part by a now resolved land ownership arbitration issue. Other delays in respect of COVID-19 have affected the A5063 Trafford Rd scheme and business case and scope revisions have impacted the Oldham Town Centre scheme forecasts.

8.2 Growth Deal 3 Minor schemes are also being delivered by TfGM and Local Authorities. The current forecast expenditure in 2020/21 is £7.9 million, compared to a budget of £6.6 million. The variance is due primarily to start on site timescales in order to accelerate Growth Deal expenditure.

8.3 Total forecast outturn cost within the total approved budget.

9. MINOR WORKS

9.1 The Minor Works Programme is a combination of schemes being delivered by the Local Authorities and TfGM.

9.2 The programme consists of schemes funded from a combination of Integrated Transport Block (ITB), Growth Deal 1 (GD1) and Growth Deal 2 (GD2) funding.

9.3 The current forecast expenditure in 2020/21 is £8.1 million, compared to a budget of £7.8 million. The variance is due primarily to the rephasing of Local Authority promoted schemes from the previous financial year into the current financial year.

9.4 Total forecast outturn cost is within the total approved budget.

10. GMCA CONTROLLED TRANSPORT SCHEMES

Traffic Signals

- 10.1 All traffic signals are externally funded and the annual amount will fluctuate year on year dependant on the level of new installations and developments. The budget for 2020/21 remains at £2.5m and is forecast to spend budget.

Capital Highways Maintenance

- 10.2 Included within the Single Pot is the Highways Maintenance allocations previously paid as a ring-fenced Department of Transport grant. The 2020/21 allocations to Districts were agreed as part of the approval of the 2020/21 capital programme and are in line with the previously advised allocations provided by DfT.

Full Fibre

- 10.3 Following the award of £21.3 million from Department of Digital, Culture, Media and Sport (DCMS) funding to undertake installation of a full fibre network within Greater Manchester. The full cost is anticipated to be £24.684 million, with £3.384 million will be funded from long term borrowings in 2020/21 for the Urban Traffic Management Control element of the programme. It was anticipated that £3.5 million would be spent in 2019/20 and remaining £21.184 million in 2020/21.
- 10.4 Progress has been made in 2020/21 with actual spend of £4.8m being claimed from DCMS in Quarter 1. Due to delays caused by COVID-19, DCMS has granted GMCA an extension of the grant period to the end of the first quarter of 2021/22. The forecast spend in 2020/21 is £20.125m.

11. ECONOMIC DEVELOPMENT AND REGENERATION FUNCTIONS

Recycled RGF / GPF

- 11.1 The funding in the 2020/21 capital programme from recycled capital receipts is £5m. Forecast spend for the year is £6.601m which is £4.456m with £2.145m further due in the remainder of the year.

Housing Investment Fund

- 11.2 The funding in the 2020/21 capital programme is £90.729m, total housing investment funding expenditure is forecast to be £71.034m, with spend to date of £19.7m, with £51.3m further due. Drawdowns have been delayed and reduced as sites were temporarily shut down during the lockdown, and slow to pick up as some of the sites re-opened in a reduced capacity.

Growth Deal – Economic Development and Regeneration Projects

- 11.3 Skills Capital (Rounds Two and Three) had £30m in the capital programme for 2020/21 which is forecast to be spent in full.
- 11.4 Life Sciences is a seed and early stage venture capital fund targeting life sciences businesses located in the Greater Manchester and Cheshire & Warrington region. There is £1.5m in the capital programme for 2020/21 which is forecast to be spent in full.
- 11.5 International Screen School Manchester is a project by Manchester Metropolitan University for a £35 million facility on the Oxford Road campus which aims to be operational by mid-2021. There is £9.5m in the capital programme for 2020/21 which is forecast to be spent in full.
- 11.6 The Pankhurst Institute has been awarded £5m of LGF investment to be matched by £7.2m of additional capital investment. £13.4m of revenue match will also be provided, resulting in a total project value of over £25m. There is £3m in the capital programme for 2020/21 which is forecast to be spent in full.
- 11.7 The Cyber Innovation Hub project will fit out and purchase IT equipment for the hub with Manchester City Council as the delivery partner. There is £2.2m in the capital programme for 2020/21 and £2.8m for 2021/22. The grant agreement with Manchester City Council is now in place and it is forecast that the full £5m for the project will be spent in 2020/21.

