

STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

Day: Monday
Date: 5 September 2016
Time: 2.00 pm
Place: Lesser Hall - Dukinfield Town Hall

Item No.	AGENDA	Page No
1.	APOLOGIES FOR ABSENCE	
2.	DECLARATIONS OF INTEREST	
3.	MINUTES The Minutes of the meeting of the Strategic Planning and Capital Monitoring Panel held on 11 July 2016 to be signed by the Chair as a correct record (Minutes attached).	1 - 8
4.	CAPITAL MONITORING To consider the attached report of the Assistant Executive Director, Finance.	9 - 26
5.	ASSET MANAGEMENT UPDATE To consider the attached report of the Assistant Executive Director, Development, Growth and Investment.	27 - 36
6.	DEVELOPER CONTRIBUTIONS To consider the attached report of the Assistant Executive Director, Development Growth and Investment.	37 - 42
7.	HIGHWAYS AND TRANSPORT CAPITAL WORKS Report of the Assistant Executive Director, Environmental Services attached.	43 - 46
8.	EDUCATION CAPITAL UPDATE AND 2016-17 PROGRAMME SCHEME APPROVALS To consider the attached report of the Assistant Executive Director, Development, Growth and Investment.	47 - 64
9.	ASHTON OLD BATHS To consider the attached report of the Assistant Executive Director, Development Growth and Investment.	65 - 88
10.	URGENT ITEMS To consider any additional items the Chair is of the opinion shall be dealt with as a matter of urgency.	

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Carolyn Eaton, Senior Democratic Services Officer, to whom any apologies for absence should be notified.

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Agenda Item 3

STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

11 July 2016

Commenced: 2.00pm

Terminated: 3.00pm

Present: Councillor K Quinn (Chair)
Councillors Cooney, Dickinson, Fairfoull, J Fitzpatrick, B Holland, McNally and Taylor

Chief Executive: Steven Pleasant

Monitoring Officer Sandra Stewart

Section 151 Officer: Ian Duncan

Also in attendance: Robin Monk, Damien Bourke, Ilys Cookson, Paul Moore, Ian Saxon, Alison Lloyd-Walsh, Beverley Stephens and Kathy Roe.

1. DECLARATIONS OF INTEREST

There were no declarations of interest submitted by Members.

2. MINUTES

The Minutes of the meeting of the Strategic Planning and Capital Monitoring Panel held on 14 March 2016 were signed by the Chair as a correct record.

3. CAPITAL MONITORING REPORT - OUTTURN 2015/16

Consideration was given to a report of the First Deputy (Performance and Finance)/Assistant Executive Director (Finance) summarising the capital monitoring position at 31 March 2016. The report showed projected capital investment of £40.067 million in 2015/16. This was £7.472 million less than the total programmed spend for the year. Re-phasing of £6.534 million into the next financial year was therefore proposed, which would reduce the variation to £0.938 million.

Details of the projected outturn capital investment were shown by service area and Section 3 of the report referred to the most significant scheme variations.

Particular reference was also made to the changes to the approved 3 year capital programme and capital receipts.

RESOLVED

- (i) That the 2015/16 capital outturn position be noted;
- (ii) That the capital financing statement for 2015/16 is approved;
- (iii) That the revised capital programme (including changes and reprofiling) is approved;
- (iv) That the current position in regards to Compulsory Purchase Orders (CPO's) and indemnities is noted; and
- (v) That the capital receipts position is noted.

4. VISION TAMESIDE PHASE 2 PROGRESS UPDATE

Consideration was given to a report of the Assistant Executive Director, Development and Investment, detailing the progress to deliver the Vision Tameside Phase 2 Programme.

It was reported that significant progress had been made since the last meeting of the Panel on 14 March 2016. In particular progress made with key elements of the Programme were detailed as follows:

- Negotiations on liability for the removal of asbestos had now been satisfactorily completed. Details of the financial implications for the Council were set out in the report.
- Lease discussions were nearing completion with the College, Job Centre Plus (JCP) and the Clinical Commissioning Group (CCG). Heads of Terms were to be agreed prior to the award of the Design and Build contract.
- The scope of the building had not changed and remained as approved. It was noted that any changes to the design or specification, following approval of the Stage 2 report, was likely to incur additional costs. Following recent changes in the management at the College, the Stage 2 designs were currently under review and several design changes were anticipated. The College had been made aware that they would be responsible for any costs associated with any requested design changes and that any impact on timescales would need to be considered carefully to ensure there was no negative impact on the overall programme. Further detailed discussions with potential occupat6ns were ongoing to gain a better understanding of partners' requirements and to identify if design changes were required to the first floor.
- An analysis of furniture, fittings and equipment, for all elements of the scheme, was completed as part of the Stage 2 submission. The original £1.5 million budget for the Council and partners had been confirmed to be sufficient at Stage 2. A financial breakdown of furniture, fittings and equipment costs for the College was detailed in the report.

It was reported that substantial progress had been made with the development of the Ashton Town Centre public realm project. An appropriate funding package was also being developed to enable the delivery of all elements of the project as identified in previous reports.

In respect of future use of Ashton Town Hall, it was explained that a separate study to explore the potential for optimising the future use of Ashton Town Hall had been completed to assist in developing a vision and business plan for the future use of this important historic building. Proposed uses included; arts and culture hub, retail/food and drink, meeting rooms and function rooms.

A further report on the re-use of Ashton Town Hall would be provided for consideration once project and funding details had been established.

An appropriate Recant Strategy was in the process of being developed for the new Joint Service Centre as part of the wider Council accommodation strategy.

It was further reported that due to unforeseen delays in the demolition programme, a revised recovery programme had been received, which indicated that the demolition programme would be complete by the 5 August 2016. A revised high level programme was detailed in the report confirming a completion date for the construction of the new building as 26 May 2018 with recant and occupation completed by September 2018.

The costs approved by Executive Cabinet in December 2015 were also detailed in the report along with further virements which were proposed for approval through a Council Key Decision on 29 June 2016 including the high level capital requirements for the project.

In respect of Risk Management, it was reported that the Vision 2 programme had a comprehensive risk register and issues log which was pro-actively managed by the Project team. The primary risks associated with the proposals outlined in the report were detailed.

It was concluded that the programme to deliver the Vision Tameside Phase 2 project was key to the achievement of the Council's overall strategic priorities and a new exciting future for Tameside attracting new businesses, creating new jobs and future opportunities for Tameside residents.

Maximising opportunities for local employment, apprenticeships, work placements a local supply chains contributed to economic prosperity in the Borough.

Improvement to the public realm was critical to the success of the Vision Tameside programme and good progress continued to be made with project development and associated funding package from external partners.

Ashton Town hall was a key council asset and good progress continued to be made with the development of a vision and business plan for the future re-use of the building.

In order to conclude designs and cots for the new building it was necessary to develop a costed Recant Strategy as the occupants would dictate the use and feel of the space. Good progress was now being made on this critical piece of work which would also help inform the Council's Estate Strategy for the disposal and retention of properties within its portfolio.

RESOLVED:

- 1. That the progress on the following be noted:**
 - (i) delivery of the Vision Tameside Phase 2 scheme;**
 - (ii) maximising the opportunities for local employment, apprenticeships, work placements and local supply chains;**
 - (iii) development of the Ashton Town Centre Public Realm project;**
 - (iv) development of a vision and business plan for the future use of Ashton Town Hall; and**
 - (v) development of a Recant Strategy for the new building, which will also help inform the Council Estate Strategy for the disposal and retention of properties within its portfolio.**

- 2. That any variations to the project with cost consequences below £100K will be advised to the Panel together with an explanation as to the reason for the change and where the costs will be met from within the costing envelope.**

5. ASSET MANAGEMENT UPDATE

Consideration was given to a report of the Assistant Executive Director, Development and Investment, detailing the progress on the disposal of the Council's surplus assets, anticipated capital receipts that would be realised and investment that was required to maintain those buildings being occupied and retained or dilapidated arising from the termination of leases.

With regard to the disposal of assets, it was reported that the Asset Disposal process continued with a figure of £6,283,500 achieved in the last 6 months. Details of Capital receipts realised to date was provided in an appendix to the report. Planning and Section 77 consultations were now underway on the 5 larger school sites and a process of active marketing was also on track. Work was underway on master planning the large sit at Windsor Road in Denton and discussions around a potential disposal were proving positive. Details of Capital Receipts realised to date was provided in an appendix to the report.

Information with regard to properties identified for disposal or where tenants had sought to acquire the freehold of the properties that they leased, was provided in an appendix to the report.

With regard to leased buildings, as reported at previous meetings of the Panel, the Council's policy was to terminate leases it had for buildings owned by others and to relocate services to surplus

space in Council owned properties, where this delivered value for money, to reduce the revenue cost of operating and occupying buildings.

With regard to investment in civic and corporate buildings, it was reported that there was no reactive maintenance budget included within the corporate landlord budgets and any repairs or upgrading of buildings required a request for additional investment to be made to the Panel for approval by Cabinet. In the past few months a number of requests had been received for repairs for civic and operational buildings for which there was no revenue or capital budget allocation. Analysis of capital spends for February 2016 - May 2016 was £175,126. In addition there had been spend of £68,742 in regard of property related revenue type spend in the same period.

An analysis of the capital investment required in respect of health and safety/essential operational repairs was detailed in the report. In some cases, repairs had already been undertaken to allow the buildings to remain operational.

In respect of Stamford Park – infrastructure improvements to Silver Springs, it was reported that there was a requirement to ask panel approval for £20,000 to undertake repairs in the Silver Springs area of Stamford Park. This work would complement and complete a package of repairs already undertaken to footpaths and drainage around the Silver Springs and Stamford Park sites. Previous funding comprised:

- £20,000 from Public Health; and
- £20,000 already received from external funder – SITA.

The degradation of the footpaths had been exacerbated over a particularly wet winter and an overall increase in use of these paths. This project would enable wider access to the site from key locations such as the Ridgehill Housing area and Tameside Hospital and there was a risk that if path improvements were not undertaken existing users would stop taking these routes and levels of physical activity may reduce. This project would also improve the park Run course and would make it more accessible and was likely to increase the number of participants.

With regard to sport and leisure estate investment, it was explained that on 24 March 2016, Executive Cabinet considered a report setting out proposals to ensure the provision of high quality sports and leisure facilities in Tameside, creating a platform to reduce physical inactivity and develop a sustainable funding model in relation to Active Tameside. Executive Cabinet approved specific proposals in relation to:

- Changes to the existing Tameside leisure estate, including a programme of capital investments;
- Increasing commercially profitable activity;
- Growth in inward investments; and
- Maintenance and repairs.

Once implemented in full, the proposals would enable revenue investment in Active Tameside to be reduced from £1.865 million in 2015/16 to £0.715 million by 2019/20 (a reduction of £1.150 million or 62%), and to £0.441 million by the end of the contract in 2023/24 (a reduction of £1.424 million or 76%).

A summary of progress to the end of June 2016 on the delivery of the sport and leisure estate investment programme was detailed in the report.

RESOLVED

That the following RECOMMENDATIONS be made to Executive Cabinet:

- (i) That the list of properties for disposal but not yet completed identified in Appendix 1 to the report be noted;**
- (ii) That the allocation of £175,126 to undertake building condition replacement/repair projects as detailed at paragraph 3.2 of the report, be approved; and**
- (iii) The allocation of £20,000 to facilitate works at Silver Springs, Stamford Park, be approved.**

- (iv) **That the property list at Appendix 1 to the report be linked by the reference numbers set out in the list of all Council property on the Council's website under transparency.**

6. DEVELOPER AGREEMENTS, CONTRIBUTIONS AND SECTION 106 AGREEMENTS

Consideration was given to a report of the Assistant Executive Director, Development and Investment, summarising the current position with regard to receipts received from Section 106 Agreements and Developer Contributions and made comments for each service area.

It was reported that the summary position as at the period 31 January 2016 for Section 106 Agreements totalled £190,000, with Developer Contributions totalling £261,000. The balance of unallocated section 106 funds and developer contributions were as follows:-

- Services for Children and Young People - £124,000 (s106) and £14,000 developer contributions;
- Community Services (Operations and Greenspace) - £43,000 (s106) and £186,000 developer contributions; and
- Engineering Services - £23,000 (s106) and £14,000 developer contributions.

A section 106 agreement was in the course of being drafted for an application at Newton Business Park, Hyde, reference 16/00054/OUT. The outline planning application was for the demolition of all existing on site structures and the principle of redevelopment of the site for residential dwellings with an indicative Master plan showing up to 64 dwellings of a mix of 2, 3 and 4 bed properties.

A section 106 agreement had been made for an application at Britannia Mill, Manchester Road Mossley, reference 15/01061/OUT. This application would be considered at Speakers panel (Planning) on 22 June 2016. The outline planning application was for the demolition of the building and erection of approximately 750sqm retail floor space and approximately 62 apartments subject to reserved matters being approved and provided commuted sums to mitigate against the impact the proposal may have on off-site Open Space and Education provision. The sums were £631.85 per property for Open Space. There would also be £867.20 per 2 bed property and £1,211.35 per 3 bed property. There would also be a sum of £7,000 for the development to upgrade dropped kerbs and tactile paving in the vicinity of the site.

A section 106 agreement was being drafted for an application at the Oddfellows Arms, Alderley Street, Ashton, reference 16/00234/FUL. This full application was for the conversion of the building into 3 dwellings and was subject to a commuted sum to mitigate against the impact the proposal may had on off-site Open Space of £5,960 towards improvements to the play area at Cedar Park to the east of the site.

It was reported that no requests had been made to draw down funding from outstanding Developer Contributions or Section 106 monies.

As previously reported to the Strategic Planning and Capital Monitoring Panel, procedures to effectively manage the post April 2015 Section 106 agreement smart pooling system had been the subject of an internal audit. A draft audit report had now been finalised and a closure meeting between Planning and Audit was due to take place. Feedback on the outcome of the audit report would therefore be provided at the next Strategic Planning and Capital Monitoring Panel.

RESOLVED

- (i) **That the content of the report be noted; and**
(ii) **That feedback on the outcome of the audit report be provided at the next meeting of the Strategic Planning and Capital Monitoring Panel.**

7. ENGINEERING CAPITAL PROGRAMME 2016/17

The Assistant Executive Director – Environmental Services submitted a report setting out initial details of the 2016/17 Engineering Capital Programme for Environmental Services and sources of funding with specific reference to the Highways Structural Maintenance Programme.

It was reported that the duty to formulate Local Transport Plans was the responsibility of Transport for Greater Manchester (TfGM) who reported to the Greater Manchester Combined Authority (GMCA). In order to support the objectives and strategies at local and regional level the proposed Engineering Capital Programme was divided into a number of headings based on the funding detailed at **Appendix 1** to the report.

Approval was sought for the proposed allocation of the 2016/17 Department for Transport Funding allocation and specifically for the allocation amongst Tameside's principal and non principal roads as follows:

- Highways Structures and Bridges (£0.410m)
- Structural Maintenance Works (Principal/Non Principal Roads) (£1.697m)
- Street Lighting (£0.152m)
- Improved access to Hattersley Station (£0.750m)

Approval was sought for the proposed allocation of the 2016/17 Department for Transport Funding allocation and specifically for the allocation amongst Tameside's principal and non principal roads.

RESOLVED

That the following RECOMMENDATIONS be made to Executive Cabinet:

- (i) That the Engineering Maintenance Block Allocation and the Highways Structural Maintenance Programme for 2016/17 as detailed in Appendix 1 to the report be approved; and**
- (ii) That the use of grant funding from the GM Growth Deal Round 2 to procure improvements to Hattersley Rail Station in the financial year 2016/17, be supported.**

8. SMART TAMESIDE: DIGITAL BY DESIGN: HBEN & CTAX ON LINE INTEGRATED FORMS

A report was submitted by the Assistant Executive Director – Exchequer Services, which explained that the Digital by Design program aimed to transform how the council manages contact with the public through the better use of new technology and in so doing, saved time, money and improving levels of service.

It was reported that, as more and more people turned to digital channels to access services and information, there was an opportunity for the council to digitalise how it dealt with customer requests and contacts across all its main channels with the intention of improving customer care and reducing costs.

Exchequer Services delivered its service to all residents and business rates payers in the Borough, many of whom want to transact their business with the Council by electronic means. A number of on-line forms were available on the Council's website, however those forms did not integrate with the back-office system and so the data had to be keyed into systems which was resource intensive and increased cost.

At present, only 2 forms (Housing Benefit and Council Tax Support application form and change of circumstances form) were available for completion on-line and which also integrated direct into the back-office system.

The report detailed the costs and benefits for a wider range of intuitive forms to be available on-line and which all integrated direct into the back office system.

The report further detailed the costs and benefits for a wider range of intuitive forms to be available on-line and which all integrated into the back office function. Any change required to the Councils web-site would be fully compatible with the Digital by Design programme currently being implemented by IT.

RESOLVED

That the following RECOMMENDATION be made to Executive Cabinet:

- (i) That approval be given for an allocation of £90k from the Capital budget to purchase the intuitive on-line and integrated forms for a range of Exchequer Services on an invest to save basis.**

CHAIR

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Agenda Item 4

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	5 September 2016
Executive Member/ Reporting Officer:	Cllr J Fitzpatrick - First Deputy (Performance & Finance) Ian Duncan– Assistant Executive Director (Finance)
Subject:	CAPITAL MONITORING QUARTER 1 2016/17
Report Summary	<p>This report summarises the capital monitoring position at 30th June 2016 based on information provided by project managers.</p> <p>The report shows projected capital investment of £68.572m by March 2017.</p> <p>Some schemes will be delivered earlier or later than planned, and this is set out in the report.</p>
Recommendations:	<ul style="list-style-type: none">(i) That the current capital budget monitoring position is noted.(ii) That the resources currently available to fund the capital programme are noted.(iii) That the re-phasing to reflect up-to-date investment profiles is approved.(iv) That the current position in regards to Compulsory Purchase Orders (CPOs) and Indemnities is noted.(v) That the changes to the capital programme are approved.(vi) That the capital receipts position is noted.(vii) The updated Prudential Indicator position is approved.
Links to Community Strategy:	The Capital Programme ensures investment in the Council's infrastructure is in line with the Community Strategy.
Policy Implications:	In line with Council Policies.
Financial Implication: (Authorised by the Section 151 Officer)	<p>These are the subject of the report.</p> <p>It should be noted that for many schemes, a number of pressures exist, including necessary changes to the programme of work and wider cost pressures in the construction market, and such present ongoing challenges. Those leading projects must ensure that the management of each scheme is able to deliver projects on plan and within the allocated budget.</p>
Legal Implication: (Authorised by the Borough Solicitor)	<p>It is a statutory requirement for the Council to set a balanced budget. It is important that the capital expenditure position is regularly monitored to ensure we are maintaining a balanced budget and to ensure that the priorities of the Council are being delivered. Receipts of £0.438m have been generated in year to date from the disposal of Council assets. The forecast proceeds from asset sales for the financial year is £5.19m. It is critical that these are delivered to reduce the associated revenue costs and meet the £11.3m of BSF Capital Receipts which are needed to repay previous temporary funding of the Schools Capital Programme. We also need to review any capital funding that can reduce revenue expenditure including Plantation Estate which has been raised by external auditors.</p>

Risk Management:

Failure to properly manage and monitor the Council's budget will lead to service failure and a loss of public confidence.

Access to Information:

The background papers relating to his report can be inspected by contacting Ian Duncan, Assistant Executive Director, Governance, Resources and Pensions by:



phone: 0161 342 3864



e-mail: ian.duncan@tameside.gov.uk

1. INTRODUCTION

- 1.1 This is the first capital monitoring report for 2016/17, summarising the position as at 30 June. There will be three further monitoring statements during 2016/17. All Capital Monitoring reports are submitted to the Board, Strategic Planning and Capital Monitoring Panel, Executive Cabinet and Overview (Audit) Panel.
- 1.2 The report incorporates an update on major capital schemes and an update on Compulsory Purchase Orders (CPOs), indemnities, and potential liabilities.

2. KEY POINTS

- 2.1 The current forecast is for services areas to have spent £68.572m on capital investment by March 2017, which is £6.425m less than the current programmed spend.
- 2.2 This is detailed in section 3 of the report, explanations are also provided for capital projects with a projected variation of £0.100m or above over the life of the project.
- 2.3 Section 3 also details schemes with an in-year variation in excess of £0.100m and seeks approval to re-profile the capital expenditure of the project. An explanation for the need to re-profile the capital expenditure is also provided.
- 2.4 Table 1 below provides a high level summary of capital expenditure by service area.

Table 1: Overall capital monitoring statement April-June 2016

CAPITAL MONITORING STATEMENT - JUNE 2016				
	Annual Budget	Actual	Projected Outturn	Projected Outturn Variation
	£000	£000	£000	£000
<u>PEOPLE</u>				
Education	13,744	753	13,986	242
Stronger Communities	784	12	798	14
Active Tameside	4,503	12	4,503	0
Adult Services	685	0	685	0
<u>PLACES</u>				
AIPM	22,303	834	18,528	(3,775)
Development & Investment	5,611	1,048	5,611	0
Digital Tameside	2,068	71	1,468	(600)
Engineering Services	14,108	609	11,802	(2,306)
Environmental Health	1,105	1	1,105	0
Operations	325	25	325	0
Transport	5,541	384	5,541	0
Unallocated	4,220	0	4,220	0
Total	74,997	3,749	68,572	(6,425)

2.5 It is proposed that the capital investment programme is re-profiled to reflect current information. Proposed re-phasing of £6.782m into the next financial year is identified within the individual service area tables below.

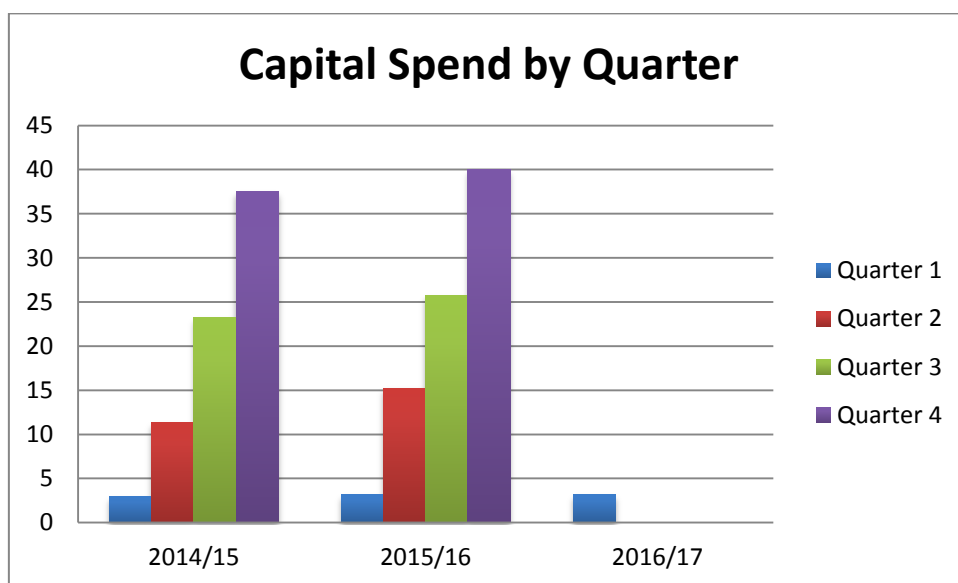
2.6 Table 2 below shows the current Resources funding the 2016/17 capital programme. The resourcing structure, however, is not final and the Assistant Executive Director (Finance) will make the best use of resources available at the end of the financial year.

Table 2: Funding statement 2016/17

Resources	£000
Capital Grants	22,396
Unsupported Capital Expenditure (Borrowing)	43,934
Revenue Contributions	5,879
Specific Capital Receipts	2,280
Capital Contributions	507
Total	74,997

2.7 The chart below shows a year on year comparison of capital expenditure on quarterly basis.

Table 3: Comparison of quarterly capital spend levels 2014/15 - 2016/17



3. CAPITAL EXPENDITURE TO DATE AND PROJECTED OUTTURN 2016/17

3.1 This section of the report provides an update of Capital expenditure to date along with details of re-phasing to be approved in this report and the overall projected outturn position of the Capital projects. Where variances of £0.100m and over are anticipated over the life of the scheme an explanation is also provided.

Education

3.2 The table below outlines the projected investment for Education services. An explanation has also been provided for the requested re-phasing.

Table 4: Detail of Education Capital Investment Programme

Education Capital Programme Statement					
Capital Scheme	2016/17 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
Basic Need - Funding Stream	2,956	0	2,956	0	
Aldwyn Primary Additional Accommodation	2,255	0	2,255	0	
Alder Buy Out Fitness Centre	1,000	0	1,000	0	
Building Schools For The Future Reserve - Funding Stream	683	0	683	0	
Replacement Of Boyds Walk	658	341	658	0	
Hyde Targeted Basic Need New School	481	254	668	187	
Devolved Schools Capital	473	0	473	0	
Specific Capital Reserve	403	0	403	0	
Livingstone Remodelling/Extension	375	38	375	0	
Greenside Lighting, Fire Alarm And Small Power	272	0	272	0	
Two Year Old Entitlement Grant - Funding Stream	264	28	264	0	
Primary Capital Programme - Russell Scott	256	0	256	0	
St Damian's Classroom Alterations	250	0	250	0	
St James' Hattersley - Additional Classroom	220	0	220	0	
Greenside Boiler And Fan Convectors	220	0	220	0	
Livingstone Heat Emitters And Pipework	192	0	192	0	
Arlies Fan Convectors, Controls And Radiator Covers	180	0	180	0	
School Condition Related Works Contingency	154	0	154	0	
Gorse Hall Small Power	147	0	147	0	
Waterloo Boiler And Heat Emitters	119	0	119	0	
Hollingworth Kitchen & Dining Refurbishment (UIFSM 2)	118	0	118	0	
Discovery Academy - Remodelling/Furniture	115	14	115	0	
Broadoak Primary External Areas	100	0	100	0	
St Anne's Denton Flat Roofs	100	0	100	0	

Other Minor Schemes	1,757	79	1,808	51	
Total	13,748	753	13,986	238	0

Table 4b: Education Capital Investment Programme – Variations

Explanation of Variations Over the Life of Projects			
Service Area	Capital Project	Explanation for Variation	Amount (£000)
Education	Hyde Targeted Basic Need New School	The spend in excess of budget mainly relate to non-contract costs including Section 248 works, legal fees, utilities and Estates/Engineers recharges. A request to fund this from unallocated Basic Need funding will be made to the next meeting of the Strategic Planning and Capital Monitoring Panel.	187

Community Services

- 3.3 The table below outlines the projected investment for Community Services. At present no re-phasing is required.

Table 5: Detail of Community Services Capital Investment Programme

Stronger Communities Capital Programme Statement					
Capital Scheme	2016/17 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
Libraries In The 21 st Century	559	0	573	14	
Supporting Customer Experience And Contact	179	0	179	0	
Safe And Secure Project (Alleygating And Burglary Reduction)	38	15	38	0	
Street Art In The Community	8	0	8	0	
Total	784	15	798	14	0

Active Tameside

- 3.4 The table below outlines the projected investment for Public Health. No rephasing is required at this time.

Table 6: Detail of Active Tameside Capital Investment Programme

Active Tameside Capital Programme Statement					
Capital Scheme	2016/17 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
Active Tameside Wellness Centre and Wider Investment	4,064	0	4,064	0	
Hyde United FC	415	5	415	0	
Droylsden Youth Centre	24	7	24	0	
Total	4,503	12	4,503	0	0

Adult Services

- 3.5 The table below outlines the projected investment for Adult Services. No rephasing is required at this time.

Table 7: Detail of Adult Services Capital Investment Programme

Adult Services Capital Programme Statement					
Capital Scheme	2016/17 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
Unallocated Funding	685	0	685	0	
Total	685	0	685	0	0

Asset Investment Partnership Management (AIPM)

- 3.6 The table below outlines the projected investment for AIPM. An explanation for requested rephasing is also provided.

Table 8: Detail of Asset Investment Partnership Management (AIPM) capital programme

AIPM Capital Programme Statement					
Capital Scheme	2016/17 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
Vision Tameside	20,778	660	17,000	(3,778)	(3,778)

Opportunity Purchase Fund (Individual Approval Required)	500	0	500	0	
Mottram Showground (OPF)	161	0	161	0	
Document Scanning	158	0	58	(100)	(100)
Building Fabric Works	139	0	139	0	
Prep Of Outline Planning Applications / Review Of Playing Field Provision	116	0	116	0	
CCTV Dukinfield Town Hall	114	124	167	53	
Dukinfield Crematoria Clock Tower	98	0	98	0	
Tame Street Emergency Generators	93	0	93	1	
Development Of Former Stamford High School Site	50	0	50	0	
Other Minor Schemes	96	50	146	50	
Total	22,303	834	18,528	(3,775)	(3,878)

Table 8b: Detail of AIPM Capital Programme – re-phasing

Explanation of Re-phasing at Quarter 1			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
AIPM	Vision Tameside & Document Scanning	The rephasing of this scheme takes in to account the construction milestone schedule timeframe for the new Admin Centre, which is estimated to be open around September 2018.	(3,878)

Development and Investment

- 3.7 The table below outlines the projected investment for Development and Investment. No rephasing is required at present.

Table 9: Detail of Development and Investment Capital Programme

Development and Investment Capital Programme Statement					
Capital Scheme	2016/17 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
Ashton Town Centre And Civic Square	3,052	777	3,052	0	
Disabled Facilities Grants	1,866	216	1,866	0	
Grant Funding Yet To Be Allocated	259	0	259	0	
St Petersfield	229	36	229	0	

Godley Hill Development And Access Road	110	0	110	0	
Ashton Old Baths	45	18	45	0	
Longlands Mill	24	0	24	0	
Hyde Town Centre	23	0	23	0	
Ashton Market Hall Incubator Units	3	0	3	0	
Total	5,611	1,048	5,611	0	0

Digital Tameside

- 3.8 The table below outlines the projected investment for Digital Tameside. At present no re-phasing is required.

Table 10: Detail of Digital Tameside Capital Investment Programme

Digital Tameside Capital Programme Statement					
Capital Scheme	2016/17 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
ICT – Vision Tameside	1,367	42	767	(600)	(600)
Working Differently - ICT Hardware & Software	411	3	411	0	
Digital By Design	124	15	124	0	
Town Centre Wi-Fi	121	11	121	0	
Disaster Recovery Site	45	0	45	0	
Total	2,068	71	1,468	(600)	(600)

Table 10b: Detail of Digital Tameside Capital Programme – re-phasing

Explanation of Re-phasing at Quarter 1			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
Digital Tameside	ICT – Vision Tameside	The rephasing of this scheme takes into account the timeframe in which works will be carried out on the new Admin Centre, which is estimated to open approximately September 2018.	(600)

Engineering Services

- 3.9 The table below outlines the projected investment for Engineering Services. Explanations are also included where re-phasing has been requested.

Table 11: Detail of Engineering Services Capital Investment Programme

Engineers Capital Programme Statement					
Capital Scheme	2016/17 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
LED Street Lighting Investment	4,608	53	2,304	(2,304)	(2,304)
Highways Maintenance Funding	2,605	396	2,605	0	
Challenge Funding	2,199	115	2,199	0	
Denton Link Road	1,467	22	1,467	0	
Pothole Funding	1,000	0	1,000	0	
The Longdendale Integrated Transport Strategy	480	0	480	0	
Ashton - Stalybridge Cycle Route	400	0	400	0	
Junction Improvements On/Off At J23 M60	359	0	359	0	
Ashton Northern Bypass - Stage 2	279	0	279	0	
Ashton Town Centre Improvements	181	0	181	0	
Pinch Point Schemes	150	17	150	0	
Huddersfield Road Retaining Wall	113	0	113	0	
Hattersley Station Road	106	0	106	0	
Other Minor Schemes	161	6	159	(2)	
Total	14,108	609	11,802	(2,306)	(2,304)

Table 11b: Detail of Engineering Services Capital Programme – re-phasing

Explanation of Re-phasing at Quarter 1			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
Engineering	LED Street Lighting Investment	Installation started in 2015/2016 with installation of LED lanterns continuing across the borough throughout 2016/2017 & 2017/2018. Rephasing is requested in order to better reflect the three year programme	(2,304)

Environmental Services

3.10 The table below outlines the projected investment for Environmental Services. No re-phasing has been requested.

Table 12: Detail of Environmental Services Capital Investment Programme

Environmental Services Capital Programme Statement					
Capital Scheme	2016/17 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
Guide Lane Former Landfill Site	465	1	465	0	
Retrofit (Basic Measures)	329	0	329	0	
Carbon Reduction - Invest To Save Schemes Approval Required	311	0	311	0	
Total	1,105	1	1,105	0	0

Operations

3.11 The table below outlines the projected investment for Operations

Table 13: Details of Operations Capital Investment Programme

Operations Capital Programme Statement					
Capital Scheme	2016/17 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
Allotment Railings And Infrastructure Improvement	76	0	76	0	
Dukinfield Park Improvements	40	5	40	0	
Tree Planting Programme	40	0	40	0	
Rocher Vale & Hulmes And Hardy Wood	29	10	29	0	
Children's Play	20	0	20	0	
Stamford Park Infrastructure	20	0	20	0	
War Memorials	20	0	20	0	
Sunnybank Park - Landscaping	19	2	19	0	
Green Space Improvements - Hyde	16	0	16	0	
Other Minor Schemes	45	8	45	0	
Total	325	25	325	0	0

Transport

3.12 The table below outlines the projected investment for Transport.

Table 14: Detail of Transport Capital Investment Programme

Transport Capital Programme Statement					
Capital Scheme	2016/17 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
Refuse Collection Fleet	3,060	0	3,060	0	
Procurement of 58 Fleet Vehicles	2,442	384	2,442	0	
Light Vans	39	0	39	0	
Total	5,541	384	5,541	0	0

4. COMPULSORY PURCHASE ORDERS, INDEMNITIES AND POTENTIAL LIABILITIES

Redmond Close

- 4.1 The Council has purchased and demolished property numbers 2 – 18 (evens). The original plan was for Property number 22 to remain in situ with a remedial solution to be installed, as the occupants refused to move. Property number 20 is adjoining number 22 and is to be demolished. The Council went through two unsuccessful tendering processes for the remedial works in an attempt to deliver the engineering solution inside an acceptable financial envelope. This has not been possible and a further report will be required to enable consideration of this matter by elected members.

Wellington Works

- 4.2 This is a complex compulsory purchase compensation matter, which involved lengthy litigation between the Council and the claimant. Consequently, costs of the most recent proceedings are outstanding as an amount has yet to be agreed.

Denton Link Road

- 4.3 The Council entered into a CPO Indemnity and Development Agreement with the owners of the site in 2008 (subsequently amended in 2011). Through the agreement, the Council is indemnified by the developer against the CPO costs and the costs of the related consents needed to facilitate and complete the development.
- 4.4 Following the confirmation of the CPO by the Secretary of State and non-receipt of blight notices to date, and changes to the overall project, the developer has requested a variation to the Development and a CPO Indemnity agreement to better reflect the current situation and enable the Council to assume responsibility for the delivery of the link road.
- 4.5 A General Vesting Declaration (GVD) has been executed for land required within the CPO. The Council is currently in the process of registering its legal title to the land with HM Land Registry
- 4.6 The Council has recently completed a variation to the CPO Indemnity and Development Agreement to enable the delivery of the link road. Land Transfer Agreements with the developer and other third parties are also being progressed.

Hattersley CPO

- 4.7 The Council is supporting the proposal for the development of the final phase of the new district centre for Hattersley. Outline planning consent was secured in February 2015 for a major retail development on land at the junction of Stockport Road and Ashworth Lane. The 75,000 square feet development will include new retail, food store and leisure units to enhance retail choice and amenities for local residents and thereby improving the long-term vitality and viability of Hattersley as a place to live.
- 4.8 The Council approved the making of a compulsory purchase order in respect of one outstanding property in June 2015 and is currently working with its partners, Peak Valley Housing Association and the Homes and Communities Agency, to secure the appointment of a developer partner. Peak Valley Housing Association will fully indemnify the Council's CPO costs through a CPO Indemnity Agreement.

5. CHANGES TO THE APPROVED 3 YEAR CAPITAL PROGRAMME

- 5.1 Since the previous Capital Monitoring report there has been an increase in the programme totalling £6.203m over the period 2016/17 – 2018/19 due to changes requested in other reports. These include significant investment in new Active Tameside facilities, reallocation of schools grant funding between schemes, and several smaller changes. Full details are listed in **Appendix 1**.

6. CAPITAL RECEIPTS

- 6.1 With the exception of capital receipts earmarked as specific scheme funding, all other capital receipts are retained in the Capital Receipts Reserve and utilised as funding for the Council's corporately funded capital expenditure, together with any other available resources identified in the medium term financial strategy.
- 6.2 £11.3m of BSF Capital Receipts are to be repaid corporately, to repay previous temporary funding of the Schools Capital Programme.
- 6.3 Receipts of £0.438m have been generated in year to date from the disposal of Council assets. The forecast proceeds from asset sales for the financial year is £5.19m

7. PRUDENTIAL INDICATORS

- 7.1 The CIPFA Prudential Code for Finance in Local Authorities was introduced as a result of the Local Government Act (2003) and was effective from 1 April 2004. The Code sets out indicators that must be demonstrated that the objectives of the Code are being fulfilled. The initial Prudential Indicators for 2016/17 and the following two years were set out by the Council in February 2016. The Capital Expenditure indicator has been updated to reflect the latest position.
- 7.2 The Prudential Indicators as at June 2016 are shown in **Appendix 2**.

APPENDIX 1

Changes to the Capital Programme

SERVICE	SCHEME	SOURCE OF FUNDING	BUDGET CHANGES 2016/17 £000	BUDGET CHANGES 2017/18 £000	BUDGET CHANGES 2018/19 £000	TOTAL £000
Original Capital Programme 2016/17 – 2018/19			73,034	51,412	7,891	132,337
A) Increases to the Programme						
Active Tameside	Active Tameside Wellness Centre & Wider Investment (Agreed March Executive Cabinet)	Borrowing	(829)	608	3,633	3,412
Education	Devolved Schools Capital	Devolved Schools Capital Grant	473			473
Education	Greenside Lighting, Fire Alarm And Small Power	School Condition Grant	272			272
Engineering Services	Highways Maintenance Funding	Highways Maintenance Grant	259			259
Education	Greenside Boiler And Fan Convectors	School Condition Grant	220			220
Education	Livingstone Heat Emitters And Pipework	Basic Need Grant	30			30
Education	Arlies Fan Convectors, Controls And Radiator Covers	Capital Maintenance Grant	180			180
Engineering Services	Denton Link Road	Grant	174			174
Education	School Condition Related Works Contingency	School Condition Grant	156			156
Education	Gorse Hall Small Power	School Condition Grant	147			147
Education	Waterloo Boiler And Heat Emitters	School Condition Grant	119			119
Education	St Anne's Denton Flat Roofs	School Condition Grant	100			100
Education	Dowson Lower School Heat Emitters	School Condition Grant	84			84
Education	Capital Maintenance - Funding Stream	Capital Maintenance Grant	68			68

Education	Stalyhill Infants Heat Emitters And Pipework	School Condition Grant	67			67
Education	Longdendale Science Labs	School Condition Grant	65			65
Education	Greswell Walls And Windows	School Condition Grant	50			50
Education	Dowson Infant Windows	School Condition Grant	50			50
Education	St Anne's Denton - Head Teacher's Office	Capital Maintenance Grant	41			41
Environmental Services	Tree Planting Programme	Developer Contributions	40			40
Transport	Light Vans (April 2016)	RCCO	39			39
Education	Arlies Mobile Classroom Roof	School Condition Grant	31			31
Education	Hurst Knoll Nursery Fan Convectors And Mobile Classroom Air Conditioning	School Condition Grant	30			30
Education	Rosehill Flooring	School Condition Grant	25			25
Education	Micklehurst Water Tower	School Condition Grant	20			20
Environmental Services	War Memorials	Developer Contributions	20			20
Environmental Services	Assheton Avenue Surfacing	Developer Contributions	10			10
Education	St Anne's Denton Kitchen Extension (UIFSM 2)	Capital Maintenance Grant	8			8
Engineering Services	Bus Lane Enforcement	Developer Contributions	8			8
Education	Milton St John's Drainage	School Condition Grant	5			5
			1,962	608	3,633	6,203
b) Funding Transfers in Programme						
Education	Basic Need - Funding Stream	Basic Need Grant	(939)			(939)
Education	Aldwyn Primary Additional Accommodation	Basic Need Grant	500			500

Education	Livingstone Heat Emitters And Pipework	Basic Need Grant	162				162
Education	Broadoak Primary External Areas	Basic Need Grant	100				100
Education	Livingstone Remodelling/Extension	Basic Need Grant	45				45
Education	St Johns Ce Dukinfield	Basic Need Grant	40				40
Education	The Heys Floor Replacement	Basic Need Grant	40				40
Education	Milton St John Creation Of Bulge Class	Basic Need Grant	20				20
Education	Furniture And Equipment Contributions - Basic Needs Schemes	Basic Need Grant	20				20
Education	Hollingworth Drainage	Basic Need Grant	12				12
Adult Services	BCF Capital Grant	Grant	(650)				(650)
Development & Investment	Disabled Facilities Grant	Grant	650				(650)
			0	0	0	0	0
			1,962	608	3,633	6,203	
			74,997	52,020	11,524	138,541	
	Net Changes						
	Capital Programme 2016/17 Q1						

Notes

RCCO stands for "Revenue Contribution to Capital Outlay" and describes where capital investment is funded from revenue sources.

AIPM stands for Asset Investment Partnership Management.

Education changes agreed as part of Education Capital Programme 2016/17 Report at March Executive Cabinet

APPENDIX 2

Prudential Indicators

Actuals v limits as at 06/07/2016

	limit	Actual @ 06/07/16	amount within limit
	£000's	£000's	
Operational Boundary for External Debt	£268,176	£119,530	-£148,646
Authorised Limit for External Debt	£288,176	£119,530	-£168,646
Upper Limit for fixed	£199,173	-£9,191	-£208,364
Upper Limit for variable	£66,391	-£34,255	-£100,646
Capital financing requirement	£199,173	£189,253	-£9,920
Capital expenditure	£72,788	£62,323	-£10,465

Prudential Indicators

Gross borrowing and the capital financing requirement	CFR @ 31/03/16 + increase years 1,2,3	Gross borrowing @ 06/07/16	amount within limit
	£199,173	£119,530	-£79,642

Maturity structure for borrowing 2016/17

Fixed rate

Under 12 months	0% to 15%	0.94%
12 months and within 24 months	0% to 15%	5.25%
24 months and within 5 years	0% to 30%	0.84%
5 years and within 10 years	0% to 40%	4.17%
10 years and above	50% to 100%	88.80%

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Agenda Item 5

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	5 September 2016
Reporting Officer:	Damien Bourke - Assistant Executive Director (Development, Growth and Investment) Ian Saxon – Assistant Director (Environmental Services)
Subject:	CORPORATE ASSET MANAGEMENT PLAN UPDATE
Report Summary:	The attached report is intended to update members of the Strategic Planning and Monitoring Capital Panel with progress on the disposal of the Council's surplus assets, anticipated capital receipts that will be realised and investment that is required to maintain those buildings being occupied and retained or dilapidations arising from the termination of leases.
Recommendations:	That Strategic Capital Panel Members review the contents of the report and RECOMMEND to Cabinet that the: <ul style="list-style-type: none">a) Approval of the list of disposals identified in Appendix 1;b) The opportunity purchase of an industrial site on Boodle Street, Ashton with marriage value to existing council land for investment/development purchase price expected to be less than £130k be made from the opportunity purchase fund with any return realized on the investment being used firstly to replace the resource in the fund.c) The allocation of £78,624.01 to undertake building condition replacement/repair projects as detailed at paragraph 3.2
Links to Community Strategy:	To support the delivery of the objectives of the Community Strategy.
Policy Implications:	Expenditure in line with financial and policy framework. To assist in delivering a balanced budget and support the sustainability of the local economy.
Financial Implications: (As authorised by the Section 151 Officer)	<p>Substantial work has been undertaken to vacate, market and dispose of a number of buildings. The schedule of 'properties for disposal but not yet completed' at Appendix 1 will allow the Council to further reduce its asset portfolio and reduce the ongoing revenue costs associated with these properties.</p> <p>The request to fund the purchase of an industrial site on Boodle Street, Ashton with an expected price of less than £130k could be funded initially from Opportunity Purchase fund. Any return realized on the investment should be used firstly to replace the resource in the fund.</p> <p>Section 3.2 of this report sets out the reactive work which is required to buildings. There is currently no funding identified for these costs. The cost of £78,624.01 requires approval to be funded and included within the Capital programme. Any revenue costs associated with this investment must be met from existing revenue budgets.</p> <p>The current approach to repairs and maintenance is purely reactive which does not allow the Council to undertake works in</p>

the most efficient or effective way. A repairs and maintenance strategy should be developed, which would support condition surveys on buildings and allow for a forward plan of works to be produced. This would need to be supported with an appropriate budget which should be the subject of a future report.

Legal Implications:
(As authorised by the
Borough Solicitor)

The challenge to the Council is to ensure that its estate makes an effective contribution to improving the council's financial and business performance; the service delivery agenda; resolving the pressure on demands for estate capacity; and achieving change with minimal capital expenditure. We need to ensure that the buildings and we need are fit for purpose and congruent with strategic service delivery. Accordingly, we need to have much more clarity and understanding as to the cost of ongoing repairs and maintenance and whether they are value for money.

We need to ensure going forward that the assets set out in appendices are clearly linked to the references on the Transparency List of properties published in line with legislation.

Risk Management:

The ownership and use of property carries with it a number of risks including health and safety, economic, financial, service delivery, statutory compliance and maintenance risks. It is therefore proposed to develop a risk register as part of the strategic review of the Councils assets to identify and manage risks.

Access to Information:

Any further information can be obtained from the report author Damien Bourke, Assistant Executive Director, Sustainable Growth who can be contacted on:



Telephone: 0161 342 3544



e-mail: damien.bourke@tameside.gov.uk

1. INTRODUCTION

- 1.1 A report detailing progress on the disposal of assets, realisation of capital receipts and assets requiring investment, was considered at the last meeting of the Strategic Capital Panel.
- 1.2 This report is intended to provide members of the Panel with a further update.

2. DISPOSAL OF ASSETS

Disposal Strategy

- 2.1 The Asset Disposal process continues apace with a figure of £6,766,500 achieved in the last 9 months. The Estates team is in the process of updating the list of land for sale with newly identified parcels. This will be covered in a further annex to this report at the next meeting and an updated website list will be added.
- 2.2 Planning, Public Consultations and Section 77 consultations are now well underway on the 5 larger school sites and a process of active marketing is also on track. Work is underway on masterplanning the large site at Windsor road in Denton. Consultation with local members and stakeholder groups has started and discussions have been positive.
- 2.3 Renewed focus is being placed on the next two Auctions (September 13 and October 18) with 6 sites being submitted for September and work is ongoing for a number of sites to be potentially sold in October.
- 2.4 Properties being actively marketed for sale or lease will be advertised on the Council's website, in addition to the marketing agents sites. Where potential disposals will impact on tenants, for example sale of garage or garden plots, which have become too expensive to administer, written notification will be given to tenants in advance for the proposed sale.
- 2.5 **Leased Buildings** - As reported at previous meetings of the Panel, the Council's policy on operational buildings is, where possible, to terminate leases it has for buildings owned by others and to relocate services to surplus space in Council owned properties, where this delivers value for money, to reduce the revenue cost of operating and occupying buildings.
- 2.6 **Appendix 1** provides additional information in respect of properties that have been identified for disposal or where tenants have sought to acquire the freehold of the properties that they lease.
- 2.7 **Appendix 2** lists the Capital Receipts realised as at August 17 2016.
- 2.8 **Appendix 3** details briefly additional Property work carried out by the team and achievements of note, such as securing increase at Rent reviews in favour of the Council, serving of break notices, any lease renewals and properties of note acquired.
- 2.9 **Opportunity Purchase.** There is an opportunity to purchase the former Travis Perkins site at Boodle Street in Ashton. The site is adjacent to council owned land in a successful industrial estate. A business case is being developed around an investment opportunity on the combined site, however we have a short window to purchase this site following the previous purchaser pulling out. It is recommended that the council purchases this site valued at around £130k in order to progress the investment opportunity.