LGBT+ Centre

- 11.8 The Proud Trust provides services to LGBT+ young people across Greater Manchester and the North West of England from its hub at the LGBT+ Centre, located on Sidney Street in central Manchester. The Centre is currently in a state of disrepair and lacks the space to accommodate the numbers of young people the Proud Trust wish to work with, or act as a true community hub. The remainder of the scheme is expected to be completed in 2020/21 with full spend against the £338k in the capital programme.

12. WASTE

- 12.1 All projects are forecast to spend in line with the capital programme. The exception is Salford Road, Over Hulton which was planned to be delivered in 2019/20 and was not included in the roll forward of projects to 2020/21. Additional spend of £0.1m is forecast for this scheme in 2020/21.

13. GM FIRE AND RESCUE

- 13.1 A number of strategic priorities are under review which will inform the future capital investments profile plus the impact on the programme as a result of the pandemic. There are some changes required to the agreed budget due to the re-profiling required which is reflected in the Appendix. Vehicles investment has been reviewed and re-profiled which has resulted in slippage of £0.777m in line with expected delivery dates of planned orders.

Appendix A	Original Budget 2020/21	2020/21 Forecast	Forecast (Increase)/ Decrease 2020/21
	£'000	£'000	£'000
Greater Manchester Transport Fund	15,406	13,978	1,428
Road Schemes (Stockport)			
Stockport Town Centre Access Plan (DfT retained scheme)	2,305	3,445	(1,140)
A6 MARR / SEMMMS	3,927	4,138	(211)
Stockport Council Schemes total	6,232	7,583	(1,351)
Other Metrolink Schemes			
Trafford Extension	6,180	8,304	(2,124)
Other Metrolink Schemes total	6,180	8,304	(2,124)
Other Capital Schemes			
Other Capital Schemes	-	44	(44)
CCAG 2	2,334	2,217	117
TCF - Mayors Challenge Fund	26,730	22,593	4,137
TCF - Metrolink Capacity Improvement Programme	30,130	25,226	4,904
Clean Bus Fund	3,590	4,263	(673)
Early Measures	1,267	943	324
Other Capital Schemes total	64,051	55,286	8,765
Growth Deal			
TfGM Majors	18,613	22,389	(3,776)
Local Authorities Majors	13,222	11,778	1,444
Growth Deal 3 TfGM schemes	4,011	5,127	(1,116)
Growth Deal 3 Local Authorities	15,398	13,774	1,624
Growth Deal total	51,244	53,068	(1,824)
Minor Works			
ITB Local Authorities	941	1,929	(988)
Growth Deal 1 Local Authorities	1,424	776	648
Growth Deal 2 Local Authorities	4,473	4,365	108
Growth Deal 2 TfGM Schemes	953	989	(36)
Minor Works total	7,791	8,059	(268)

Traffic Signals (Externally Funded)	2,500	2,500	-
Full Fibre Network	21,184	20,125	1,059
Highways Capital Maintenance	27,202	27,202	-
Total Capital - Transport	201,790	196,105	5,685
Recycled GF / RGF Capital Receipts	5,000	6,601	(1,601)
Housing Investment Fund	90,729	71,034	19,695
Growth Deal - Skills Capital Round 2 & 3	30,000	30,000	-
Growth Deal - Life Sciences Fund	1,500	1,500	-
Growth Deal - International Screen School Manchester	9,533	9,533	-
Growth Deal - Pankhurst	3,000	3,000	-
Growth Deal - Cyber Innovation Hub	2,200	5,000	(2,800)
Growth Deal - Investment Fund Loans	7,816	7,816	-
LGBT Centre	338	338	-
Total Capital - Economic Development & Regeneration	150,116	134,822	15,294
Estates	5,399	5,593	(194)
ICT	4,722	4,796	(74)
Vehicles & Equipment	5,643	4,866	777
Sustainability	75	144	(69)
Total Capital - Fire and Rescue Service	15,839	15,399	440
Operational Sites	23,090	23,190	(100)
Non-Operational - Sites	1,800	1,800	-
Total Capital - Waste & Resources	24,890	24,990	(100)
Total Capital	392,635	371,316	21,319