3. INVESTMENT IN CIVIC AND CORPORATE BUILDINGS

- 3.1 There is no reactive maintenance budget included within the corporate landlord budgets and any repairs or upgrading of the buildings requires a request for additional investment to be made to the Panel for approval by Cabinet. In the past few months a number of repairs have been requested for civic and operational buildings for which there is no revenue or capital budget allocation. Analysis of capital spends for June 2016 to August 2016 is £78,624.01. In addition there has been spend of £18,649 in regard of property related revenue type spend in the same period.
- 3.2 The analysis of the capital investment required in respect of health and safety/essential operational repairs is below. In some cases these repairs have already had to be undertaken to allow the buildings to remain operational:

Building	Estimated Cost
	£
Dukinfield Town Hall – repairs connected to flood damage	6111.23
Denton Town Hall – work to water system	5983.44
Hyde Market Hall	10336.28
Tame Street Depot – flood repairs doors/lighting	16775.47
Wilshaw House – repairs to heating system	3496.96
Hyde Town Hall – ceiling repairs	3858.17
Grafton Centre Rydal House – repairs to heating system	1353.85
Concord Suite – repairs/remedials to water system	4736.89
Jubilee Gardens – repairs to leak in water system	2795.56
Hurst Resource Centre – repairs to heating system and roof	3705.17
St Peters Childrens Centre – roof repairs	1769.66
Mossley Youth Base – repairs to drainage system	2145.41
Clarence Arcade – repairs to fire doors	1500.15
Festival Hall –basement heating repairs and remedials	2102.13
Hyde Youth and Community –repairs to fire doors	1396.57
Tameside Central Library – repairs to lift shaft	4,423.38
Rydal House – repairs to fire doors	1241.96
Stamford Park – repairs to heating and shutters	1006.34
Denton Centre – roof repairs	720.46
Hattersley Childrens Centre – repairs to heating system	827.11
Ashton Market Hall – repairs to drainage system/leak	2337.82
TOTAL	78,624.01

4. SPORT & LEISURE ESTATE INVESTMENT – PROGRESS UPDATE

- 4.1 On 24 March 2016, Executive Cabinet considered a report setting out proposals to ensure the provision of high quality sports and leisure facilities in Tameside, creating a platform to reduce physical inactivity and develop a sustainable funding model in relation to Active Tameside. Executive Cabinet approved specific proposals in relation to:

- Changes to the existing Tameside leisure estate, including a programme of capital investment;
- Increasing commercially profitable activity;
- Growth in inward investment;
- Maintenance and repairs.

- 4.2 Once implemented in full, the proposals will enable revenue investment in Active Tameside to be reduced from £1.865 million in 2015/16 to £0.715 million by 2019/20 (a reduction of

£1.150 million or 62%), and to £0.441 million by the end of the contract in 2023/24 (a reduction of £1.424 million).

4.3 The following table provides a summary of progress on the delivery of the sport and leisure estate investment programme up to the 15 August 2016;

Scheme Element	Capital Investment	Progress Update
Copley Boiler Scheme	TMBC - £0.369m	Work began in May 2016 and the installation will be completed in September 2016. The Copley Academy has installed its own heating system which is now fully operational.
Replacement of synthetic turf pitches at Copley	TMBC - £0.177m	Work began on site on the 5 August and the installation will be completed by the 5 September 2016. The timing of the installation has ensured minimum disruption to The Copley Academy, with the facility being back in operation to coincide with the start of the new term. All existing bookings have been offered alternative slots at other Active Tameside facilities across the borough.
Scheme Element	Capital Investment	Progress Update
Roof Replacement at Medlock	TMBC - £0.120	Design work for the roof covering replacement has begun. The installation will take place in March/April and May 2017 to ensure that the facility is fully operational for the start of the summer school holidays. The timing of the installation will result in £0.100 being slipped in the Capital programme from 2016/17 to 2017/18.
Wave Machine replacement at Active Hyde	TMBC - £0.060	The wave machine replacement at Active Hyde will require a facility closure to install which will result in loss of income for Active Tameside. Active Hyde will need to close again at some point in the future to integrate mechanical and electrical systems as part of the new pool extension. In order to minimise the impact of both developments it is proposed to delay the wave machine replacement until the centre closes for the integration of the new pool during 2017 resulting in one temporary closure instead of two. The proposal will result in £0.060m being slipped in the Capital Programme from 2016/17 to 2017/18.
New Active Denton Facility including a commercial offer	TMBC - £13.674m AT - £1.050m	Design development of the new facility is ongoing and will continue to a point where cost certainty has been established to inform the next stage of governance – proceed to detailed design development including planning and the intended procurement strategy for the development. The challenging completion date is currently in keeping with the projected timescales set out in the 24

Scheme Element	Capital Investment	Progress Update
		March Executive Cabinet Report.
Extension to Active Hyde	TMBC - £2.00m	Architects are developing the scheme design to a point where cost certainty can be established in order to inform the next stage of Governance – approval to proceed. The latest estimate for completion, which is subject to change based on a fully developed programme, is December 2017. This revised completion date is due in part to the need to fully integrate mechanical and electrical systems to deliver the scheme within budget. The revised opening date will impact upon the reduction in the management fee attributed to the facility from March 2017.
Redevelopment of Active Dukinfield	TMBC - £1.300m £1.000m	The business case for the redevelopment of Active Dukinfield was considered and approved by the Single Commissioning Board on 7 June 2016. Enabling works began on site on 13 June 2016 with completion due in November 2016.
Redevelopment of Active Longdendale	TMBC - £0.800m	The business case for the redevelopment of Active Longdendale was considered and approved by the Single Commissioning Board on the 5 July 2016. On site development has now begun with completion scheduled for mid to late October 2016.

5. RECOMMENDATIONS

5.1 These are set out at the front of the report.

APPENDIX 1

List of Property Identified for Disposal but not yet completed at 17 August 2016.

N.B. This list only includes property above the value of £50,000.

Property	Purchaser/Future Use/commentary on state of play	Estimated Sale Price (£)
Former Hartshead High School, Lees Road	Outline planning application underway	10,000,000
Two Trees former School Site	Outline planning application underway	10,000,000
Mossley Hollins School Site, Huddersfield Road	Outline planning application underway	1,750,000
Former Littlemoss School	Outline planning application underway	1,700,000
Denton Plant Nursery	Progressing SI surveys	1,500,000
Land rear of 55-113 Bennett Street	Playing field flanked by licenced garages	1,000,000
Former Samuel Laycock School, Mereside	Outline Planning/Marketing to commence	845,000
Land at Leigh Street	Former school site	800,000
Land at Windsor Road	Interest received	800,000
Hyde Library & Union Street Building		750,000
Droylsden Canalside	Watkin Jones Development	420,000
Newton Street / Spring Gardens	On NCHT List	410,000
Pole Bank Hall	Polebank Hall Carehome	400,000
Johnsonbrook Road	On NCHT List	350,000
Park Bridge Visitor Centre	Café served notice to vacate/ visitor centre vacant	335,000
Land at Captain Clark Rd	Polemarch Industrial Ltd	320,000
Droylsden Library, Manchester Road		300,000
Plot B Hattersley IE	Currently being marketed	300,000
Land at Ashton Hill Lane	RH& CO instructed.	300,000
Land at Broadway	Stockport Trucks	300,000
Land at hill Street	Heathdown Properties Ltd	300,000
Katherine House	New Charter early payment of clawback provisions	296,849
Land at Queens Road		295,000
Wellington Road	New Charter early payment of clawback provisions	251,409
Grazing land	40 acres say 5% to 10% suitable for development @ £250p/a	250,000
Rydal House	Disposal when vacated	250,000
Land at Newmarket Grove	Former Sunday school plus playing field	250,000
Leigh Fold	On NCHT List	250,000
Pine Road	On NCHT List	250,000
Morningside / Fairfield Avenue	On NCHT List	225,000

Land adjacent to 222 Manchester Road	Tameside 500 Site?	212,500
Melbourne Street Car Park	Sale terms agreed	200,000
Land at Wakefield Road / Pennine View	Bardsley Construction Limited	200,000
Plot A Hattersley IE		200,000
High Street, Stalybridge	On NCHT List	190,000
Stalydene School Site	On NCHT List	180,000
Land at Boodle Street		180,000
Bankside House / Riverside House, Astley Street		175,000
Astley Street / Hadfield Street	Globe Scaffolding	175,000
Lake Road	New Charter early payment of clawback provisions	166,540
Roughtown Community Centre		150,000
Crown Street Car Park	Bardsley Construction Limited	145,000
Cavendish Street	New Charter early payment of clawback provisions	141,960
Land at Hadfield/Astley/Globe Sq	MS Estates	140,000
Wild Street		140,000
Land at Wild Street,	Advanced workshops Ltd	140,000
Wakefield Road	New Charter early payment of clawback provisions	126,477
Residual Garage Sites		125,000
St. Lawrence Children's Home,		125,000
Land at Katherine Street	Ahmed Brothers	125,000
Unit 3 Hattersley Industrial Estate	Richard Oakley	120,000
Kynder Street	New Charter early payment of clawback provisions	110,880
Old Street / Dale Street East, AUL	On NCHT List	110,000
Land at Water Street		80,000
M66 Highways Settlement	Settlement of compensation claim	75,000
Land at Acres Lane	Surplus open space	50,000
Pole Bank Depot	Interest from nursing home.	50,000
Total (excluding potential sales below £50,000)		£39,031,615

APPENDIX 2

Capital Receipts Realised as at 17 August 2016

Site	Location	Date Sold	Receipt Realised £
Land at Stamford Street	Stalybridge	08/10/2015	52,000
5 Newton Street	Ashton	08/10/2015	51,000
Hardwick Street / Moss Street West	Ashton	14/10/2015	35,500
Holden Street	Ashton	08/10/2015	30,500
Land at Wellington Street	Ashton	08/10/2015	106,000
Land at Margaret Street	Ashton	06/10/2015	60,000
Land at Board Street / Kings Road	Ashton	01/10/2015	20,000
Former Stamford High School	Ashton	11/12/2015	4,250,000
Beyer Peacock Centre,	Audenshaw	23/09/2015	90,000
Land adj 148 Moorside Street	Droylsden	08/10/2015	29,000
Land at Frances Street, Hyde	Hyde	08/10/2015	41,000
Land at Throstle Bank / Furnace Street	Hyde	14/10/2015	42,500
Land at Johnsonbrook Road / Ashton Rd	Hyde	07/10/2015	18,000
Compton Street Car Park	Stalybridge	08/10/2015	20,000
Cross Hope Street Car Park	Ashton	22/10/2015	10,000
Land at Hope Street	Dukinfield	22/10/2015	27,000
Grey Street, Car Park	Stalybridge	22/10/2015	31,000
Field Street, Car Park	Hyde	22/10/2015	49,000
Land at Huddersfield Road	Stalybridge	22/10/2015	45,000
Hallbottom Street Car Park	Hyde	22/10/2015	7,500
Audenshaw cemetery lodge	Audenshaw	Jan 2016	116,000
James Howe mill	Ashton	January 2016	205,000
Land at Ripon St/botany Lane/Mount Pleasant St	Ashton	April 2016	50,000
Land at Midge Hill	Mossley	April 2016	25,000
Wimpole Street	Ashton	22/10/2015	14,000
February Auction total	Tameside	Feb 2016	223,000
December auction total	Tameside	Dec 2015	280,500
April auction total	Tameside	April 2016	277,000
June Auction	Tameside	June 2016	19,500
Sale of Land at Audenshaw Road	Audenshaw	July 2016	87,500
Land at Katherine Street Ashton	Ashton	July 2016	125,000
Land at Wild Street	Dukinfield	July 2016	140,000
Land at 376 Huddersfield Road	Mossley	June 2016	6,000
Unit 3 Hattersley Industrial Estate	Hattersley	July 2016	110,000
Edge Lane Arcon	Droylsden	Jan 2016	37,000
Land at Queens Road	Ashton	22/10/2015	35,000
Ongoing Total			£6,766,500

APPENDIX 3

Acquisition

320 Stockport Road, Denton	Ashton	June 2016	£325,000
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Leases Completed since last report:

Property	Location	Purchaser / Future Use	Rental income per annum (£)
Unit 12 Charlestown	Ashton	Becker Trading Ltd- 3 Year Term	6,000
Unit 14 Charlestown	Ashton	Accessible Bathrooms Ltd- 3 Year Term	5,750
Werneth House	Hyde	Management Association	5,000

Other Transactions /works of note completed by the Estates Team since the Last Report:

- Terminal Dilapidations claim against the council at Greencroft house, Hyde of £86,647 - Lease expiry date April 2017.
- Aeroworks 5 Adair street, Manchester – Break date of 3 June 2016 exercised- on behalf of Greater Manchester Public Health Network (GMPHN)
- “Learn” at St Annes, Burlington St. Ashton- Adult Education- Lease terminated from 31 August 2016

Jun-16

Land r/o 44-46 Market Street, Hyde	Rent Review	Increased by £1,100 to £2,500
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Jul-16

Garage Site, Haughton Street, Hyde	Lease Renewal	Rent increased by £375 to £1,000
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Aug-16

Plot 6 Langham Street, Ashton	Rent Review	Increased by £1,220 to £5,900
Land at Astley Street, Dukinfield	Rent Review	Increased by £1,605 to £12,955

Agenda Item 6

Report to:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	5 September 2016
Reporting Officer:	Damien Bourke, Assistant Executive Director (Development, Growth and Investment)
Subject:	SMARTLY POOLED SECTION 106 AGREEMENTS AND DEVELOPER CONTRIBUTIONS
Report Summary:	The report summarises the current position with regard to receipts received from section 106 Agreements and Developer Contributions.
Recommendations:	<p>To note the contents of the report:</p> <p>That following broad approval from SCP in November 2015 to commit appropriate resources within the existing budget to address the high priority actions set out at 3.1 and 3.2 to be further clarified following the outcomes of the audit report and presented to SCP in due course.</p>
Links to community strategy:	Successfully implementing schemes funded through s106 agreements assists in supporting Community Strategy priorities concerning supportive communities, safe environment, prosperous society, learning community and attractive borough.
Policy implications:	Works completed through obligations contribute to mitigating the impact of developments in three policy areas contained within the Councils adopted Unitary Development Plan.
Financial Implications: (Authorised By Section 151 Officer)	It is important that regular monitoring is undertaken to ensure that monies are paid to the Council when due; as per the individual S106 agreements. The S106 contributions and Developer Contributions must be spent within the agreed timescales and on the purposes specified within the individual agreements. A summary position of the S106 contributions and developer contributions is included in the report.
Legal Implications: (Authorised By Borough Solicitor)	The Section 106 Obligations need to comply with the requirements of the Community Infrastructure Levy Regulations, which the adopted policy framework seeks to secure.
Governance Arrangements:	Section 106 obligations requested are done so following the policy framework set out to support this approach contained within the Councils adopted Unitary Development Plan.
Risk Management:	<p>Developers will be entitled to claw back any contributions if they are not spent within the agreed timescales as per the agreements.</p> <p>Contributions may not be received on time or at all without adequate monitoring. Any specific conditions included with S106 agreements must also be considered in the use of these resources to reduce developer challenges.</p> <p>The continued implementation of the approach outlined beyond April 2015 is guided by professional judgement and as such is</p>

open to challenge. Keeping abreast of relevant legal cases and modifying the Councils approach accordingly will assist in minimising risk.

Access to Information:

The background papers can be obtained from the author of the report, Paul Moore by:



Telephone: 0161 342 3108



e-mail: paul.moore@tameside.gov.uk

1. INTRODUCTION

- 1.1 This report summarises the position at the period 31 March 2016 with regard to receipts for Section 106 agreements and developer contributions and makes comments for each service area. This is followed by a section on new agreements concluded and pending.
- 1.2 Additionally the report provides an update in relation to the internal audit of the processes of collection, management and monitoring of the developer obligations system.

2. S106 UPDATE

- 2.1 The summary position statement at 31 March 2016 for s106 agreements and developer contributions is as follows:

Smart Pooling Section 106 agreements:

Section 106		Community Services	Engineering Services	Services for Children & Young People	Other	Total
		£000	£000	£000	£000	£000
S106 - Budget Transferred to Service	Balance Transferred Previous Years (2006/07 - 2014/15)	795	1,632	1,250	16	3,693
	Applied Periods 1 - 3					0
	Applied Periods 4 - 7					0
	Applied Periods 8 - 10					0
	Applied Periods 10 - Outturn					0
	Total	795	1,632	1,250	16	3,693
S106 - Schemes devised not yet signed off	Brought Forward from 2014/15	0	0	0	0	0
	Received Periods 1 - 3					0
	Received Periods 4 - 7					0
	Received Periods 8 - 10					0
	Received Periods 10 - Outturn					0
	Transferred to Service Area					0
Total	0	0	0	0	0	
S106 - Not yet earmarked	Brought Forward from 2014/15	(43)	(10)	(124)	0	(177)
	Received Periods 1 - 3					0
	Received Periods 4 - 7		(13)			(13)
	Received Periods 8 - 10					0
	Received Periods 10 - Outturn					0
	Transferred to Service Area					0
Total	(43)	(23)	(124)	0	(190)	
S106 - Not yet reached trigger point		(593)	(370)	(721)	(22)	(1,706)

Developer Contributions (based on SPD prior to CIL changes):

Developer Contributions	Green Space Contribution	Community Education Contribution	Integrated Transport Contribution	Totals (inc other)
	£000	£000	£000	£000
Brought Forward from 2014/15	(206)	(311)	(11)	(528)
Received Periods 1 - 3	(2)	(2)	(1)	(5)
Received Periods 4 - 7	(43)	(34)	(1)	(81)
Received Periods 8 - 10	(15)	(15)	(1)	(32)
Received Periods 10 - Outturn	0	0	0	0
Transferred to Service Area	65	302	0	371
Approved at previous SCP for release at year end	15	1	0	14
Total	(186)	(61)	(14)	(261)

Overall position

- 2.3 The current position for s106 agreements is £190,000 as at 31 March 2016 with developer contributions standing at £261,000.

Services for Children and Young People

- o The balance of unallocated s106 funds stands at £124,000 on 31 March 2016
- o Developer contributions stands at £14,000 on 31 March 2016

Community Services (Operations and greenspace)

- o The balance of unallocated s106 funds stands at £43,000 on 31 March 2016
- o Developer contributions stands at £186,000 on 31 March 2016

Engineering Services

- o The balance of unallocated s106 funds stands at £23,000 on 31 March 2016
- o Developer contributions stands at £14,000 on 31 March 2016

New Section 106 Agreements

- 2.4 A section 106 agreement is to be drafted for an application at Newton Business Park, Hyde reference 16/00054/OUT. The outline planning application is for the demolition of all existing on site structures and the principle of redevelopment of the site for residential dwellings with an indicative Master plan showing up to 64 dwellings of a mix of 2, 3 and 4 bed properties.

- 2.5 A section 106 agreement has been proposed for an application at Britannia Mill Manchester Road Mossley, reference 15/01061/OUT. This outline planning application is for the demolition of the building and erection of approximately 750sqm retail floor space and approximately 62 apartments subject to reserved matters being approved and provides commuted sums to mitigate against impact the proposal may have on off-site Open Space and Education provision. The sums are £631.85 per property for Open Space. There will also be £867.20 per 2 bed property and £1,211.35 per 3 bed property. There will also be a sum of £7,000 for the development to upgrade dropped kerbs and tactile paving in the vicinity of the site

Requests to draw down funding

- 2.6 No requests have been made to drawdown funds from outstanding Developer Contributions or Section 106 monies.

3. MONITORING, SCRUTINY AND AUDIT

- 3.1 As previously reported to SCP, procedures to effectively manage the post April 2015 Section 106 agreement smart pooling system has been the subject of an internal audit. An audit report is in the process of being finalised. Feedback on the outcome of the audit report will therefore be provided at the next SCP.
- 3.2 There was also a proposal at the last meeting to improve the annual scrutiny of Section 106 spend across the borough. It is proposed that the Strategic Capital Panel will receive a 6 monthly scrutiny report detailing the level of spend, projects underway and where Section 106 still needs to be allocated or spent. The first of these reports will cover the 6 months from April 2016 and will be brought to the next meeting of the Strategic Capital Panel.

4. RECOMMENDATIONS

- 4.1 As set out at the front of the report.

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Agenda Item 7

Report to: STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

Date: 5 September 2016

Reporting Officer: Ian Saxon - Assistant Executive Director for Environmental Services

Subject: HIGHWAYS AND TRANSPORT CAPITAL BIDS 2016 / 2017

Report summary: The report sets out details of the Capital bids that have been made by the Highways and Transport Section covering this financial year 2016 / 2017. The report also provides an update on schemes being undertaken funded by the Highways Challenge Fund.

Recommendations: To support and recommend to Executive Cabinet the allocation of Capital Funding and the approval of schemes.

Links to Community Strategy: The schemes identified within the report seek to provide an improved and more sustainable highway related asset for the residents and businesses of Tameside, thereby contributing to a safe environment and continuing economic; key priorities within the 2012-22 Tameside Sustainable Community Strategy.

Policy Implications: The identified schemes support the Council's Corporate Plan priorities around the Sustainable Community Strategy.
It also supports the objectives of the Greater Manchester 3rd Local Transport Plan, the GM Growth and Reform Plan and associated strategies thereby underpinning its aims and objectives at a regional and local level.

Financial Implications: The capital schemes detailed in this report are fully funded:

(Authorised By Section 151 Officer)

Funding	Proposed capital scheme	£m
Greater Manchester Casualty Reduction Partnership	Dukinfield Corridor	0.160
Department for Transport – Pothole Action fund	Permanent pothole repairs on roads	0.117
Department for Transport – Challenge Fund	Detailed in section 3.2, Table 1 of this report	3.000
Total		3.277

Legal Implications: (Authorised By The Borough Solicitor) The expenditure funded by the above grants will be closely monitored as part of the Council's quarterly capital monitoring process.

Risk Management:

- Failure to proposed schemes may prevent the appropriate allocation of resources by the Authority.
A robust programme of works will be developed to ensure that the objectives underpinning the Department for Transport and other funding allocations will be met and at the same time meet the objectives contained in Tameside's Community Strategy.

- Inclement weather preventing commencement and completion of schemes.

A comprehensive programme of works will be agreed between partners to ensure completion by approved dates. However, should the programme not be achieved it may be necessary to arrange for any outstanding financial resources to be transferred into the following financial year.

- Inability of suppliers to deliver materials within a time frame to meet completion targets.

Whilst external contractors have access to many material suppliers, shortages of materials may necessitate alternatives to be substituted or approval will be sought to carry over the project into the following year for completion;

- The ability of external contractors to implement the scheme in the current financial year.

This risk will be managed by ensuring that should the external contractor be unable to complete the works during the current financial year, approval will be sought to carry over the project into the following year for completion.

- Statutory procedures linked to certain schemes could delay implementation.

Should it be necessary approval will be sought to carry over the project into the following year for completion.

Access to Information:

The background papers relating to this report can be inspected by contacting the report writer,

Alan Jackson, Head of Environmental Services (Highways & Transport)



Telephone: 0161 342 2818



e-mail: alan.jackson@tameside.gov.uk,

1. ENGINEERING CAPITAL PROGRAMME 2016/2017

- 1.1 On 11 July 2016 the Panel recommend to Executive Cabinet the approval of the Engineering Maintenance Block Allocation with specific reference to the Highways Structural Maintenance Programme for 2016/2017.
- 1.2 The allocated funding from the Department for Transport for the programme was £2.259m.
- 1.3 The purpose of this report is to inform the Panel of two successful funding bids and to seek approval to progress the respective schemes.
- 1.4 To provide an up to date report with regards the Highways Challenge Fund schemes.

2. SUCSESFUL FUNDING BIDS

- 2.1 In November 2015 a bid was submitted to Greater Manchester Casualty Reduction Partnership for funding under the Partnership Funded Projects 2015/16 banner.
- 2.2 The bid was to provide physical features on the highway to reduce speeds and improve the safety to both vehicles and pedestrians within the corridor of Sandy Lane Dukinfield and Clarence St Stalybridge.
- 2.3 The scheme comprised
 - The installation of a MOVA signalised junction at Bayley Street, with advanced stop lines for cyclists, a pedestrian phase and associated coloured surfacing.
 - A speed table at the Park Road junction
 - Variable message signs or speed cameras strategically positioned
 - Coloured surface treatment to highlight potential hazards on the highway
 - Improved street lighting and
 - a renewal of all signing and lining along the route
- 2.4 Funding of £0.160m was awarded to provide the signalised junction, lining, signage and surface treatments.
- 2.5 The purpose of this report is to seek approval from the Panel to add these works to the Engineers' Capital Programme.
- 2.6 Pothole Action Fund. For 2016/17, the Department for Transport (DfT) has established a national Pothole Action Fund of £50m. The allocation to each district is based on local road length. For the Tameside MBC network, this is £0.117m.
- 2.7 The DfT have stated that they expect that each Highway Authority will commit the funding given to permanently repair potholes on roads or stop them forming in the first place. DfT have made it quite clear that this funding is to complement the planned highway maintenance expenditure for 2016/17 and not replace / displace it.
- 2.8 The purpose of this report is to inform the Panel of the grant awarded from Department for Transport. This report also seeks approval to progress with the pothole programme funded by the Department for Transport (DfT).
- 2.9 The successful Challenge Fund bid for £3m funding for Bridges and Structures Schemes was reported to Strategic Capital Panel in September 2015.
- 2.10 Panel is asked to recommend to Executive Cabinet the approval to use the available funding for the schemes listed below in Table 1.

2.11 **Table 1 – Schemes funded by Highways Challenge Fund Grant**

Wall Name	Proposed Works	Projected Budget £ (m)
Mottram Cutting1	Main Wall (NE of Roe Cross Rd) – Vegetation clearance, pressure grouting and repointing. Take down top section of wall to southern end and raise level to better retain earth behind. Clear debris from flat area between top of retaining wall and parapet adjacent to jct of Old Rd and Hobson Moor Road. Rebuild parapet between jct of Old Rd and Hobson Moor Rd and jct of Hobson Moor Rd and Roe Cross Rd.	0.51
Mottram Cutting 2	Wall to the north of Hobson Moor Rd – rebuild length of dry stone wall between jct of Old Rd and Hobson Moor Rd and jct of Hobson Moor Rd and Roe Cross Rd. Overhead electricity lines are likely to require diverting into the ground to allow wall rebuild in the vicinity of the stayed/braced telegraph pole.	0.40
Broadbottom C of E School Wall	Take down dry stone wall and rebuild as masonry clad mass concrete wall. Length of wall to be the boundary to the school, not to extend to the adjacent church.	0.18
Woolley Lane	Repoint, pressure grout and soil nail main length of wall. Localised rebuilds adjacent to new property to east end of wall.	0.22
Manchester Rd, Hollingworth	Take down and rebuild relocating wall back into the embankment behind to maximise off highway working. Will require discussions with land owners.	0.25
Mottram Rd Godley RW, Hyde	Take down and rebuild parapet. Localised repairs to retaining wall, pressure grout and repoint.	0.41
Mottram Rd, Hattersley	Take down drystone wall and rebuild in masonry clad mass concrete.	0.10
Manchester Rd Riverside, Hyde	Take down and rebuild parapet and increase height. Possible soil nail scheme, GI notes building in a number of locations.	0.37
Manchester Rd, M67 Hyde	Localised take down and rebuild, repointing, general refurbishment.	0.03
Manchester Rd Mossley	Localised take down and rebuild to modern standards, repointing and general refurbishment	0.25
Mottram Rd Godley Brook	Rebuild parapet and repairs to adjacent crossing, with reconstruction of structure	0.28
TOTAL		3.00

4 RECOMMENDATIONS

4.1 As detailed on the front page of this report.

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	5 September 2016
Reporting Officer:	Damien Bourke – Assistant Executive Director (Development, Growth & Investment)
Subject:	EDUCATION CAPITAL PROGRAMME PROGRESS UPDATE
Report Summary:	This report advises members of the Panel on the latest position with the Council's Education Capital Programme 2016/17 and seeks recommendation of various approvals as set out in the report.
Recommendations:	<p>That the Panel notes the contents of the report and approves the amendments listed below and in the main body of the report to the Education Capital Programme.</p> <ol style="list-style-type: none">1. The allocation of additional Basic Need grant funding totalling £621,053 to the schemes detailed in Section 4 and Table 1 of the report. These allocations relate to increased cost estimates for the schemes concerned.2. Amendments to the amount of School Condition/Maintenance grant funding supporting the schemes described in Section 5 and Table 2 of the report. This will result in a net reduction of £95,726 of funding previously approved to support those schemes.3. The reduction of £236,326 of funding supporting the schemes described in Section 6 and Table 3 of the report.4. The allocation of Capital Maintenance/Condition grant funding totalling £135,000 to the new schemes detailed in Section 7 and Table 4 of the report.
Links to Community Strategy:	The proposals contained in this report will support the delivery of the community strategy
Policy Implications:	In line with current policy.
Financial Implications: (Authorised by the section 151 Officer)	<p>This report proposes the allocation of £621,053 of 2016/17 Basic Need funding which is currently shown on the capital programme as a funding stream, towards the individual projects shown in Section 4 and Table 1 of the report. All of these allocations relate to increased cost estimates for projects already on the capital programme.</p> <p>The report proposes a net reduction of £95,726 in the Capital Maintenance/Condition funding supporting the projects detailed in Section 5 and Table 2 of the report. If approved this would mean that this funding is available to support other projects, including those detailed in Section 7 and Table 4 of the report.</p> <p>This report also requests the reduction of funding supporting the projects detailed in Section 6 and Table 3 of the report. If approved this would mean that a further £97,343 of Capital Maintenance/Condition funding is available to support other Education projects, including those detailed in Section 7 and Table</p>

4 of the report. It also means that £3,342 of Universal Infant Free School Meal grant funding is available to support other Education projects. It would mean that £135,641 of capital receipt funding is no longer required to support Education projects.

Finally there is a proposal to allocate £135,000 of Capital Maintenance/Condition funding towards the individual projects shown in Section 7 and Table 4 of the report. All of these allocations relate to new projects and the funding being made available through the proposals in Sections 5 and 6 (Tables 2 and 3) of the report would fully support these costs.

This would leave £2,335,079 of unallocated 2016/17 Basic Need grant and £125,895 of unallocated Capital Maintenance grant on the capital programme. In addition to those unallocated grants there is £92,481 of contingency on the capital programme available to support any unexpected costs during the remainder of the year.

No expenditure should be authorised on Cromwell school unless funding has been agreed.

**Legal Implications:
(Authorised by the
Borough Solicitor)**

It is a statutory requirement for the Council to set a balanced budget. It is important that the capital expenditure position is regularly monitored to ensure we are maintaining a balanced budget and to ensure that the priorities of the Council are being delivered and achieving value for money.

An Executive Decision would not normally be attached as an appendix as it stands alone in its own right and is only provided because a decision was made outside the process. Better project management is now been put in place to avoid such a situation arising again.

Risk Management:

The proposed investment will enable the Council to address the most urgent condition needs in schools and plan for additional places where most increase in demand is projected.

Access to Information:

The background papers can be obtained from the author of the report, Ade Alao, Head of Investment and Development, by:



Telephone: 0161 342 2795



e-mail: ade.alao@tameside.gov.uk

1. INTRODUCTION

- 1.1 The Council has a statutory duty, under the Education Act 2011, to secure sufficient and suitable places for pupils in its area in primary and secondary schools across the borough.
- 1.2 The Council's Executive Cabinet approved the Education Capital Programme 2016/17 at its meeting on 24 March 2016.
- 1.3 This report advises members of the Panel on the latest position with the Council's Education Capital Programme 2016/17 and seeks recommendation of various approvals as set out in the report.

2. RECENTLY COMPLETED MAJOR SCHEMES

- 2.1 Several capital projects were completed during the 2016 school summer holidays and a number of others are at various stages of delivery, including:
 - New Discovery Academy, Hyde - opens to pupils on 5 September 2016 and completed at an estimated cost of £7.7 million.
 - Additional capacity at St Damian's RC College, Ashton - completed over summer 2016 at an estimated cost of £250,000.
 - Improvements to mechanical and electrical systems - £884,782 worth of work was carried out over the summer holidays.
 - Expansion of St James' RC Hattersley and Livingstone Primary School, Mossley - works commenced during summer 2016 and are due for completion by September 2017. The estimated cost of the Livingstone Primary School extension work is £568,769 and the estimated cost of the St James' RC work is £220,000

3. FUNDING

- 3.1 The government allocates grant funding for school buildings under the following specific categories:
 - **Basic Need** – Funding allocated to support the development of new pupil places.
 - **School Condition Allocation** – Allocated for the maintenance of school buildings. The funding is part formulaic (based on school size) and part reflecting recent condition surveys conducted by the Education Funding Agency. This grant used to be known as the Capital Maintenance grant.
- 3.2 £43,160 of the Council's Basic Need budget was carried forward from 2015/16 and £5,946,396 was confirmed by the Department for Education (DfE) for 2016/17. Executive Cabinet approved scheme commitments of £820,621 in March 2016 leaving £2,956,132 unallocated for 2016/17 within the Council's Basic Need budget.
- 3.3 Basic Need funding of £6,542,566 for the 2017/18 financial year was confirmed on 12 February 2015.
- 3.4 The Council's provisional allocation of Basic Need grant for the financial year 2018-19 is currently nil. Based on initial discussions with the Department for Education (DfE) it appears that the decision of Droylsden Academy and Hyde Community College to close their sixth forms (which attracted YPLA funding during the BSF programme) and Droylsden's decision to reduce its admission number for Years 7 – 11 by 70 in each year group have been taken into account by the DfE when deciding the Council's allocation for 2018/19. Whilst additional places will be found at Hyde Community College in future years, there has still been a significant reduction in secondary places. This will inevitably cause significant budgetary issues given that predicted pupil numbers in high schools are set to

rise over the next few years. The issue has been raised with the DfE and discussions are ongoing. A further update will be provided to the Panel in due course.

- 3.5 The Council received notification from DfE on 11 February 2016 that School Condition Funding of £1,823,699 would be allocated for maintained schools for the 2016/17 financial year. In addition there is £617,975 of 2015/16 Capital Maintenance available for maintained schools.
- 3.6 Allocations for 2017/18 and 2018/19 are expected to be at a lower level as the Council's allocation is reduced to take account of any additional schools that convert to Academy Trusts. An announcement of funding levels for 2017/18 would normally be expected by February 2017.

4. BASIC NEED SCHEMES PROGRESS UPDATE AND REQUEST FOR ADDITIONAL FUNDING ALLOCATIONS

- 4.1 The new Discovery Academy in Hyde opens on 5 September 2016 and the school will eventually provide 420 places along with a 26 full time equivalent place nursery. Located off Porlock Avenue, the school is part of the Carillion Academies Trust. The total costs for the scheme are projected to be £7,736,001. The scheme has current funding of £7,543,969 on the capital programme. The funding on the programme includes Targeted Basic Need funding of £2,308,000, Basic Need funding of £4,934,187 and Section 106 Developer Contributions of £301,782. The Panel is therefore asked to recommend an increase in the allocation of funding to support this project of a further £192,032 of Basic Need grant to take the total funding to £7,736,001.
- 4.2 A £250,000 scheme to increase capacity at St Damian's RC High School was completed over the Summer of 2016. This is the first increased capacity scheme at a Tameside secondary school and will increase the Planned Admission Number at the school by 10 in each year group. Details of other proposed schemes will be submitted for consideration at future Panel meetings.
- 4.3 The Council is reaching the end of its programme to create additional accommodation in primary schools but is at the start of the programme to increase secondary school places. The following summarises the current projects:
- a) **Broadoak Primary** – this completely new school building accommodates 60 pupils in each year group (instead of the 45 who attended the old school) and opened its doors in February 2016. The school's external areas need to be completed and that work is scheduled to take place in the Autumn term. The project was procured directly by the Education Funding Agency (EFA) following a successful funding bid in 2011 and additional works of £100,000 from the Basic Need budget have previously been approved.
 - b) **Livingstone Primary** – this is a two-classroom extension to enable the school to move from an admission number of 20 up to 30. This has the advantage of eventually removing mixed age group classes. The council has now received the final costs for the scheme and these are significantly greater than originally estimated. Ground conditions have been discovered to be particularly poor and additionally there are problems with the location of the United Utilities main sewer. A Council Executive Decision (copy attached at **Appendix A**) was approved on 20 July 2016 for the virements of an additional £168,768.87 from the Basic Need budget to enable the project to commence. The total cost of the project is now £568,768.87. Once built, the two new classrooms will provide the school with modern specifications, eliminate the need for mixed age class groups and contribute to meeting the added demand for pupil places in Mossley.

- c) **Aldwyn and Hawthorns Schools** - The Panel has already recommended approval for a pre-tender estimate of £2.4 million of funding on this major scheme to increase Aldwyn from a 45 pupil intake to 60 (removing mixed age classes), allied to the extension of Hawthorns School by two classrooms to accommodate an increase in the number of children who need to attend that School. At Hawthorns the additional classrooms will accommodate children already at the school who have been admitted above the number the school was originally designed for. The scheme also provides a new Special Needs teaching room for the Aldwyn School. The Stage 2 project proposal has now been received from the Tameside Investment Partnership with a post tender price of £2,528,019.22. The Panel is therefore asked to recommend the approval of an increase in the funding allocation for this project of a further £128,019 to take the total project cost to £2,528,019.22, subject to an independent Value for Money assessment.
- d) **St James' Hattersley** - An additional classroom is being added which is being procured through the Shrewsbury Diocese and this scheme was approved at the Panel meeting in September 2015. Construction started over the summer holidays and completion is anticipated by Christmas 2016. The estimated cost of the scheme is £220,000.
- e) **Milton St John's** - An additional bulge class was created at the school over the summer holidays 2016. A Council Executive Decision (copy attached at **Appendix A**) was approved on 20 July 2016 for the virement of an additional £40,491.29 from the unallocated Basic Need budget to enable the project to commence at the tender price of £105,491.
- f) **St John's CE Dukinfield** - The school had historically been admitting 30 pupils per year group, but for the last two years this number has increased to 45. Alterations to the Early Years department and a community room have enabled the increase in the infant department to 45 pupils in each year. In order to move to an admission number of 45 throughout the school two additional junior classrooms will be required. Approval has already been given for an allocation of £40,000 to begin surveys and develop fully costed proposals for the two classroom extension. Because of the urgency to provide the accommodation by September 2017 it is proposed to bring forward expenditure on further surveys, planning, architectural and other technical fees to bring the scheme to tender stage. It is proposed to allocate a further £60,000 of unallocated Basic Need funding to undertake this work.
- g) **Hyde Community College** – New scheme for conversion of former sixth form lecture theatre at into an additional classroom for 30 pupils at an estimated cost of £9,587.
- h) **New Charter Academy** – A funding allocation is requested to fund an historic liability of £22,155 relating to the purchase of furniture for the school.

4.4 A summary of the proposed total use of the 2016/17 Basic Need funding received up to financial year 2016/17, subject to the requests for additional funding above being approved is shown in Table 1 below.

Table 1 - Previously Approved Capital Programme Schemes Supported by Basic Need Funding

Capital Programme Basic Need Funding as at September 2016 (£)			
Scheme	Approval up to 24 March 2016	Proposed - 5 September 2016	Variance
Discovery Academy	7,543,969	7,736,001	192,032
Livingstone Primary	45,000	213,769	168,769
Aldwyn/ Hawthorns	2,400,000	2,528,019	128,019

Milton St John's CE Primary	20,000	60,491	40,491
Astley High School	40,144	40,144	0
Inspire Academy	39,477	39,477	0
BSF ICT	16,000	16,000	0
Broadoak Primary	100,000	100,000	0
St John's CE Dukinfield	40,000	100,000	60,000
Basic Needs new classrooms	20,000	20,000	0
Hyde Community College	0	9,587	9,587
New Charter Academy	0	22,155	22,155
Total	10,264,590	10,885,643	621,053
Unallocated Basic Need Funding as at March 2016			2,956,132
Unallocated Basic Need Funding at September 2016			2,335,079

5. SCHOOL CONDITION AND CAPITAL MAINTENANCE PROGRESS UPDATE AND REQUEST FOR FUNDING AMENDMENTS

- 5.1 In March 2016, Executive Cabinet approved the commitment of £2,042,434 additional funding to support school condition and capital maintenance schemes in 2016/17.
- 5.2 £884,782 of this has been committed to improvements to mechanical and electrical systems that were completed over the 2016 summer holidays. Further work is being progressed on the design and delivery of the other mechanical and electrical works and additional repair and maintenance schemes.
- 5.3 A summary of the latest cost projections of the previously approved 2016/17 school schemes that are funded from the School Condition and Maintenance grants is shown in the table below and it is requested that the associated changes in scheme funding are approved. The net result of these changes is shown in Table 2 below.

Table 2 - Previously Approved Capital Programme Schemes Supported by School Condition and Maintenance Funding

Scheme	Approval up to 24 March 2016	Proposed - 5 September 2016	Proposed Change in Funding
St Anne's Denton kitchen	6,000	6,000	0
Broadbottom kitchen	11,000	11,000	0
Wildbank heating and lighting	32,000	32,000	0
Gorse Hall power and fire alarm	14,000	14,000	0
Milton St John's propping	23,474	23,474	0
Gorse Hall asbestos	9,721	9,721	0
Fairfield Road access road	19,290	19,290	0
St Anne's Denton head's office	41,439	41,439	0

St Anne's Denton electricity	7,225	7,225	0
Broadbottom drainage	13,750	13,750	0
Greenside switchgear and boilers	492,000	427,779	-64,221
Gorse Hall small power	147,000	188,884	41,884
Livingstone heating	192,000	193,127	1,127
Dowson heating	84,000	6,248	-77,752
Stalyhill Infants heating	67,000	68,742	1,742
Arlies convectors	180,000	180,000	0
Waterloo boilers	118,512	118,512	0
Hurst Knoll convectors	29,599	29,599	0
Hollingworth drainage	12,000	12,000	0
Milton St John drainage	5,000	5,000	0
The Heys floors	40,000	40,000	0
Rosehill floors	25,000	25,000	0
Arlies mobile class roof	31,000	31,000	0
St Anne's Denton flat roofs	100,000	100,000	0
Micklehurst water tower	20,000	21,494	1,494
Greswell wall and windows	50,000	50,000	0
Dowson windows	50,000	50,000	0
Longdendale science labs	65,000	65,000	0
Contingency	156,424	156,424	0
Total	2,042,434	1,946,708	-95,726
Unallocated Capital Maintenance & Condition Funding as at March 2016			67,826
Unallocated Capital Maintenance & Condition Funding as at September 2016 - Subject to Approval of the above Changes			163,552

- 5.4 The major items of cost variance are listed below:
- Greenside switchgear and boilers – the outturn costs are lower than previously estimated
 - Gorse Hall small power – the tender cost was higher than previously estimated
 - Dowson heating – the school converted to Academy status on 1 September 2016 and the costs incurred are only for design work.
 - Contingency - £63,943 of the original £156,424 has been committed to date for emergency and urgent work at a number of schools. The remaining £92,481 of contingency funding is considered prudent.

6. REQUESTS FOR SCHEME FUNDING TO BE REDUCED ON THE CAPITAL PROGRAMME

6.1 A summary of capital schemes where the funding allocation can be reduced is shown in Table 3 below.

Table 3 – Scheme Funding to be Reduced on the Capital Programme at 5 September 2016

Scheme and Reasons for Proposed Reduction in Funding	£
Bradley Green Chimney removal - the scheme was not able to be carried out before the school converted to academy status. The School will be able to seek alternative funding for this from the DfE if it wishes. This scheme was supported by Capital Maintenance grant funding and it is proposed this funding is made available for allocation to other Education schemes.	-7,000
Lyndhurst New School - A balance arising from the final retention payment. This small amount is not needed and should be removed from the programme. This scheme was supported by Capital receipt funding and it is proposed that this funding is removed from the Education capital programme.	-2,766
The Heys Retaining wall repairs. Works completed in 2014. Remove from capital programme. This scheme was supported by Capital Maintenance grant funding and it is proposed this funding is made available for allocation to other Education schemes.	-6,707
Stamford Demolition. All demolition costs now expended. This budget residue needs to be removed from the capital programme. This scheme was supported by Capital receipt funding and it is proposed that this funding is removed from the Education capital programme.	-91,875
Littlemoss Demolition - All demolition costs now expended. This budget residue needs to be removed from the capital programme. This scheme was supported by Capital receipt funding and it is proposed that this funding is removed from the Education capital programme.	-41,000
Greswell Roof heating and asbestos removal - Works will be completed at final cost of 329,364. Budget 363,000. This saving of 33,636 needs to be removed from the programme. This scheme was supported by Capital Maintenance grant funding and it is proposed this funding is made available for allocation to other Education schemes.	-33,636
St James' RC Hattersley Kitchen - this is an underspend on a Universal Infant Free School Meals Phase 2 Project that needs reducing on the capital programme. It will need to be returned to the DfE if it cannot be vired to another school meals capital project.	-3,342
Dowson Replacement of Infant block windows – this scheme was not progressed to tender. The School converts to Academy status on 1 September 2016 so this funding can be removed from programme. This scheme was supported by School Condition grant funding and it is proposed this funding is made available for allocation to other Education schemes.	-50,000
Total Funding Potentially Available due to Reduced Costs	-236,326
Subtotal of Schemes supported by Capital Receipt funding where it is proposed the funding is removed from the Education capital programme.	135,641
Subtotal of Schemes supported by Universal Infant Free School Meal grant funding where it is proposed the funding is made available for allocation to other Education schemes.	3,342

Subtotal of Schemes supported by Capital Maintenance grant funding where it is proposed the funding is made available for allocation to other Education schemes.	97,343
Revised Unallocated Capital Maintenance & Condition Funding as at September 16 from Table 2 above	163,552
Revised Unallocated Capital Maintenance & Condition Funding as at September 16 - subject to approval of the above changes	260,895

7 REQUESTS FOR NEW SCHEMES TO BE FUNDED BY SCHOOL CONDITION/MAINTENANCE FUNDING

7.1 A summary of proposed new capital schemes to be supported by school condition and capital maintenance funding is shown in Table 4 further below and a summary of the works involved is also shown below :

- Mechanical & electrical works design - £80,000 for survey and design works to address failing mechanical and electrical systems at the following schools: Broadbent Fold, Corrie Primary, Yew Tree Primary, Oakdale and Buckton Vale.
- Safeguarding and access – £55,000 for works to improve security and provide disabled access at three schools.

Table 4 – Requests for New Schemes to be Supported by Unallocated School Condition and Maintenance Funding

Scheme	Proposed - 5 September 2016
Proposed Mechanical & Electrical Works Design Schemes:	
Broadbent Fold	15,000
Corrie Primary	15,000
Yew Tree Primary	20,000
Oakdale	15,000
Buckton Vale	15,000
Subtotal for Mechanical & Electrical Works Design Schemes	80,000
Safeguarding and Access works	
Buckton Vale	30,000
Waterloo	10,000
Canon Burrows	15,000
Subtotal for Safeguarding and access works	55,000
Total Proposed New Allocations	135,000
Unallocated Capital Maintenance & Condition Funding as at September 16 from Table 3 above	260,895
Revised Unallocated Capital Maintenance & Condition Funding as at September 16 - Subject to Approval of the above Changes	125,895

8. NEW PROJECTS

8.1 Cromwell school has been temporarily at the Inspire Academy following the fire incident. Liaison is ongoing with the insurance loss adjusters to establish the amount of compensation payable to the Council. However, work is ongoing on developing plans and

costings for rebuilding the schools. This is likely to require funding beyond the compensation and details will be presented to panel in due course.

9. PROCUREMENT AND VALUE ADDED

- 9.1 In accordance with Council policy, most capital projects are procured through the Tameside Investment Partnership (TIP) subject to a price for un-costed risks being agreed prior to the contract being let or work agreed. Where the risk of price increase is taken on by the TIP, rather than being retained by the Council, it is reflected in the cost of the associated works. Alterations to PFI schools are procured through the PFI contracts.
- 9.2 In addition to a fixed price and scope being provided, the TIP has a responsibility to confirm to the Council that value for money is being delivered, either through tendering or benchmarking using independent review on the larger projects. The TIP has also committed to delivering added value in the form of using local supply chains, and providing apprenticeships and work experience opportunities.
- 9.3 Some smaller schemes are procured directly through the Council's Engineering Design and Delivery Team or the Tameside Works First initiative for local businesses.
- 9.4 Work at voluntary aided schools is generally procured directly by the relevant diocese, as they own the buildings and not the Council.

10. RISK MANAGEMENT

- 10.1 The Council has a statutory duty under the Education Act 2011, to secure sufficient and suitable places for pupils in its area in primary and secondary schools across the borough. It also has the responsibility for the maintenance of community and voluntary aided school buildings, even though it does not own voluntary aided school buildings.
- 10.2 The risk of managing the condition and suitability of community and voluntary aided school buildings has been mitigated by successful bidding for additional capital resources in the past. However, current budgetary constraints are likely to present a challenge to maintaining this position over the coming few years.
- 10.3 Recent condition surveys of a number of schools have indicated that urgent work is required to be carried out in order to address health and safety issues and prevent further deterioration. The most urgent investment schemes are proposed to address this.
- 10.4 In order to avoid disrupting education delivery, generally the most intrusive work is best carried out over the summer break, which means that plans for new projects need to take place in the summer.
- 10.5 Inflation in the building industry is also a more significant risk than previously experienced and larger schemes will be most affected. Early scoping and pricing of the works will mitigate against this and enable projects to be delivered in a timely and cost effective manner.
- 10.6 Further plans need to be developed over the next few months to consider options for the increase in capacity required in high schools to accommodate the additional pupils moving through into the secondary sector.

11. CONCLUSION

- 11.1 There has been significant capital investment in schools over the recent past to support the Council's delivery of its statutory responsibilities connected with the provision of sufficient and suitable places.
- 11.2 The work identified will enable the Council to meet its statutory duties.



12. RECOMMENDATIONS

- 12.1 As set out at the front of the report.

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EXECUTIVE DECISION NOTICE

SERVICE AREA:	PLACE DIRECTORATE Development, Growth and Investment
SUBJECT MATTER:	BUDGET ADJUSTMENTS TO THE APPROVED EDUCATION CAPITAL PROGRAMME 2016/17
DECISION:	<p>It is determined that:</p> <p>1.the following transfers of funds from the unallocated Basic Need Funding stream within the education capital programme 2016/17 be approved:</p> <p style="padding-left: 40px;">a. £40,491.29 to the Milton St John’s C of E Primary School additional bulge class scheme.</p> <p style="padding-left: 40px;">b. £169,896.49 to the Livingstone Primary School extension and heating schemes; and</p> <p>2. the Council’s Strategic Planning and Capital Monitoring Panel are made aware of these latest developments regarding the Council’s capital programme at the next available opportunity.</p>
DECISION TAKER(S):	Councillor Lynn Travis
DESIGNATION OF DECISION TAKER(S):	Executive Member for Lifelong Learning
DATE OF DECISION:	20th July 2016
REASON FOR DECISION:	To enable commencement of urgent building projects for the provision of additional school places at Milton St John’s CE Primary School and Livingstone Primary School over the 2016 school summer holidays.
ALTERNATIVE OPTIONS REJECTED (if any):	Not to approve the transfers. This option was rejected as it would result in a failure to provide sufficient school places from the September 2016/17 entries at the two schools.
CONSULTEES:	The respective school governing bodies and head teachers.
FINANCIAL IMPLICATIONS: (Authorised by Borough Treasurer)	<p>The report requests approval for the allocation of £210,388 for the schemes at Milton St John’s C of E Primary School and Livingstone Primary School. The proposed schemes are to be financed from the unallocated 2016/17 Basic Need funding within the Council’s existing Capital Programme as an approved funding stream.</p> <p>It should be noted that the current 2016/17 unallocated Basic Need funding stream balance is £2,956,132. This will reduce to £2,745,744 if the proposed schemes totalling £210,388 are approved.</p>
LEGAL IMPLICATIONS: (Authorised by Borough Solicitor)	<p>The Executive Member has the delegated authority to take decisions where necessary in relation to the schools capital programme.</p> <p>Given that her role is also to lead, monitor and have oversight of</p>



	<p>the same she will no doubt be concerned to ensure that value for money is maintained through the procured building projects which necessitated the internal transfer of monies to allow the urgent works to be carried out in time for the start of the school year, in the case of Milton St John's C of E Primary School in September 2016, and in the case of Livingston Primary School in September 2017.</p> <p>The Executive Member should also satisfy herself that by agreeing to the transfer of these monies there are no procurement risks to the Council.</p> <p>The Council's Strategic Planning and Capital Monitoring Panel should be made aware of these latest developments regarding the Council's capital programme at the next available opportunity.</p>
CONFLICT OF INTEREST:	None
DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:	Not Applicable
REFERENCE DOCUMENTS:	<p>The background papers relating to this report can be inspected by contacting the report writer, Ade Alao, Head of Investment and Development by:</p> <p> Telephone: 0161 342 2795</p> <p> E-mail: ade.alao@tameside.gov.uk</p>

Signed..... Dated.....

Councillor Lynn Travis - Executive Member for Lifelong Learning

EXECUTIVE DECISION REPORT

SERVICE AREA:	PLACE DIRECTORATE Development, Growth and Investment
SUBJECT MATTER:	BUDGET ADJUSTMENTS TO THE APPROVED EDUCATION CAPITAL PROGRAMME 2016/17
DATE OF DECISION:	20 th July 2016
DECISION TAKER	Councillor Lynn Travis - Executive Member for Lifelong Learning
REPORTING OFFICER:	Damien Bourke – Assistant Executive Director (Development, Growth and Investment)
REPORT SUMMARY:	This report seeks approval for proposed budget adjustments to the approved education capital programme 2016/17 in respect of schemes for the provision of additional school places at Milton St John's CE Primary School and Livingstone Primary School.
RECOMMENDATIONS:	<p>It is determined that:</p> <p>1.the following transfers of funds from the unallocated Basic Need Funding stream within the education capital programme 2016/17 be approved:</p> <p style="padding-left: 40px;">a. £40,491.29 to the Milton St John's C of E Primary School additional bulge class scheme.</p> <p style="padding-left: 40px;">b. £169,896.49 to the Livingstone Primary School extension and heating schemes; and</p> <p>2. the Council's Strategic Planning and Capital Monitoring Panel are made aware of these latest developments regarding the Council's capital programme at the next available opportunity.</p>
JUSTIFICATION FOR DECISION:	To enable commencement of urgent building projects for the provision of additional school places at Milton St John's CE Primary School and Livingstone Primary School over the 2016 school summer holidays.
ALTERNATIVE OPTIONS REJECTED (if any):	Not to approve the virements. This option was rejected as it would result in a failure to provide sufficient school places from the September 2016/17 entries at the schools.
CONSULTEES:	The respective school governing bodies and head teachers.
FINANCIAL IMPLICATIONS: (Authorised by Borough Treasurer)	<p>The report requests approval for the allocation of £210,388 for the schemes at Milton St John's C of E Primary School and Livingstone Primary School. The proposed schemes are to be financed from the unallocated 2016/17 Basic Need funding within the Council's existing Capital Programme as an approved funding stream.</p> <p>It should be noted that the current 2016/17 unallocated Basic Need funding stream balance is £2,956,132. This will reduce to</p>

	£2,745,744 if the proposed schemes totalling £210,388 are approved.
LEGAL IMPLICATIONS: (Authorised by Borough Solicitor)	<p>The Executive Member has the delegated authority to take decisions where necessary in relation to the schools capital programme.</p> <p>Given that her role is also to lead, monitor and have oversight of the same she will no doubt be concerned to ensure that value for money is maintained through the procured building projects which necessitated the internal transfer of monies to allow the urgent works to be carried out in time for the start of the school years, in the case of Milton St John's C of E Primary School in September 2016, and in the case of Livingston Primary School in September 2017.</p> <p>The Executive Member should also satisfy herself that by agreeing to the transfer of these monies there are no procurement risks to the Council.</p> <p>Strategic Planning and Capital Monitoring Panel should be made aware of these latest developments regarding the Council's capital programme at the next available opportunity.</p>
RISK MANAGEMENT:	Risks are considered within the main body of the report.
LINKS TO COMMUNITY PLAN:	Learning Tameside
REFERENCE DOCUMENTS:	<p>The background papers relating to this report can be inspected by contacting the report writer, Ade Alao, Head of Investment and Development by:</p> <p> Telephone: 0161 342 2795</p> <p> E-mail: ade.alao@tameside.gov.uk</p>

1. BACKGROUND

- 1.1 The Council's powers to provide and maintain educational facilities are set out in the Education Act 1996. The Council also has a statutory duty under Section 14 of the Education Act 1996, to secure sufficient and suitable places for pupils in its area in primary and secondary schools across the borough.
- 1.2 The Education Capital Programme for 2016/17 was considered and approved by Executive Cabinet at its meeting on 24 March 2016. The approved programme included the following schemes:
- **Milton St John's (Bulge Class)** - £60,000 scheme budget for an additional bulge class to enable the school to increase its admission number from 30 to 60 for the September 2016 entry.
 - **Milton St John's (Drainage)** - £5,000 scheme budget to repair and re-route damaged drain.
 - **Livingstone (Extension)** - £400,000 scheme budget for a two classroom extension to enable the school to increase its admission number from 20 to 30.
 - **Livingstone (Heating)** - £192,000 scheme budget to replace heat emitters and pipework.
- 1.3 The scheme budget approved for these schemes were pre-tender estimates. Following detailed survey, design, full competitive tender exercise and further value engineering the final costs for delivering the schemes have now been established as follows:
- **Milton St John's (Bulge Class)** - £105,491.29
 - **Milton St John's (Drainage)** – included in the Bulge Class scheme
 - **Livingstone (Extension)** - £568,768.87
 - **Livingstone (Heating)** - £193,127.62
- 1.4 Additional funding is therefore required for the scheme as below:
- **Milton St John's (Bulge Class)** - £40,491.29
 - **Milton St John's (Drainage)** – included in the Bulge Class scheme
 - **Livingstone (Extension)** - £168,768.87
 - **Livingstone (Heating)** - £1,127.62
- 1.5 The additional costs for the Milton St John's schemes are due to a number of reasons. Firstly, the original estimate did not include works in the Early Years building which surveys and further consultation with the school have been found to be essential. Secondly, a small amount of asbestos removal is required which was not originally foreseen as the asbestos surveys had not been completed. The scheme also now includes three additional computer whiteboards and associated wiring. Finally, the cost for forming new entrances has increased beyond assumptions at pre-tender stage due to a need to provide level disabled access and difficult structural requirements.
- 1.6 The increase in costs for the Livingstone extension scheme has arisen because what appeared to be a straightforward two classroom extension at pre-tender stage has become considerably problematic. Extensive ground condition surveys revealed that considerable piling will be required. Further investigation has also identified a need to divert parts of a United Utilities sewer which was previously unforeseen. Connecting the extension to the main school and providing step-free disabled requires significant earth removal and rebuilding the existing retaining walls surrounding the playground. The proximity of adjacent residential properties has also required taking out adjacent structures insurance to mitigate the risk of compensation claims against the Council.
- 1.7 The final cost of the Livingstone Heating scheme increases slightly from the pre-tender estimate but it has been determined to be prudent and better value to include the heating scheme with the extension scheme in one contract.

1.8 This report therefore seeks approval for proposed budget adjustments to the approved education capital programme 2016/17 in respect of schemes for the provision of additional school places at Milton St John's CE Primary School and Livingstone Primary School.

2. PROPOSED TRANSFER OF FUNDS

2.1 The proposed transfer of funds for which approval is being sought are:

- **Milton St John's (Bulge Class and Drainage)** - £40,491.29
- **Livingstone (Extension and Heating)** - £169,896.49

2.2 Funding for the virements is proposed from the unallocated basic need grant funding available in the education capital programme 2016/17. Basic need grant funding is provided to local authorities to help them fulfil their duty to make sure there are enough school places for children in their local area.

3. RISK

3.1 For Milton St John's, additional pupils join the school from September 2016. If the works to form the bulge class are not completed, there is a risk that the Council may be in breach of its obligations to provide sufficient school places.

3.2 The additional school places at Livingstone are not required till September 2017. However, the nature and extent of the building works requires a start in summer 2016 to carry out the major earthworks. Delay with carrying out these works would cause significant disruption to the school and risk significant delay to the scheme programme.

3.3 There is a slight risk, because of the piling and major earthworks required, that neighbouring properties may be affected. This risk has been mitigated by taking out additional insurances should such an eventuality arise.

3.4 All planning approvals and Section 77 consent has been obtained where required. The tendering process has been completed and final costs are now known. Any further cost increases would fall on the contractor.

3.5 Overall, there is a significant reputational risk for the Council in not providing sufficient school places as well as the effects on local pupils and their families if there is a delay with progressing the schemes.

4. CONCLUSION

4.1 This report has presented proposals for budget adjustments to the approved education capital programme 2016/17 in respect of schemes for the provision of additional school places at Milton St John's CE Primary School and Livingstone Primary School.

4.2 Approval of the proposed virements will enable the commencement of urgent building projects for the provision of additional school places at Milton St John's CE Primary School and Livingstone Primary School over the 2016 school summer holidays.

5. RECOMMENDATION

5.1 As set out at the beginning of the report.

Agenda Item 9

Report to:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	5 September 2016
Executive Member/Reporting Officer:	Councillor Jim Fitzpatrick – First Deputy (Finance and Performance) Damien Bourke – Assistant Executive Director (Development, Growth and Investment)
Subject:	ASHTON OLD BATHS – FINAL FIT OUT WORKS AND APPOINTMENT OF OPERATOR
Report Summary:	This report seeks approval of proposals for the final fit out of the Ashton Old Baths innovation centre and the appointment of an operator. It further provides a progress update on the ongoing feasibility work on the redevelopment of the annexe to the building.
Recommendations:	That the recommendations to be CONSIDERED by Executive Cabinet on the 31 August 2016 be noted: <ol style="list-style-type: none">1. Notes the overall progress to date with the Ashton Old Baths project.2. RECOMMENDS to Council to approve the proposals for final fit out works for the Ashton Old Baths Innovation Centre at a cost of £871,059 as set out in section 3 of the report and amends the Capital Programme accordingly.3. Authorises the Executive Director (Place), in consultation with the Executive Director (Governance, Resources and Pensions), to agree and complete the Management Agreement for the appointment of Oxford Innovation to operate the Ashton Old Baths Innovation Centre to protect the Council's interests so far as possible given the Council is retaining a significant level of risk and to agree Annual Business Plans during the term of the contract.4. Approves the maximum revenue contribution of £82,434 in Year 0 and £110K in Year 1 as identified in the business plan. It is expected that there will be a surplus from year 2 and that regular reporting on this issue is set out in the quarterly revenue monitoring report.5. Notes the progress to date with the feasibility work on the redevelopment of the annexe.
Links to Community Strategy:	The proposals contained in this report will support the delivery of the community strategy.
Policy Implications:	In compliance with Council policy.
Financial Implications: (Authorised by the Section 151 Officer)	Capital expenditure of £871,059 for the final fit out needs to be approved and then included within the capital programme. The most efficient way funding of this will need to be assessed. Provision of a maximum revenue contribution to the operator of £110,000 as identified in the business plan needs to be included within the Medium Term Financial Strategy and any surpluses in future years will be used to assist the overall budget of the

Council. Any VAT implications need to be reviewed and correct practice followed.

Any costs related to the feasibility of the Annex need to be kept within existing budgets.

**Legal Implications:
(Authorised by the Borough
Solicitor)**

This decision provides the governance required to (1) progress the fit out works at Ashton Old Baths, and (2) enter into the management agreement with Oxford Innovation. Members need to be clear that the Council takes all the risk in relation to this agreement, and that Oxford Innovation will be operating effectively as the Council's agents throughout the contract. Close contract management will be required to ensure financial spend is kept under control and value for money achieved for the Council.

It will be necessary given previous experience with such arrangements running the Council's former theatres that there is a simple and clear exit strategy in the event of poor performance of failure to achieve the necessary outcomes.

A proper review will need to be undertaken of the options to provide a data centre which does not automatically assume that the Council needs to own the data centre as these are expensive facilities that require regular updating and maintenance and carry significant liability. There would need to be a very clear business case for doing this and the options and the decision need to be made before significant capital expenditure is committed.

Risk Management:

A risk assessment is included in the report.

Access to Information:

The background papers relating to this report can be inspected by contacting the report writer Ade Alao:



Telephone: 0161 342 2795



e-mail: ade.alao@tameside.gov.uk

1. INTRODUCTION

- 1.1 Ashton Old Baths is an iconic Greater Manchester landmark that had been empty for over 40 years. The Council and its partners completed the main refurbishment and renovation works to convert the main pool hall of the Grade II listed building into a new innovation centre for the digital, creative and media sectors in February 2016.
- 1.2 The innovation centre's main objective is to support the creation and development of innovative businesses with high growth potential predominantly in the creative, media and digital sectors, as a new source of growth and jobs which will strengthen the competitiveness of the Tameside economy. Once operational, the centre will be integrated into a network of key stakeholders, agencies and schemes that work together to promote business growth, innovation and competitiveness.
- 1.3 The project is exemplary of a smart and sustainable growth approach. It is housed in a restored listed building, and combines conservation with its modern use. The innovativeness of the project lies not only in the creativity it nurtures but in its environment and setting. It turns a derelict grade II* listed building into an impressive business incubation hub, integrated within the St Petersfield urban business quarter.
- 1.4 The building is now back in the Council's ownership, in line with the legal agreement with the former private sector owner as this was the only way that the Council could satisfy the requirements of the Grant Funders. Main refurbishment and renovation works to the main pool hall has been completed with a free standing timber pod completed to shell and core. Structural repairs to the annexe were also completed as part of the main works.
- 1.5 This report advises Cabinet on progress with the Ashton Old Baths project and seeks approval of proposals for further funding to fit out of the innovation centre and the appointment of an operator who will as proposed act as the Council's agent.

2. PROGRESS UPDATE

- 2.1 Following completion of the main refurbishment and renovation works, the Council hosted a high-profile event on 20 March 2016 to celebrate this landmark moment. The spectacular audio-visual event attracted high level coverage by national, regional and local print and electronic media.
- 2.2 The project also featured as an example of a 'bold and creative council' by the judges in naming Tameside as the LGC Council of the Year 2016 in March.
- 2.3 The final fit out works were excluded from the main contract to ensure that the final fit out was fit for purpose for the eventual tenants of the building. Previous Council governance had also approved the process for the procurement of an operator for the building.
- 2.4 The Council commenced an OJEU procurement process in October 2015 inviting parties to register their interest in providing Centre Management Services. The term for the contract was five years with the Council, at its absolute discretion, able to elect to extend the term by up to two further periods of 1 year each.
- 2.5 A waiver was approved on 17 March 2016, subject to all necessary governance being in place, to enter into contract with Oxford Innovation in line with the Council's Procurement Standing Orders.
- 2.6 An open day for prospective tenants, who had contacted the Council, was held by Oxford Innovation on 7 June 2016 and was attended by over 30 guests. A number of businesses, with specific requirements, have now confirmed their intention to locate to the building. Pre-

lets with these businesses will be progressed subject to the approval of the fit out proposals.

- 2.7 No active marketing campaign has so far been undertaken for the innovation centre. Once governance is secured including an appropriate contract being in, the marketing plan identified in the business plan will be implemented and delivered by Oxford Innovation. This will include a branding exercise and marketing campaign to feature social media and other methods.
- 2.8 Following a positive soft market testing exercise, feasibility work is ongoing on the development of a commercial data centre and offices in the annexe of Ashton Old Baths. A data centre would enhance the business offer at Ashton Old Baths whilst providing the Council and other public sector partners with alternative disaster recovery capability locally alongside a commercial data centre operation. Detailed proposals around the data centre will be subject to a further report before any expenditure is incurred following confirmation of a review of existing need for public sector partners, commercial viability and value for money balanced against risk given the infrastructure and environment is expensive given rapid changes in technology.
- 2.9 The project has also been shortlisted for the following awards:
- The Architects' Journal Retrofit Awards (listed building less than £5 million)
 - Greater Manchester Chamber of Commerce building of the year
 - Historic England Angel Awards

3. FINAL FIT OUT WORKS

- 3.1 The new self-contained, free standing office pod incorporates over 675 sqm of office, meeting rooms, iconic event area and breakout space over four floors. Alongside this, the ground floor will incorporate semi-enclosed informal seating/meeting areas in the ancillary space under the gallery, alongside catering provision. The massing and form of the pod creates comfortable sized workspace units, utilises borrowed daylight from the existing mid-level perimeter windows, is easily ventilated and from a heritage perspective, maintains the appearance of a large open space whilst still exhibiting as much of the existing fabric of the building as possible. The approach adopted to the pod was not to try and replicate the style of the enclosing building but to provide a clear distinction with the use of plywood and western red cedar boards that provide a clear complementary distinction between the new and old. The final fit out works have therefore been developed to complement these principles of the redevelopment of the building.
- 3.2 Integral to the viability and success of the scheme is the flexible nature of the office workspace. This has been achieved by providing an open plan office space, which can be subdivided to accommodate business occupier's needs. Varying the configuration of the office workspace will not affect the historic fabric of the building and will only affect internal partition walls of the freestanding structure. This will mean there will not be a requirement for a listed building consent application to make these changes to the pod layouts in future, thus allowing increased flexibility for future tenant requirements.
- 3.3 The fit out proposals have been designed in consultation with the operator and the design team, including Wayne Hemingway of Hemingway Design, internationally renowned designers, as part of the design team finalising the fit out proposals. The fit out design will draw upon and be informed by the branding exercise, which will dual-track the developed and technical design stages. These costs are included within the year 0 set up costs.
- 3.4 The key aspects of the fit out proposals include:
- Renovating the staircase and reinstating the first floor perimeter gallery

- Construction of semi-enclosed informal seating/meeting areas in the ancillary space under the gallery
- Solid partitions between offices and glazed partitions between offices and the corridors
- Plywood floor to offices
- Cleaning and protection of timber floors
- Electric fittings, lighting and heating to the pod and semi-enclosed space on ground floor
- Fixed and loose furniture
- Class 0 lacquer treatment to all timber walls
- Additional catering provision
- Creation of an additional meeting room off the gallery.

3.5 Procurement of the final fit out works is being undertaken through the Tameside Investment Partnership and the Stage 1 proposals are shown in **Appendix 1**.

3.6 The budget costs for the proposed final fit out works are shown in the table below.

Item	Cost (£)
Building works	286,113
Mechanical & Electrical	259,936
Fixtures, Fittings and Equipment	35,446
Preliminaries	85,451
Contingency	65,512
Professional Fees	114,971
Miscellaneous	23,630
Total	871,059

3.7 The programme for the final fit out works is shown in the table below:

RIBA Workstage	Programme	
	Start	End
Stage 0 Strategic Definition	25 Apr 2016	2 May 2016
Stage 1 Preparation and Brief	2 May 2016	9 May 2016
Stage 2 Concept Design	9 May 2016	23 May 2016
Governance	31 Aug 2016	31 Aug 2016
Stage 3 Developed Design	25 Jul 2016	2 Sep 2016
Stage 4 Technical Design	5 Sep 2016	10 Oct 2016
Stage 5 Construction	10 Oct 2016	23 Jan 2017
Stage 6 Handover and Close Out	23 Jan 2017	30 Jan 2017
Stage 7 In use	30 Jan 2017	6 Feb 2017

3.8 Approval is therefore sought for the Council to approve a change to the Capital programme of additional the capital expenditure of £871,059 for the final fit out works at Ashton Old Baths.

4. APPOINTMENT OF OPERATOR

4.1 Terms for a management agreement were approved by officers for the OJEU procurement and Oxford Innovation has confirmed acceptance. The management agreement is for an operator model with incentives to outperform the initial business plan. It runs for five years and the operator will provide an annual business plan, to be agreed, based on the previous year's performance against an agreed set of key performance indicators.

4.2 A copy of the 5-Year Business Plan is attached at **Appendix 2** and is based on the following key assumptions:

- Maximum occupancy of 95%
- Fit out as per the plans shown in **Appendix 1**.
- One meeting room on ground floor.
- Events income for space hire only. Any additional costs associated with equipment hire and staffing will be invoiced directly to the hirer but are excluded from these models.
- More aggressive occupancy take-up to reflect a longer mobilisation period.
- Centre team employed early (Centre Director 2 months before opening and Assistant Centre Manager & Customer Support Assistant 1 month before).
- Rateable values of £110 psm for offices and £77 psm for rateable common areas

4.3 Under the terms of the Management Agreement, the operator, on behalf of the Council, is responsible for collecting and receiving all income from operating the centre. The operator is also responsible for paying all approved costs incurred in operating the centre as agreed with the Council in the business plan. The operator is required to open and operate a separate dedicated bank account for this purpose and to maintain detailed accounting record on an open-book basis with the Council. Any surpluses will be transferred to the Council as determined in the management agreement. At the date of the termination of the management agreement the operator will transfer any outstanding surplus back to the Council or alternative provider nominated by the Council.

4.4 A summary of the Oxford Innovation 5-Year business plan is shown in the table below:

	Business Plan Summary (£)			
	Turnover	Cost	Net	Cumulative
Year 0	0	82,434	(82,434)	(82,434)
Year 1	227,442	239,123	(11,681)	(94,117)
Year 2	381,456	309,144	72,312	(21,809)
Year 3	397,187	324,184	73,003	51,186
Year 4	407,545	332,849	74,696	125,879
Year 5	414,310	339,413	74,897	200,776

**table contains rounding differences*

4.5 Over the business plan period of 5 years, the centre is expected to generate a cumulative net surplus of £200,776. Once fully occupied, the centre is projected to generate a net surplus of £74,696 per annum for the Council. The building is expected to operate as an innovation centre beyond the current Management Agreement period and is expected to operate at a surplus for the foreseeable future.

Revenue Contribution

4.7 As the Council owns the building and engages the operator as a managing agent, it is required to make provision to cover any deficit in the initial years. All expenditure that is incurred will be closely monitored and approved by the Council as per the management agreement and therefore only legitimate costs will be allowable. In the initial period of the business plan, the costs in operating the centre are higher than the projected income. However, this position changes once the occupancy levels increase.

4.8 Costs will be incurred in advance of the centre becoming operational (Year 0) and include costs such as marketing. These costs are essential to ensure that the development is effectively promoted to prospective tenants (thus achieving high occupancy levels at opening), maintaining Oxford Innovation input throughout the fit out stage and ensuring that all necessary systems and processes are in place and mobilised for the centre’s opening. These set up costs for the operator prior to opening amount to £82,434 and are included in the annual revenue contribution requirements.

4.9 Due to these initial higher operational costs the operator requires working capital funding to cover these costs. Oxford Innovation has identified the maximum revenue contribution requirement for the operation of the centre as shown in the business plan.

4.10 The working capital requirement according to the business plan peaks at month 7 at £109,593 but thereafter reduces and for the first year the overall cost to the Council is estimated to be £82,434. It is forecast that the working capital requirement will reduce every year until the centre is able to operate without financial assistance from the Council. The revenue contribution provided by the Council in the early years is therefore essentially recovered from surpluses in later years.

4.11 Approval is therefore sought to provide a maximum revenue contribution to the operator as revenue costs of £110,000 as identified in the business plan. This will assist in their cash flow.

Management Fee

4.12 In the management agreement, the operator is entitled to receive a management fee, which is based on the floor area of the centre and 4.5% of turnover. The table below shows the management fee payable to the operator over the Management Agreement period.

Item	Year					Total
	1	2	3	4	5	
Fee based on Net Internal Area	26,290	32,133	33,008	33,834	34,672	159,937
Fee based on 4.5% of Total Revenue	6,208	14,066	14,834	15,212	15,486	65,806
Total	32,499	46,201	47,845	49,050	50,163	225,743

4.13 The management fee payable has already been accounted for as a cost in the Business Plan and is not an additional cost to the Council.

Contract Management

- 4.14 The management agreement with the operator includes details of the arrangement for contract management to ensure that the Council is able to monitor and the operator's performance effectively. Central to this are the business plan and key performance indicators.
- 4.15 The operator is required to provide monthly reports to the Council on its performance against the agreed business plan and key performance indicators. Monthly meetings are also arranged with the Council's representatives to discuss the report and agree plans that may be required to address any issues.
- 4.16 In the event of a problem being unresolved, or a failure to agree on the plan, the Council may serve a remedy notice on the operator and ultimately terminate the agreement.
- 4.17 Regular reports on the operator's performance against the business plan and key performance indicators will be set out in the Council's regular quarterly monitoring reports on the budget received by Cabinet.

5. REDEVELOPMENT OF THE ANNEXE

- 5.1 While the main capital project included external repairs and structural repairs to the annexe, this part of the building still requires internal renovation and refurbishment to be brought back into use. An initial high-level appraisal of the options available for the future use of the annexe has now been undertaken.
- 5.2 Three broad options have been identified as follow:
- Option 1 – Mothballing the annexe for the foreseeable future (do nothing)
 - Option 2 – Refurbishment and use of the annexe for office accommodation
 - Option 3 – Refurbishment and use of the annexe for office accommodation and data/disaster recovery centre
- 5.3 Option 1 - mothballing the annexe could be pursued until when a viable use and funding can be identified. This involves securing the annexe and its features to reduce the risks of vandalism or unlawful access and providing adequate ventilation. It will also require the implementation of an effective maintenance and monitoring plan to protect the building. The estimated costs are an initial £20,000 with annual costs of £5-10,000.
- 5.4 Option 2 – The annexe could be refurbished and fitted out to provide 500 sqm of office accommodation. Further work will be needed to establish any requirement within the Council's accommodation strategy or to develop a business case for letting the space for commercial tenants. Another variant could see the expansion of the innovation centre into the annexe. Indicative costs for this option are estimated at £1.5 million in the concept stage cost plan.
- 5.5 Option 3 – The Council's data centre is currently hosted at Rochdale Borough Council under a contract and therefore an options appraisal would need to be undertaken to determine whether it is both vfm and viable that it should remain there or would be more advantageous to be hosted in a purpose built data centre. The data centre would also provide disaster recovery capability for the Council's business-critical ICT systems. The space available in the annexe could accommodate up to 36 racks which is about four times the Council's requirements. This provides an opportunity for other local public sector organisations or commercial data centre operators to utilise the spare capacity and provide income to the Council. Excess heat produced in the data centre, could then be used to heat offices in the annexe and the innovation centre in the main pool hall. Indicative costs

for this option are estimated at £2 million in the concept stage cost plan. Clearly, before any costs are expended on this option there needs to be a cost benefit analysis.

- 5.6 A vision and business case for converting the annex into grade A office space with a data/disaster recovery centre is currently being developed (Option 3). The requirement for grade A office space is informed by strong private sector occupier demand in St Petersfield. The data/disaster recovery centre proposal is being driven by public and private sector requirements, which is still being assessed.

Office Space

- 5.7 The proposal is to explore the conversion of most of the annexe into grade A office space to let. This will exclude the former ground floor ladies which will be difficult to use as office space due to the absence of windows and natural daylight.
- 5.8 The converted office space could be let to a single business or could form expansion space for the innovation centre as both sides of the building are connected at ground and first floor levels.
- 5.9 The Council has been contacted by a number of businesses who are interested in the annex for relocation on commercial terms. Whilst these discussions are still ongoing, it is clear that the interest has been generated as a direct result of the recent investment and profile associated with Ashton Old Baths.

Data/Disaster Recovery Centre

- 5.10 The potential for a data/disaster recovery centre is currently being examined for location in the former ladies' pool area on the ground floor and possibly in the basement.
- 5.11 The Council currently has one data centre, which is hosted by Rochdale Council's Data Centre under a contract. All the Council's systems were moved to this facility in June 2015 as part of the TAC decant and it is expected that this arrangement will remain in place for the next 18 to 24 months. These arrangements were detailed in a report approved by Strategic Planning and Capital Panel in September 2014 including a recommendation that once a new permanent location for the Council's data centre has been identified and put in place, the interim data centre at Rochdale should become the council hot-standby disaster recovery site for key systems.
- 5.12 Ashton Old Baths is already connected to the Ashton dark fibre network with more than sufficient speed of connectivity. Furthermore, the migration of systems to Rochdale means that we already have much of the hardware that would be needed to duplicate all of our key systems. This equipment would otherwise be moth balled until needed. As well as being used as a disaster recovery site, we could also redirect all of the Council's off-site storage of security backups that are currently directed to Hyde Town Hall to Ashton Old Baths as the existing link is reaching capacity.
- 5.13 A data/disaster recovery centre at Ashton Old Baths would enable the Council to fulfill its needs for data storage and disaster recovery, whilst enhancing the business offer at Ashton Old Baths. Demand has already been identified in several other public sector organisations including the NHS and schools amongst others. Work is currently underway to fully access this demand, which will inform the scope of the data centre. A soft market testing exercise has also been completed with established interest from private operators to invest in a data centre at Ashton Old Baths.
- 5.14 Detailed appraisal work is now being undertaken to identify the respective capital, revenue and net present costs, non-financial benefits and value for money for a data/disaster recovery centre. This will lead to a detailed investment business case and proposals which will be the subject of a further report.

6. RISK ASSESSMENT

- 6.1 A detailed project risk register is maintained and pro-actively managed by the project team. The key high-level risks and mitigation arising from this report are set out below.
- 6.2 There is a risk of a third party challenge to the appointment of the operator. This risk is assessed as low and is mitigated by the following actions:
- Professional advisers have been engaged throughout the procurement process to ensure that due process has been followed.
 - A clear and transparent audit trail has been maintained.
- 6.3 There is a risk that the appointed operator fails to achieve the Council's financial and non-financial objectives for the project. This risk is assessed as medium and is mitigated by the following actions:
- Use of a legal contract through the management agreement based on best industry standards.
 - Implementation of a comprehensive performance management framework.
 - Commitment of sufficient resources to monitor the contract and develop the partnership with the operator.
 - Operator incentivised to out-perform the business plan.
 - Satisfactory financial vetting of the operator.
- 6.4 Regular updates will be provided on the performance of the innovation centre against its key performance indicators.

7. CONCLUSION

- 7.1 The redevelopment of Ashton Old Baths is a unique, once in a generation opportunity that brings an iconic Greater Manchester heritage asset in Tameside back into sustainable use. It will also act as a catalyst for the completion of the regeneration of St Petersfield resulting in significant economic, social and environmental benefits and increased growth.
- 7.2 Completion of the final fit out works and appointment of an operator enables the Council to operationalise the innovation centre and achieve these benefits.

8. RECOMMENDATIONS

- 8.1 As set out at the front of the report.

ASHTON OLD BATHS

Stage 1 Concept

MCAU

Modern City
Architecture & Urbanism



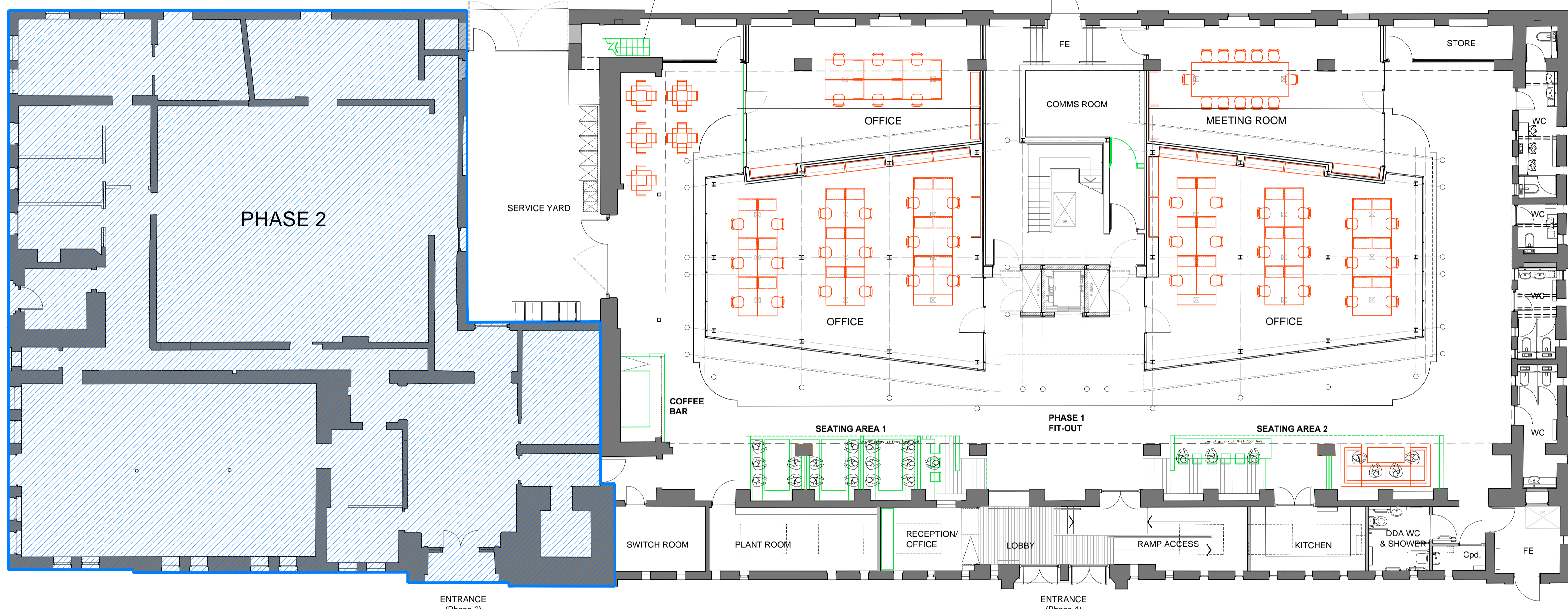
Contractors are not to scale dimensions from this drawing

Rev	Description	By	Date
P1	Preliminary Concept Issue	NB	03/05/16
P2	Amendments as per mtg. notes (12/05/16)	NB	20/05/16

PARK PARADE

FLEET STREET

Extg Stairs to be refurbished or replaced with matching to provide additional FE from the L1 gallery



Fit-Out Inclusions:

- Renovate staircases to L1 gallery as indicated
- Furniture as indicated
- Fixed furniture as indicated. Refer to drawing: 1064-30-11 for further details
- Additional electrics, lighting + heating outside the main pod TBC
- All timber walls to existing Pod and all new timber walls relating to fixed furniture are to be treated with Class 0 lacquer.
- New door to Comms Room. TBC pending further discussions with Tenos regarding their Pre-occupation Fire Risk Assessment.

Other Items TBC:

- Artwork
- New manifestation (incl Brand Identity)
- Signage
- External Lighting
- Car parking delineation

NOTE:
 This drawing should be read in conjunction with:-
 - All relevant Architects drawings.
 - All relevant sections of NBS (Any discrepancies between the drawings and NBS should be reported to the Architect prior to ordering and manufacture).
 - Structural Engineers drawings & specification.
 - Mechanical Engineers drawings & specification.
 - Electrical Engineers drawings & specification.
 - Acoustic Engineers report.
 - Fire engineers report.
 - Manufacturers drawings and specifications where applicable, and constructed in strict accordance with instructions and recommendations.
 - All construction must conform to all relevant British Standards, Building Regulations and Robust Standard Details produced by The House Builders Federation (where applicable).
 - All areas and dimensions are to be checked on site prior to manufacture or construction.

Any material specification change must comply to the same level of performance in all aspects and be submitted for approval.

KEY

- PHASE 1 FIT-OUT** Development Phase 1 - Fit-Out of the internal free-standing structure and ancillary spaces.
- Development Phase 2 - Annex portion of existing building (not included within this contract)

KEY

- Existing brick walls (original building)
- Existing Pod Structure
- Proposed Fit-Out element including furniture
- Proposed furniture to be provided by the Operator

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Client
TMBC
 Project
Ashton (Old) Baths
 Description
Phase 1 Fit-Out
Proposed Floor Plans
Level 0

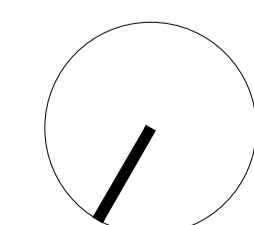
Status
PRELIMINARY

Scale	Drawn	Date
1:100 @ A1	SPC	April 16
Job number	Drawing number	Revision
1064	03-00	P2

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Level 0G Plan 1:100

STAMFORD STREET WEST



Contractors are not to scale dimensions from this drawing

Rev	Description	By	Date
P1	Preliminary Concept Issue	NB	03/05/16
P2	Amendments as per mtg. notes (12/05/16)	NB	20/05/16

Fit-Out Inclusions:

- Renovated staircase to L1 gallery as indicated.
- L1 Gallery Balustrade installed as indicated.
- Renovate existing gallery decking (ie refix boards, replace where necessary, sand, oil and varnish finish).
- No Furniture to office upper levels.
- Refer to reflected ceiling plans for additional M+E suspended ceilings etc.
- All timber walls to existing Pod to be treated with Class 0 lacquer.
- All timber floors to be cleaned and protected with suitable varnish. Specification TBC.
- Remove existing doors to main offices as necessary.


Other Items TBC:

- Artwork
- Signage
- External Lighting





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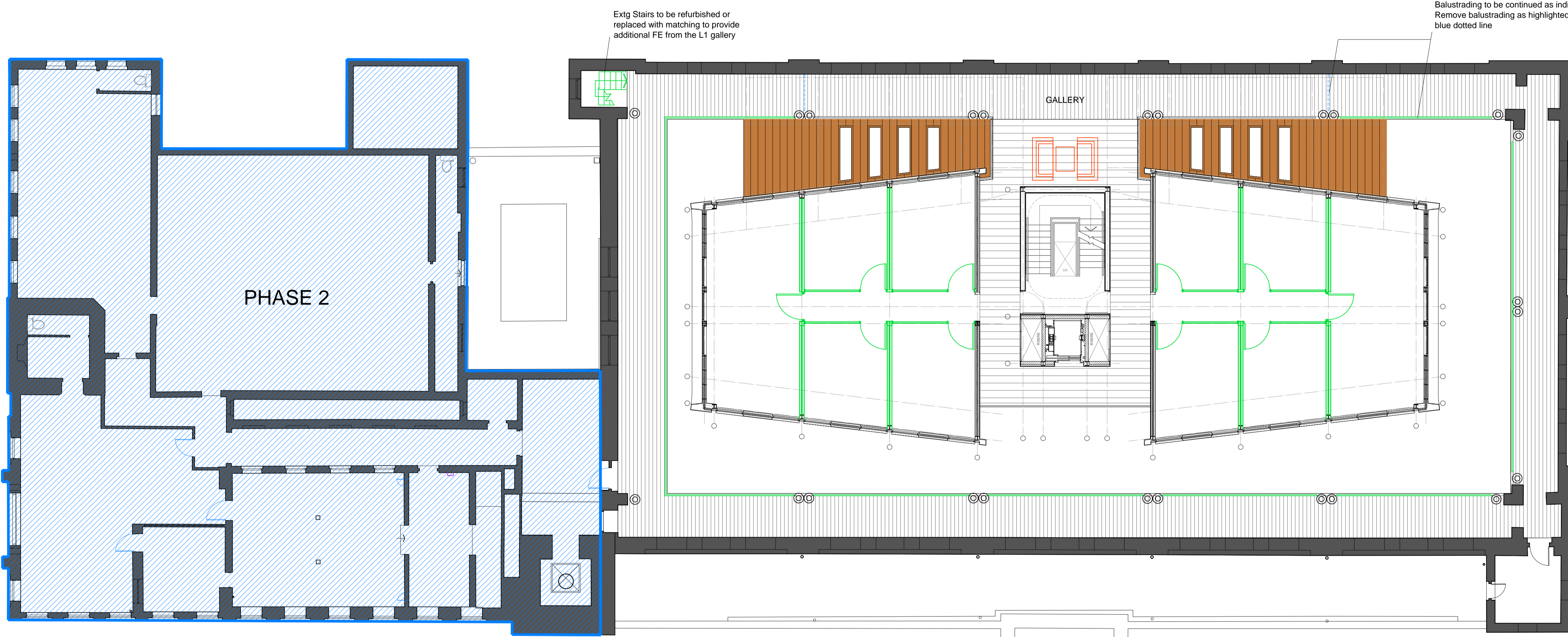
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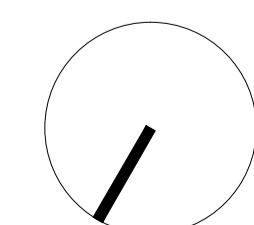
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-  Development Phase 2 - Annex portion of existing building (not included within this contract)

KEY

-  Existing brick walls (original building)
-  Existing Pod Structure
-  Proposed Fit-Out element including furniture
-  Proposed furniture to be provided by the Operator



Level 1 Plan 1:100



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Client
TMBC
 Project
Ashton (Old) Baths
 Description
Phase 1 Fit-Out
Proposed Floor Plans
Level 1

Status
PRELIMINARY
 Scale Drawn Date
 1:100 @ A1 NB April 16
 Job number Drawing number Revision
 1064 03-01 P2

Rev	Description	By	Date
P1	Preliminary Concept Issue	NB	03/05/16

Fit-Out Inclusions:

- No Furniture to upper levels.
- Refer to reflected ceiling plans for additional M+E suspended ceilings etc.
- All timber elements to existing Pod to be treated with Class 0 lacquer.
- Remove existing doors to main offices as necessary.


Other Items TBC:

- Artwork
- Signage
- External Lighting




NOTE:
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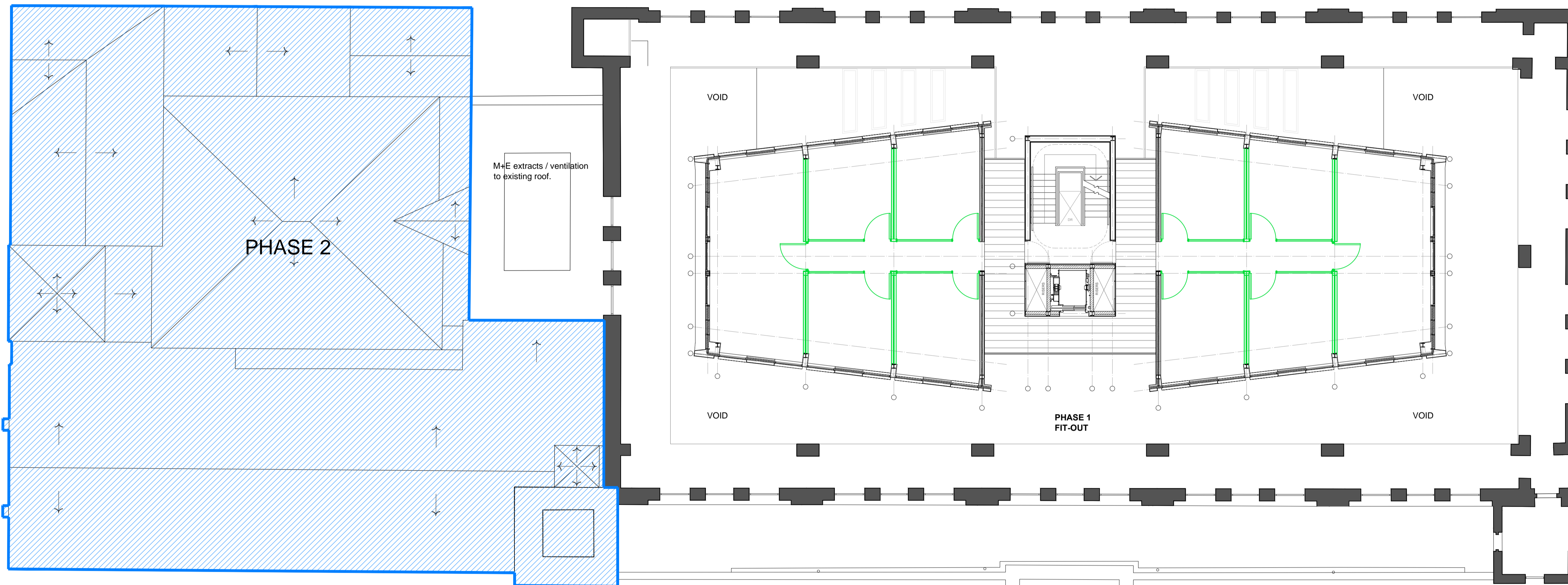
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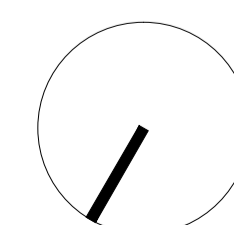
PHASE 1 FIT-OUT	Development Phase 1 - Fit-Out of the internal free-standing structure and ancillary spaces.
	Development Phase 2 - Annex portion of existing building (not included within this contract)

KEY

	Existing brick walls (original building)
	Existing Pod Structure
	Proposed Fit-Out



Level 2 Plan 1:100



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Client
TMBC
 Project
Ashton (Old) Baths
 Description
Phase 1 Fit-Out
Proposed Floor Plans
Level 2

Status	PRELIMINARY		
Scale	Drawn	Date	
1:100 @ A1	NB	April 16	
Job number	Drawing number	Revision	
1064	03-02	P1	

Rev	Description	By	Date
P1	Preliminary Concept Issue	NB	03/05/16
P2	Amendments as per mtg. notes (12/05/16)	NB	20/05/16

Fit-Out Inclusions:

- Furniture as indicated
- Fixed furniture as indicated. Refer to drawing: 1064-30-13 for further details
- Additional heating to L3 terrace TBC
- All timber walls to existing Pod and all new timber walls relating to fixed furniture are to be treated with Class 0 lacquer.
- New instant boiling water Ziptap to L3 servery. New underslung sink and replacement worktop to suit.
- New fridge + dishwasher to servery


Other Items TBC:

- Soft furnishings to fixed seating area





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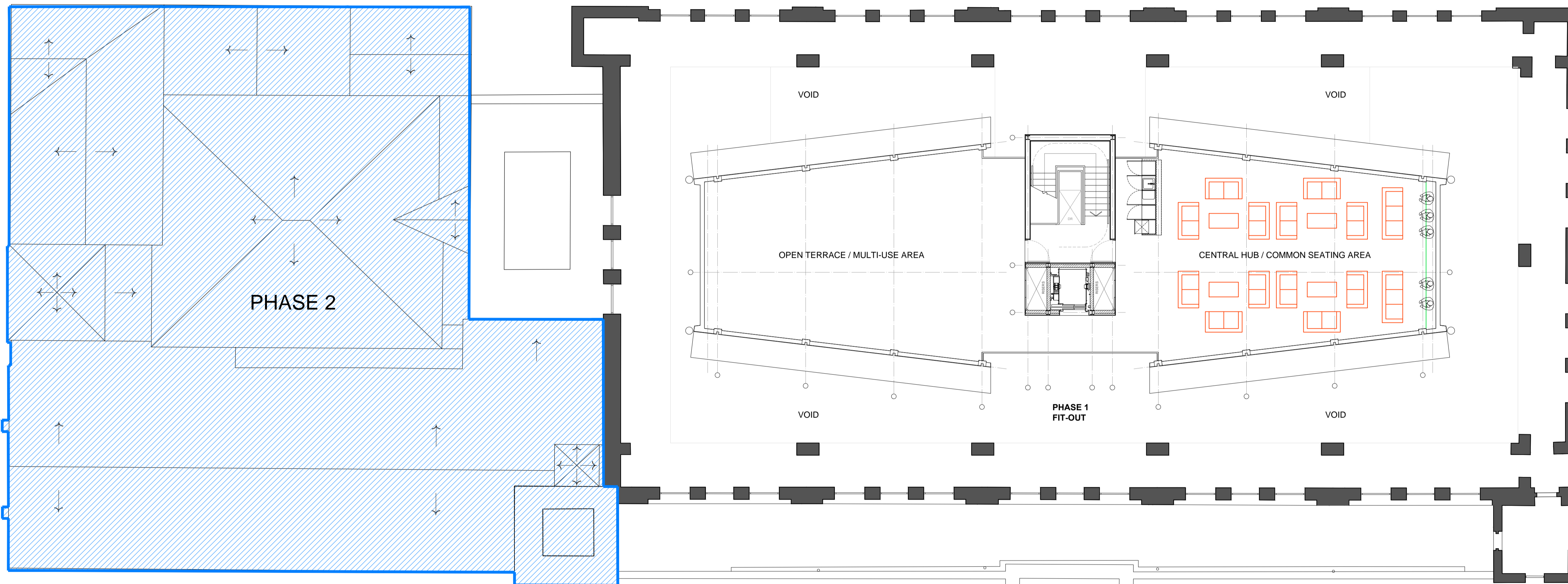
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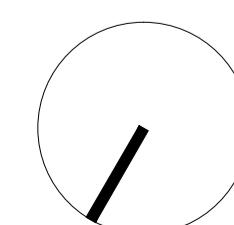
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-  Proposed Fit-Out element including furniture
-  Proposed furniture to be provided by Operator

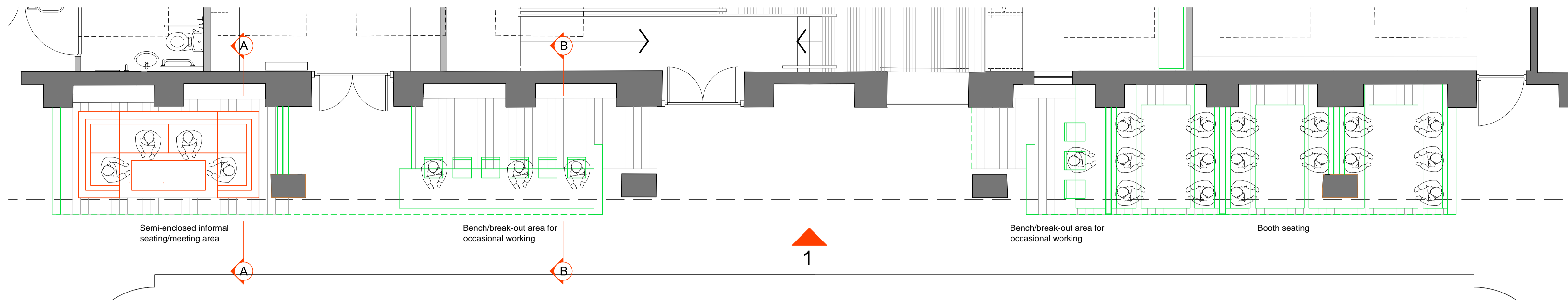


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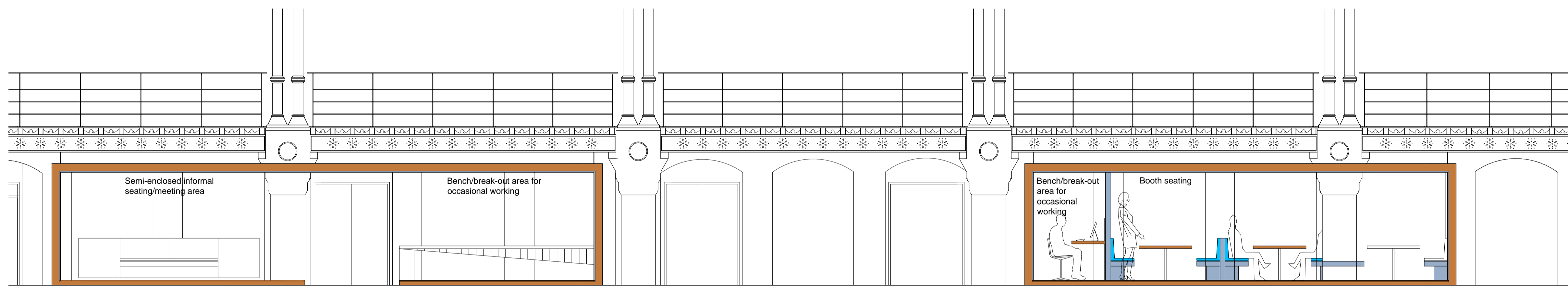
Client
TMBC
 Project
Ashton (Old) Baths
 Description
Phase 1 Fit-Out
Proposed Floor Plans
Level 3

Status
PRELIMINARY
 Scale Drawn Date
 1:100 @ A1 NB April 16
 Job number Drawing number Revision
 1064 03-03 P2

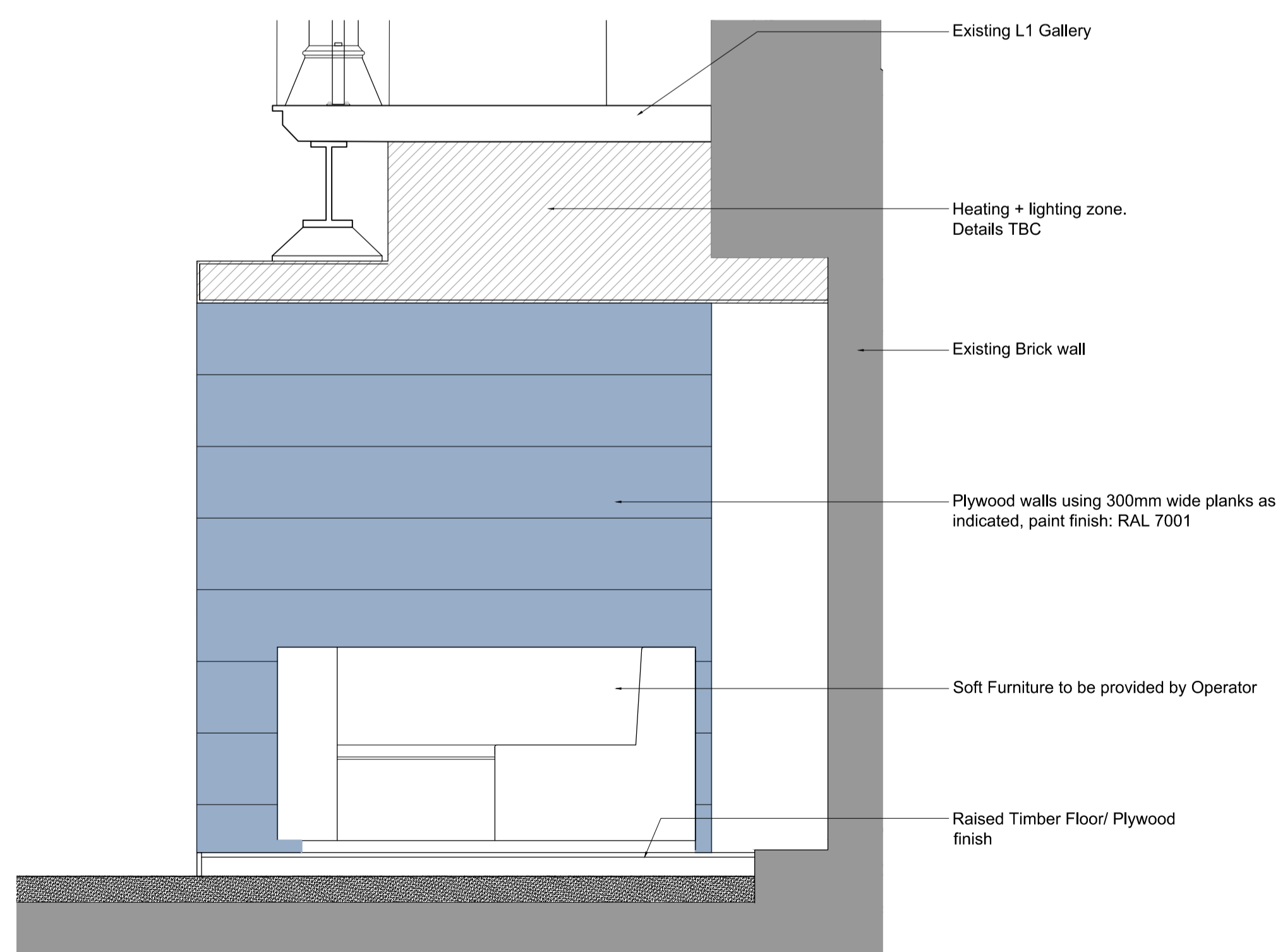




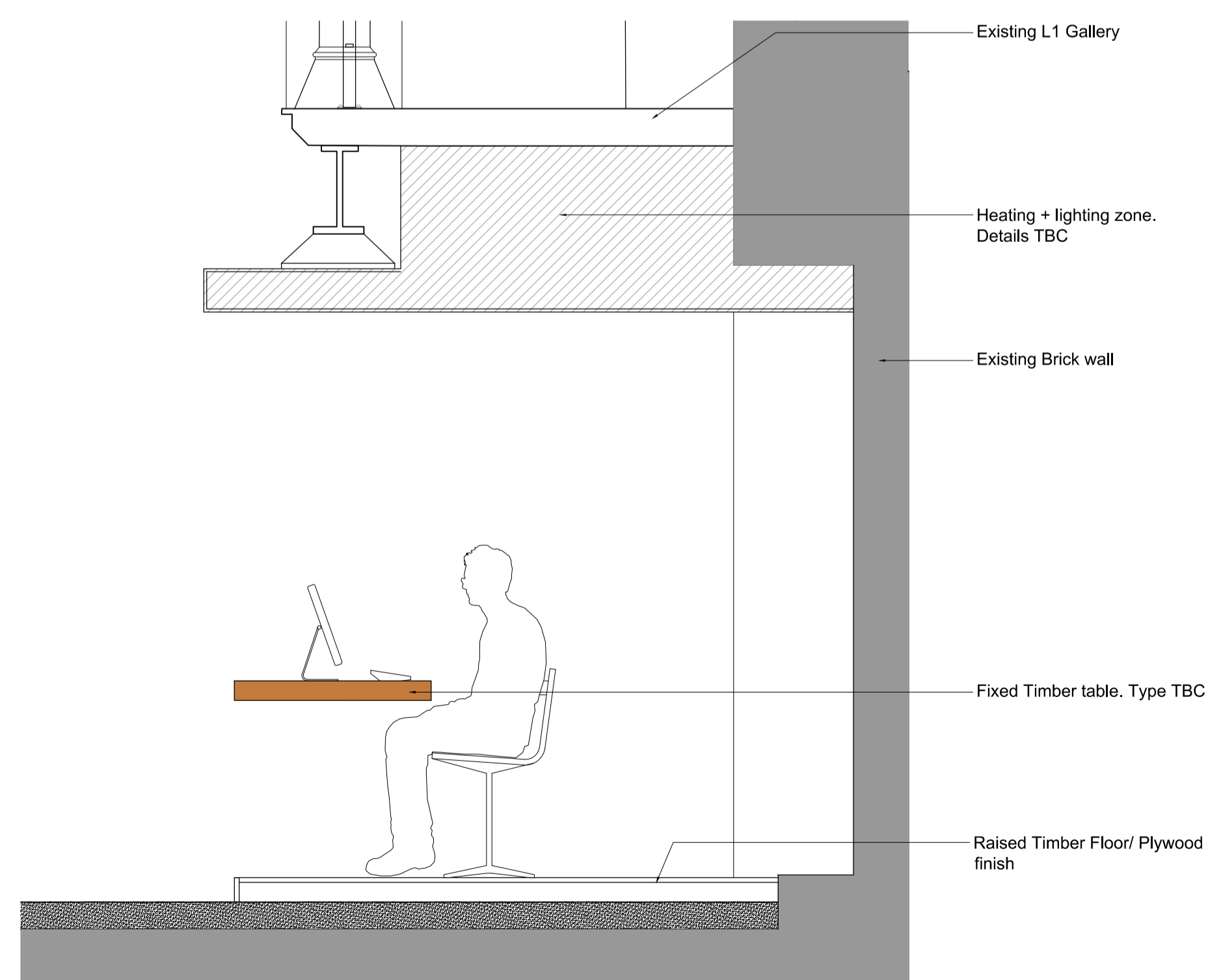
Part Level 0G Plan 1:50



Elevation 1 1:50



Section A-A 1:20



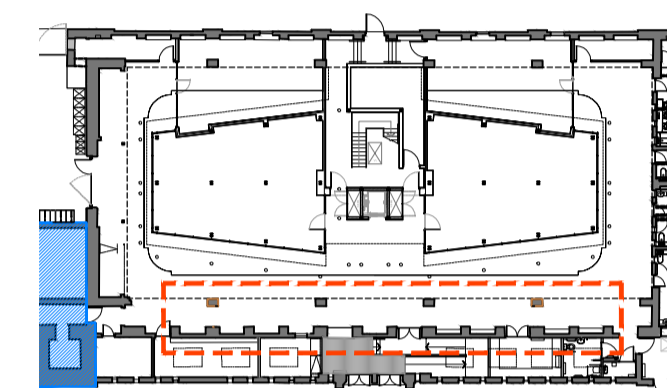
Section B-B 1:20

Contractors are not to scale dimensions from this drawing

Rev	Description	By	Date
P1	Preliminary Concept Issue	NB	03/05/16
P2	Amendments as per mtg. notes (12/05/16)	NB	20/05/16

NOTE:
 This drawing should be read in conjunction with:-
 - All relevant Architects drawings.
 - All relevant sections of NBS (Any discrepancies between the drawings and NBS should be reported to the Architect prior to ordering and manufacture).
 - Structural Engineers drawings & specification.
 - Mechanical Engineers drawings & specification.
 - Electrical Engineers drawings & specification.
 - Acoustic Engineers report.
 - Fire engineers report.
 - Manufacturers drawings and specifications where applicable, and constructed in strict accordance with instructions and recommendations.
 - All construction must conform to all relevant British Standards, Building Regulations and Robust Standard Details produced by The House Builders Federation (where applicable).
 - All areas and dimensions are to be checked on site prior to manufacture or construction.

Any material specification change must comply to the same level of performance in all aspects and be submitted for approval.



Location Plan

KEY

PHASE 1 FIT-OUT Development Phase 1 - Fit-Out of the internal free-standing structure and ancillary spaces.

Development Phase 2 - Annex portion of existing building (not included within this contract)

KEY

Existing brick walls (original building)

Existing Pod Structure

Proposed Fit-Out element including furniture

Proposed furniture to be provided by Operator

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Client

TMBC

Project

Ashton (Old) Baths

Description

Phase 1 Fit-Out

Proposed Details

Sheet 2

Status

PRELIMINARY

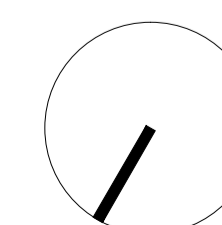
Scale Drawn Date

AS @ A1 NB April 16

Job number Drawing number Revision

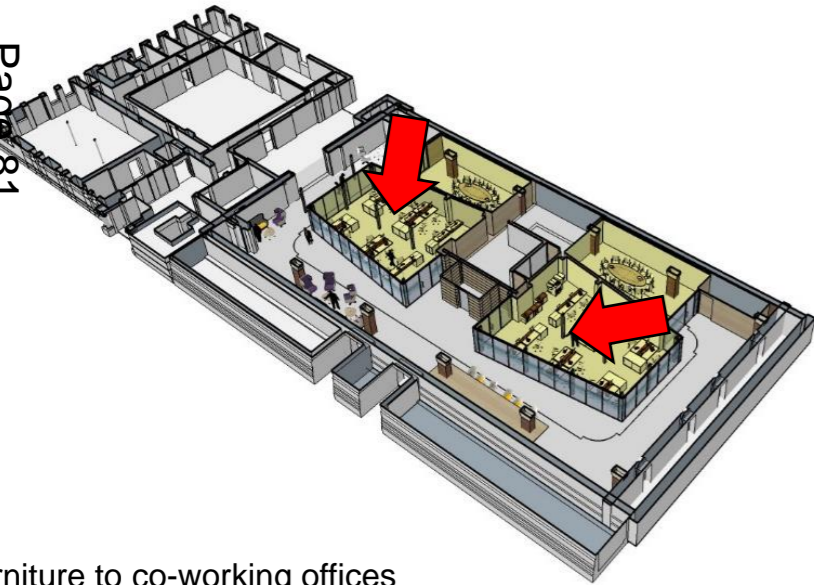
1064 30-11 P2

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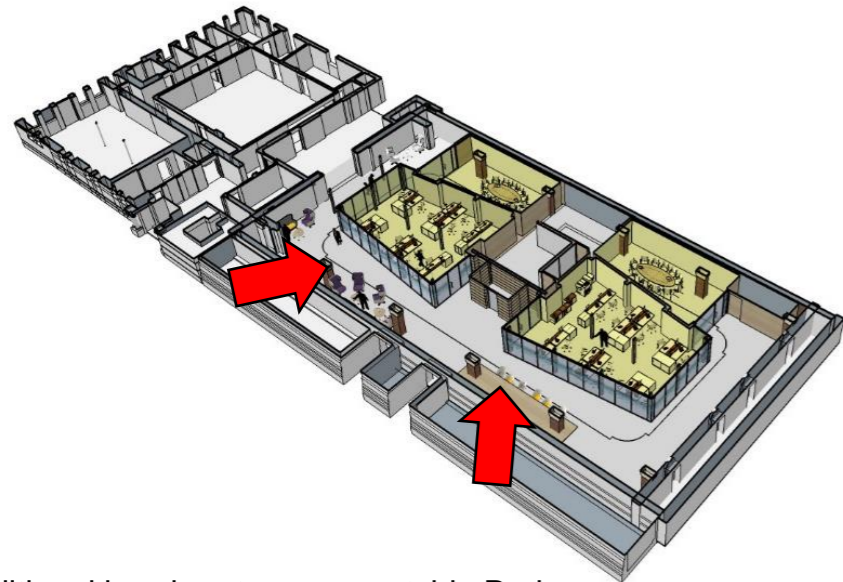




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Furniture to co-working offices



Additional break-out spaces outside Pod

PRECEDENT IMAGES



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Commercial-in-Confidence
 Ashton Old Baths
 Financial Model - Detailed Cashflow

Year 0	1	2	3	4	5	6	7	8	9	10	11	12	13
	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
RECEIPTS													
Licence Fees	2,038	2,922	4,089	4,349	6,256	7,124	8,885	8,885	8,885	8,885	8,885	8,885	9,107
Dedicated Hotdesks	175	350	525	700	1,050	1,400	1,750	2,100	2,450	2,800	3,150	3,150	3,229
Drop in Hotdesks	198	594	990	1,386	1,782	2,178	2,574	2,970	3,366	3,762	4,158	4,554	4,871
Events	0	458	458	917	917	1,375	1,375	1,833	1,833	2,292	2,292	2,292	2,349
Car Parking	63	125	188	250	313	375	438	500	563	625	688	708	726
Virtual Income	40	80	120	160	200	240	280	320	360	400	440	480	533
Room / equipment hire	0	344	344	688	688	1,031	1,375	1,719	2,063	2,338	2,613	2,613	2,613
Catering	0	69	69	138	138	206	275	344	413	468	523	523	523
Telephone	0	104	149	209	223	320	364	455	455	455	455	455	455
Internet	0	126	181	253	269	387	441	550	550	550	550	550	550
Carriage & Postage	0	67	96	135	144	207	235	293	293	293	293	293	293
Misc. Services	0	16	23	32	34	49	56	70	70	70	70	70	70
TOTAL RECEIPTS EXCLUDING VAT	2,514	5,255	7,232	9,216	12,012	14,893	18,048	20,039	21,300	22,936	24,115	24,572	25,317
VAT	503	1,051	1,446	1,843	2,402	2,979	3,610	4,008	4,260	4,587	4,823	4,914	5,063
TOTAL RECEIPTS INCLUDING VAT	3,017	6,307	8,678	11,059	14,414	17,871	21,658	24,046	25,559	27,524	28,938	29,486	30,381
Deposits Received	2,038	883	1,167	260	1,907	868	1,761	0	0	0	0	0	222
TOTAL RECEIPTS	5,055	7,190	9,845	11,320	16,322	18,739	23,418	24,046	25,559	27,524	28,938	29,486	30,603
PAYMENTS													
OPERATING PAYMENTS													
Tax Rates Payable	0	0	0	0	0	0	20,781	3,422	3,422	3,422	3,422	3,422	3,507
Maintenance	0	754	754	754	754	754	754	754	754	754	754	754	754
Security	197	197	197	197	197	197	197	197	197	197	197	197	202
Gas	295	295	295	295	295	295	295	295	295	295	295	295	302
Electricity	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,870
Water	208	208	208	208	208	208	208	208	208	208	208	208	213
Cleaning (common areas)	929	929	929	929	929	929	929	929	929	929	929	929	952
Catering	0	61	61	122	122	183	244	306	367	416	464	464	464
Telephone & Fax	0	271	298	334	342	400	427	481	481	481	481	481	481
Internet Charges	417	417	417	417	417	417	417	417	417	417	417	417	427
Carriage & Postage	0	60	86	120	128	184	209	261	261	261	261	261	261
Misc. Services	0	16	23	32	34	49	56	70	70	70	70	70	70
Management Charges (staff costs)	37,495	0	0	5,114	5,114	5,114	5,114	5,114	5,114	5,114	5,114	5,114	5,114
Staff travel	3,200	0	50	50	50	50	50	50	50	50	50	50	50
Staff training & recruitment	1,000	0	83	83	83	83	83	83	83	83	83	83	83
Small Equipment Purchases	0	0	31	31	31	31	31	31	31	31	31	31	31
Office Supplies	0	0	46	46	46	46	46	46	46	46	46	46	46
Computer consumables / software licences	2,500	0	208	208	208	208	208	208	208	208	208	208	208
Marketing & Events	24,500	0	417	417	417	417	417	417	417	417	417	417	417
Agent Fees	0	0	46	46	46	46	46	46	46	46	46	46	46
Centre Consumables	0	0	500	500	500	500	500	500	500	500	500	500	500
Bank Charges	0	0	50	50	50	50	50	50	50	50	50	50	50
External Business Support	0	0	417	417	417	417	417	417	417	417	417	417	417
Fee per sqft of Net Internal Area - Managed Space	0	0	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629
Management Fee - % of Total Revenue	0	0	146	243	352	417	572	695	843	920	973	1,047	1,085
TOTAL OPERATING PAYMENTS	68,695	3,869	6,462	14,827	15,192	15,447	36,504	19,448	19,657	19,783	19,885	19,959	20,179
VAT	13,739	350	857	1,389	1,410	1,412	1,439	1,458	1,484	1,496	1,506	1,516	1,525
PAYMENTS TO HMRC	0	153	195	57	433	990	1,539	2,151	2,524	2,764	3,081	3,307	3,399
TOTAL PAYMENTS	82,434	4,218	7,471	16,411	16,532	17,037	39,501	23,083	23,677	24,053	24,482	24,782	25,102
NET CASHFLOW MOVEMENT	(82,434)	837	(281)	(6,566)	(5,213)	(715)	863	(16,083)	963	1,882	3,471	4,456	4,704
CASH BALANCE / WORKING CAPITAL REQUIREMENT	(82,434)	(81,598)	(81,879)	(88,445)	(93,658)	(94,373)	(93,510)	(109,593)	(108,630)	(106,747)	(103,277)	(98,821)	(94,117)

Commercial-in-Confidence
 Ashton Old Baths
 Financial Model - Detailed Cashflow

	14	15	16	17	18	19	20	21	22	23	24	25	26	27
	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18

RECEIPTS														
Licence Fees	9,107	9,107	9,107	9,107	9,107	9,107	9,107	9,107	9,107	9,107	9,107	9,335	9,335	9,335
Dedicated Hotdesks	3,229	3,229	3,229	3,229	3,229	3,229	3,229	3,229	3,229	3,229	3,229	3,309	3,309	3,309
Drop in Hotdesks	5,074	5,277	5,480	5,683	5,886	6,089	6,089	6,089	6,089	6,089	6,089	6,241	6,241	6,241
Events	2,349	2,349	2,349	2,349	2,349	2,349	2,349	2,349	2,349	2,349	2,349	2,408	2,408	2,408
Car Parking	726	726	726	726	726	726	726	726	726	726	726	744	744	744
Virtual Income	574	615	656	697	738	779	820	820	820	820	820	841	841	841
Room / equipment hire	2,678	2,678	2,678	2,678	2,678	2,678	2,678	2,678	2,678	2,678	2,678	2,745	2,745	2,745
Catering	536	536	536	536	536	536	536	536	536	536	536	536	549	549
Telephone	466	466	466	466	466	466	466	466	466	466	466	466	466	466
Internet	563	563	563	563	563	563	563	563	563	563	563	563	563	563
Carriage & Postage	301	301	301	301	301	301	301	301	301	301	301	301	301	301
Misc. Services	72	72	72	72	72	72	72	72	72	72	72	72	72	72
TOTAL RECEIPTS EXCLUDING VAT	25,674	25,918	26,162	26,406	26,650	26,894	26,935	26,935	26,935	26,935	26,935	27,493	27,573	27,573
VAT	5,135	5,184	5,232	5,281	5,330	5,379	5,387	5,387	5,387	5,387	5,387	5,499	5,515	5,515
TOTAL RECEIPTS INCLUDING VAT	30,809	31,101	31,394	31,687	31,980	32,272	32,322	32,322	32,322	32,322	32,322	32,991	33,088	33,088
Deposits Received	0	0	0	0	0	0	0	0	0	0	0	228	0	0
TOTAL RECEIPTS	30,809	31,101	31,394	31,687	31,980	32,272	32,322	32,322	32,322	32,322	32,322	33,219	33,088	33,088
EXPENDITURES														
OPERATING PAYMENTS														
Total Rates Payable	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,595	3,595	3,595
Maintenance	773	773	773	773	773	773	773	773	773	773	773	773	1,584	1,584
Security	202	202	202	202	202	202	202	202	202	202	202	207	207	207
Gas	302	302	302	302	302	302	302	302	302	302	302	310	310	310
Electricity	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,917	1,917	1,917
Water	213	213	213	213	213	213	213	213	213	213	213	218	218	218
Cleaning (common areas)	952	952	952	952	952	952	952	952	952	952	952	976	976	976
Catering	476	476	476	476	476	476	476	476	476	476	476	476	488	488
Telephone & Fax	493	493	493	493	493	493	493	493	493	493	493	493	498	498
Internet Charges	427	427	427	427	427	427	427	427	427	427	427	438	438	438
Carriage & Postage	267	267	267	267	267	267	267	267	267	267	267	267	267	267
Misc. Services	72	72	72	72	72	72	72	72	72	72	72	72	72	72
Management Charges (staff costs)	5,114	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,372
Staff travel	51	51	51	51	51	51	51	51	51	51	51	51	53	53
Staff training & recruitment	85	85	85	85	85	85	85	85	85	85	85	85	88	88
Small Equipment Purchases	31	31	31	31	31	31	31	31	31	31	31	31	32	32
Office Supplies	47	47	47	47	47	47	47	47	47	47	47	47	49	49
Computer consumables / software licences	214	214	214	214	214	214	214	214	214	214	214	214	219	219
Marketing & Events	417	417	417	417	417	417	417	417	417	417	417	417	142	142
Agent Fees	47	47	47	47	47	47	47	47	47	47	47	47	49	49
Centre Consumables	513	513	513	513	513	513	513	513	513	513	513	513	525	525
Bank Charges	51	51	51	51	51	51	51	51	51	51	51	51	53	53
External Business Support	417	427	427	427	427	427	427	427	427	427	427	427	427	438
Fee per sqft of Net Internal Area - Managed Space	2,629	2,694	2,694	2,694	2,694	2,694	2,694	2,694	2,694	2,694	2,694	2,694	2,694	2,762
Management Fee - % of Total Revenue	1,106	1,144	1,155	1,166	1,177	1,188	1,199	1,210	1,212	1,212	1,212	1,212	1,212	1,241
TOTAL OPERATING PAYMENTS	20,276	20,515	20,526	20,537	20,548	20,559	20,570	20,581	20,583	20,583	20,583	20,770	21,350	21,590
VAT	1,538	1,552	1,552	1,552	1,552	1,552	1,552	1,552	1,552	1,552	1,552	1,561	1,677	1,690
PAYMENTS TO HMRC	3,539	3,596	3,632	3,681	3,730	3,778	3,827	3,835	3,835	3,835	3,835	3,835	3,938	3,838
TOTAL PAYMENTS	25,353	25,663	25,710	25,770	25,830	25,889	25,949	25,968	25,970	25,970	25,970	26,166	26,964	27,118
NET CASHFLOW MOVEMENT	5,455	5,438	5,684	5,917	6,150	6,383	6,372	6,353	6,351	6,351	6,351	7,053	6,123	5,970
CASH BALANCE / WORKING CAPITAL REQUIREMENT	(83,161)	(77,723)	(72,039)	(66,122)	(59,972)	(53,589)	(47,217)	(40,863)	(34,512)	(28,160)	(21,809)	(14,756)	(8,633)	(2,663)

Commercial-in-Confidence
 Ashton Old Baths
 Financial Model - Detailed Cashflow

	28	29	30	31	32	33	34	35	36	37	38	39	40	41
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20

RECEIPTS														
Licence Fees	9,335	9,335	9,335	9,335	9,335	9,335	9,335	9,335	9,335	9,568	9,568	9,568	9,568	9,568
Dedicated Hotdesks	3,309	3,309	3,309	3,309	3,309	3,309	3,309	3,309	3,309	3,392	3,392	3,392	3,392	3,392
Drop in Hotdesks	6,241	6,241	6,241	6,241	6,241	6,241	6,241	6,241	6,241	6,397	6,397	6,397	6,397	6,397
Events	2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,468	2,468	2,468	2,468	2,468
Car Parking	744	744	744	744	744	744	744	744	744	763	763	763	763	763
Virtual Income	841	841	841	841	841	841	841	841	841	862	862	862	862	862
Room / equipment hire	2,745	2,745	2,745	2,745	2,745	2,745	2,745	2,745	2,745	2,745	2,813	2,813	2,813	2,813
Catering	549	549	549	549	549	549	549	549	549	549	563	563	563	563
Telephone	466	466	466	466	466	466	466	466	466	466	490	490	490	490
Internet	563	563	563	563	563	563	563	563	563	563	592	592	592	592
Carriage & Postage	301	301	301	301	301	301	301	301	301	301	316	316	316	316
Misc. Services	72	72	72	72	72	72	72	72	72	72	76	76	76	76
TOTAL RECEIPTS EXCLUDING VAT	27,573	27,573	27,573	27,573	27,573	27,573	27,573	27,573	27,573	28,145	28,298	28,298	28,298	28,298
VAT	5,515	5,515	5,515	5,515	5,515	5,515	5,515	5,515	5,515	5,629	5,660	5,660	5,660	5,660
TOTAL RECEIPTS INCLUDING VAT	33,088	33,088	33,088	33,088	33,088	33,088	33,088	33,088	33,088	33,774	33,958	33,958	33,958	33,958
Deposits Received	0	0	0	0	0	0	0	0	0	233	0	0	0	0
TOTAL RECEIPTS	33,088	33,088	33,088	33,088	33,088	33,088	33,088	33,088	33,088	34,007	33,958	33,958	33,958	33,958
PAYMENTS														
OPERATING PAYMENTS														
Rates Payable	3,595	3,595	3,595	3,595	3,595	3,595	3,595	3,595	3,595	3,685	3,685	3,685	3,685	3,685
Maintenance	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,623	1,623	1,623	1,623
Security	207	207	207	207	207	207	207	207	207	207	212	212	212	212
Gas	310	310	310	310	310	310	310	310	310	318	318	318	318	318
Electricity	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,965	1,965	1,965	1,965	1,965
Water	218	218	218	218	218	218	218	218	218	224	224	224	224	224
Cleaning (common areas)	976	976	976	976	976	976	976	976	976	1,000	1,000	1,000	1,000	1,000
Catering	488	488	488	488	488	488	488	488	488	488	500	500	500	500
Telephone & Fax	498	498	498	498	498	498	498	498	498	498	518	518	518	518
Internet Charges	438	438	438	438	438	438	438	438	438	449	449	449	449	449
Carriage & Postage	267	267	267	267	267	267	267	267	267	267	281	281	281	281
Misc. Services	72	72	72	72	72	72	72	72	72	72	76	76	76	76
Management Charges (staff costs)	5,372	5,372	5,372	5,372	5,372	5,372	5,372	5,372	5,372	5,372	5,372	5,498	5,498	5,498
Staff travel	53	53	53	53	53	53	53	53	53	53	54	54	54	54
Staff training & recruitment	88	88	88	88	88	88	88	88	88	88	90	90	90	90
Small Equipment Purchases	32	32	32	32	32	32	32	32	32	32	33	33	33	33
Office Supplies	49	49	49	49	49	49	49	49	49	49	50	50	50	50
Computer consumables / software licences	219	219	219	219	219	219	219	219	219	219	224	224	224	224
Marketing & Events	142	142	142	142	142	142	142	142	142	142	146	146	146	146
Agent Fees	49	49	49	49	49	49	49	49	49	49	50	50	50	50
Centre Consumables	525	525	525	525	525	525	525	525	525	525	538	538	538	538
Bank Charges	53	53	53	53	53	53	53	53	53	53	54	54	54	54
External Business Support	438	438	438	438	438	438	438	438	438	438	449	449	449	449
Fee per sqft of Net Internal Area - Managed Space	2,762	2,762	2,762	2,762	2,762	2,762	2,762	2,762	2,762	2,762	2,762	2,831	2,831	2,831
Management Fee - % of Total Revenue	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,273	1,273	1,273
TOTAL OPERATING PAYMENTS	21,590	21,590	21,590	21,590	21,590	21,590	21,590	21,590	21,590	21,781	21,900	22,139	22,139	22,139
VAT	1,690	1,690	1,690	1,690	1,690	1,690	1,690	1,690	1,690	1,699	1,720	1,734	1,734	1,734
PAYMENTS TO HMRC	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,930	3,939	3,926	3,926
TOTAL PAYMENTS	27,104	27,104	27,104	27,104	27,104	27,104	27,104	27,104	27,104	27,305	27,550	27,812	27,798	27,798
NET CASHFLOW MOVEMENT	5,983	5,983	5,983	5,983	5,983	5,983	5,983	5,983	5,983	6,702	6,408	6,146	6,160	6,160
CASH BALANCE / WORKING CAPITAL REQUIREMENT	3,320	9,303	15,287	21,270	27,253	33,236	39,220	45,203	51,186	57,889	64,296	70,442	76,602	82,762

Commercial-in-Confidence
 Ashton Old Baths
 Financial Model - Detailed Cashflow

	42	43	44	45	46	47	48	49	50	51	52	53	54	55
	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21

RECEIPTS														
Licence Fees	9,568	9,568	9,568	9,568	9,568	9,568	9,568	9,807	9,807	9,807	9,807	9,807	9,807	9,807
Dedicated Hotdesks	3,392	3,392	3,392	3,392	3,392	3,392	3,392	3,477	3,477	3,477	3,477	3,477	3,477	3,477
Drop in Hotdesks	6,397	6,397	6,397	6,397	6,397	6,397	6,397	6,397	6,397	6,397	6,397	6,397	6,397	6,397
Events	2,468	2,468	2,468	2,468	2,468	2,468	2,468	2,468	2,468	2,468	2,468	2,468	2,468	2,468
Car Parking	763	763	763	763	763	763	763	763	763	763	763	763	763	763
Virtual Income	862	862	862	862	862	862	862	883	883	883	883	883	883	883
Room / equipment hire	2,813	2,813	2,813	2,813	2,813	2,813	2,813	2,813	2,884	2,884	2,884	2,884	2,884	2,884
Catering	563	563	563	563	563	563	563	563	577	577	577	577	577	577
Telephone	490	490	490	490	490	490	490	490	502	502	502	502	502	502
Internet	592	592	592	592	592	592	592	592	607	607	607	607	607	607
Carriage & Postage	316	316	316	316	316	316	316	316	324	324	324	324	324	324
Misc. Services	76	76	76	76	76	76	76	76	78	78	78	78	78	78
TOTAL RECEIPTS EXCLUDING VAT	28,298	28,298	28,298	28,298	28,298	28,298	28,298	28,644	28,765	28,765	28,765	28,765	28,765	28,765
VAT	5,660	5,660	5,660	5,660	5,660	5,660	5,660	5,729	5,753	5,753	5,753	5,753	5,753	5,753
TOTAL RECEIPTS INCLUDING VAT	33,958	33,958	33,958	33,958	33,958	33,958	33,958	34,372	34,518	34,518	34,518	34,518	34,518	34,518
Deposits Received	0	0	0	0	0	0	0	239	0	0	0	0	0	0
TOTAL RECEIPTS	33,958	33,958	33,958	33,958	33,958	33,958	33,958	34,612	34,518	34,518	34,518	34,518	34,518	34,518
EXPENDITURES														
OPERATING PAYMENTS														
Total Rates Payable	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685
Maintenance	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,664	1,664	1,664	1,664	1,664	1,664
Security	212	212	212	212	212	212	212	212	217	217	217	217	217	217
Gas	318	318	318	318	318	318	318	326	326	326	326	326	326	326
Electricity	1,965	1,965	1,965	1,965	1,965	1,965	1,965	2,014	2,014	2,014	2,014	2,014	2,014	2,014
Water	224	224	224	224	224	224	224	229	229	229	229	229	229	229
Cleaning (common areas)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,025	1,025	1,025	1,025	1,025	1,025	1,025
Catering	500	500	500	500	500	500	500	500	513	513	513	513	513	513
Telephone & Fax	518	518	518	518	518	518	518	518	531	531	531	531	531	531
Internet Charges	449	449	449	449	449	449	449	460	460	460	460	460	460	460
Carriage & Postage	281	281	281	281	281	281	281	281	288	288	288	288	288	288
Misc. Services	76	76	76	76	76	76	76	76	78	78	78	78	78	78
Management Charges (staff costs)	5,498	5,498	5,498	5,498	5,498	5,498	5,498	5,498	5,498	5,632	5,632	5,632	5,632	5,632
Staff travel	54	54	54	54	54	54	54	54	55	55	55	55	55	55
Staff training & recruitment	90	90	90	90	90	90	90	90	92	92	92	92	92	92
Small Equipment Purchases	33	33	33	33	33	33	33	33	34	34	34	34	34	34
Office Supplies	50	50	50	50	50	50	50	50	51	51	51	51	51	51
Computer consumables / software licences	224	224	224	224	224	224	224	224	230	230	230	230	230	230
Marketing & Events	146	146	146	146	146	146	146	146	149	149	149	149	149	149
Agent Fees	50	50	50	50	50	50	50	50	51	51	51	51	51	51
Centre Consumables	538	538	538	538	538	538	538	538	552	552	552	552	552	552
Bank Charges	54	54	54	54	54	54	54	54	55	55	55	55	55	55
External Business Support	449	449	449	449	449	449	449	449	449	460	460	460	460	460
Fee per sqft of Net Internal Area - Managed Space	2,831	2,831	2,831	2,831	2,831	2,831	2,831	2,831	2,831	2,901	2,901	2,901	2,901	2,901
Management Fee - % of Total Revenue	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,294	1,294	1,294	1,294	1,294
TOTAL OPERATING PAYMENTS	22,139	22,139	22,139	22,139	22,139	22,139	22,139	22,243	22,349	22,586	22,586	22,586	22,586	22,586
VAT	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,744	1,763	1,777	1,777	1,777	1,777	1,777
PAYMENTS TO HMRC	3,926	3,926	3,926	3,926	3,926	3,926	3,926	3,926	3,985	3,985	3,976	3,976	3,976	3,976
TOTAL PAYMENTS	27,798	27,798	27,798	27,798	27,798	27,798	27,798	27,912	28,097	28,353	28,339	28,339	28,339	28,339
NET CASHFLOW MOVEMENT	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,700	6,421	6,165	6,179	6,179	6,179	6,179
CASH BALANCE / WORKING CAPITAL REQUIREMENT	88,921	95,081	101,240	107,400	113,560	119,719	125,879	132,579	139,000	145,164	151,343	157,522	163,701	169,880

Commercial-in-Confidence
 Ashton Old Baths
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56	57	58	59	60	60 MONTHS
May-21	Jun-21	Jul-21	Aug-21	Sep-21	

RECEIPTS						
Licence Fees	9,807	9,807	9,807	9,807	9,807	533,888
Dedicated Hotdesks	3,477	3,477	3,477	3,477	3,477	180,489
Drop in Hotdesks	6,397	6,397	6,397	6,397	6,397	325,722
Events	2,468	2,468	2,468	2,468	2,468	132,350
Car Parking	763	763	763	763	763	40,783
Virtual Income	883	883	883	883	883	42,833
Room / equipment hire	2,884	2,884	2,884	2,884	2,884	148,977
Catering	577	577	577	577	577	29,795
Telephone	502	502	502	502	502	26,674
Internet	607	607	607	607	607	32,251
Carriage & Postage	324	324	324	324	324	17,217
Misc. Services	78	78	78	78	78	4,122
TOTAL RECEIPTS EXCLUDING VAT	28,765	28,765	28,765	28,765	28,765	1,515,102
VAT	5,753	5,753	5,753	5,753	5,753	303,020
TOTAL RECEIPTS INCLUDING VAT	34,518	34,518	34,518	34,518	34,518	1,818,122
Deposits Received	0	0	0	0	0	9,807
TOTAL RECEIPTS	34,518	34,518	34,518	34,518	34,518	1,827,929
PAYMENTS						
OPERATING PAYMENTS						
Total Rates Payable	3,685	3,685	3,685	3,685	3,685	211,558
Maintenance	1,664	1,664	1,664	1,664	1,664	75,105
Security	217	217	217	217	217	12,402
Gas	326	326	326	326	326	18,604
Electricity	2,014	2,014	2,014	2,014	2,014	115,066
Water	229	229	229	229	229	13,091
Cleaning (common areas)	1,025	1,025	1,025	1,025	1,025	58,567
Catering	513	513	513	513	513	26,485
Telephone & Fax	531	531	531	531	531	28,915
Internet Charges	460	460	460	460	460	26,282
Carriage & Postage	288	288	288	288	288	15,304
Misc. Services	78	78	78	78	78	4,122
Management Charges (staff costs)	5,632	5,632	5,632	5,632	5,632	348,505
Staff travel	55	55	55	55	55	6,299
Staff training & recruitment	92	92	92	92	92	6,164
Small Equipment Purchases	34	34	34	34	34	1,894
Office Supplies	51	51	51	51	51	2,870
Computer consumables / software licences	230	230	230	230	230	15,411
Marketing & Events	149	149	149	149	149	39,598
Agent Fees	51	51	51	51	51	2,870
Centre Consumables	552	552	552	552	552	30,986
Bank Charges	55	55	55	55	55	3,099
External Business Support	460	460	460	460	460	25,362
Fee per sqft of Net Internal Area - Managed Space	2,901	2,901	2,901	2,901	2,901	159,997
Management Fee - % of Total Revenue	1,294	1,294	1,294	1,294	1,294	65,814
TOTAL OPERATING PAYMENTS	22,586	22,586	22,586	22,586	22,586	1,314,370
VAT	1,777	1,777	1,777	1,777	1,777	110,331
PAYMENTS TO HMRC	3,976	3,976	3,976	3,976	3,976	202,453
TOTAL PAYMENTS	28,339	28,339	28,339	28,339	28,339	1,627,154
NET CASHFLOW MOVEMENT	6,179	6,179	6,179	6,179	6,179	200,776
CASH BALANCE / WORKING CAPITAL REQUIREMENT	176,060	182,239	188,418	194,597	200,776	

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