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JOINT MEETING OF EXECUTIVE CABINET AND AUDIT PANEL

Day: Wednesday
Date: 16 December 2015
Time: 2.00 pm
Place: Lesser Hall - Dukinfield Town Hall

Item No.	AGENDA	Page No
1.	APOLOGIES FOR ABSENCE To receive any apologies for the meeting from Members of the Executive Cabinet.	
2.	DECLARATIONS OF INTEREST To receive any declarations of interest from Members of Executive Cabinet.	
3.	MINUTES	
a)	EXECUTIVE CABINET To receive the minutes of the meeting of the Executive Cabinet held on 21 October 2015.	1 - 4
b)	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL To receive the minutes of the meeting of the Panel held on 30 November 2015.	5 - 18
c)	ENFORCEMENT CO-ORDINATION PANEL To receive the minutes of the meeting of the Panel held on 28 October 2015.	19 - 24
d)	ASSOCIATION OF GREATER MANCHESTER AUTHORITIES/GREATER MANCHESTER COMBINED AUTHORITY To consider the minutes of the meetings of the AGMA Executive Board and Greater Manchester Combined Authority held on 30 October and 27 November 2015 and to consider the Forward Plan of Strategic Decisions of the of the GMCA and AGMA Executive.	25 - 46
4.	ANNUAL AUDIT LETTER To consider the attached report of Grant Thornton, External Auditor.	47 - 58
5.	FINANCE REPORTS	
a)	REVENUE MONITORING To consider the attached report of the First Deputy (Performance and Finance)/Assistant Executive Director (Finance).	59 - 82

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Robert Landon on robert.landon@tameside.gov.uk or 0161 342 2146, to whom any apologies for absence should be notified.

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b)	CAPITAL MONITORING To consider the attached report of the First Deputy (Performance and Finance)/Assistant Executive Director (Finance).	83 - 102
c)	TREASURY MANAGEMENT To consider the attached report of the First Deputy (Performance and Finance)/Assistant Executive Director (Finance).	103 - 116
6.	TRADED SERVICES To consider the attached report of the Executive Member (Learning, Skills and Economic Growth)/Assistant Executive Director (Education).	117 - 122
7.	RESTRUCTURE OF NEIGHBOURHOOD TEAMS/YOUTH SERVICE/INTEGRATED PARTNERSHIP To consider the attached report of the Executive Member (Neighbourhoods and Health)/Head of Stronger Communities.	123 - 156
8.	LED ROLL OUT To consider the attached report of the Executive Member (Transport and Land Use)/ Assistant Executive Director (Environmental Services).	157 - 160
9.	ACTIVE TAMESIDE First Deputy (Performance and Finance)/ Executive Member (Neighbourhoods and Health)/Director of Public Health.	161 - 184
10.	ASTLEY SPORTS COLLEGE - FOOTBALL FOUNDATION GRANT - NEW 3G FLOODLIT PITCH To consider the attached report of the Executive Member (Learning, Skills and Economic Growth)/Assistant Executive Director (Sustainable Growth and Assets)	185 - 228
11.	SITES OF BIOLOGICAL IMPORTANCE To consider the attached report of the Executive Member (Transport and Land Use)/Assistant Executive Director (Development, Growth and Investment).	229 - 248
12.	EXCLUSION OF PUBLIC AND PRESS That the public and press be excluded from the meeting during consideration of the contents of Appendices A, B and C to agenda item 14 as they contain exempt information falling within paragraphs 3 and 5 of Schedule 12A to the Local Government Act 1972. Information relating to the financial or business affairs of the parties (including the Council) has been provided to the Council in commercial confidence and its release into the public domain could result in adverse implications for the parties involved. Disclosure would be likely to prejudice the Council's position in negotiations and this outweighs the public interest in disclosure. Furthermore, this document contains legal advice which the Council may not wish to reveal in Court because to do so could prejudice its position. In conclusion, whilst the public interest in releasing this	

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	information is significant in terms of facilitating scrutiny of public expenditure, the public interest in maintaining the confidentiality of the information outweighs the public interest in releasing it.	
13.	VISION TAMESIDE 2 UPDATE AND APPROVAL	249 - 394
	To consider the attached report of the First Deputy (Performance and Finance)/Assistant Executive Director (Development and Investment).	
14.	URGENT ITEMS	
	To consider any items which the Chair is of the opinion shall be considered as a matter of urgency.	

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ITEM NO: 3a

EXECUTIVE CABINET

21 October 2015

Commenced: 2.00pm

Terminated: 2.30pm

Present: Councillor K. Quinn (Chair)
Councillors Cooney, J. Fitzpatrick, Robinson, Taylor, Travis and Warrington.

Apology for Absence: Councillors Kitchen and M Smith.

22. DECLARATIONS OF INTEREST

There were no declarations of interest to report at this meeting.

23. MINUTES

(a) Executive Cabinet

Consideration was given to the Minutes of the meeting of Executive Cabinet held on 26 August 2015.

RESOLVED

That the Minutes of the meeting of Executive Cabinet held on 26 August 2015 be taken as read and signed by the Chair as a correct record.

(b) Strategic Planning and Capital Monitoring Panel

Consideration was given to the Minutes of the Strategic Planning and Capital Monitoring Panel held on 21 September 2015.

RESOLVED

That the Minutes of the Strategic Planning and Capital Monitoring Panel held on 21 September 2015 be received and the following recommendations approved:

Asset Management Update

- (i) That the list of disposals identified in the appendix to the report be approved.
- (ii) That the allocation of £154,100 to undertake building condition replacement / repair projects as detailed in the report be approved.

Education Capital Update

- (i) That approval, in principle, be given to the allocation of funding for condition schemes detailed in the report totalling £1,715,000 within the Education Capital Programme 2016/17 and 2017/18, subject to sufficient funding being made available by the DfE.
- (ii) That approval be given to the allocation of £220,000 basic need funding in respect of the proposed additional classroom at St James', Hattersley.
- (iii) That the allocation of £40,000 Capital maintenance funding in respect of the temporary ICT solution at three BSF schools be approved.

Richmond Street Rail Bridge, Ashton-under-Lyne

- (i) That approved be given for the total sum of £657,425 to be paid to Network Rail as the Council's contribution to the cost of the works to fully reconstruct the bridge and that the Section 151 Officer be authorised to proceed with the most advantageous option in the Council's best interest in respect of financing this contribution.**
 - (ii) That the Executive Director (Place), in consultation with the Executive Director (Governance and Resources), be authorised to negotiate the final terms, which does not increase risk or cost.**
 - (iii) That the Council's Environmental Services (Design and Delivery) team be responsible for making all arrangements for the delivery of the Richmond Street Bridge Span.**
 - (iv) That the Executive Director (Place) be authorised to take any additional actions which may be expedient to give effect to this decision within the funding available for the project.**
- (c) Association of Greater Manchester Authorities / Greater Manchester Combined Authority**

Consideration was given to a report of the Executive Leader and Chief Executive, which informed Members of the issues considered at the Joint Meeting of the Greater Manchester Combined Authority and AGMA Executive Board on 31 July 2015 and the Greater Manchester Combined Authority on 31 July 2015 and 28 August 2015. Reference was also made to the Greater Manchester Combined Authority and AGMA Executive Board Forward Plan of strategic decisions.

RESOLVED

That the Minutes and the Forward Plan of strategic decisions be noted.

24. TAMESIDE TRANSPORT INTERCHANGE

Consideration was given to a report of the Executive Member (Transport and Land Use) and the Assistant Executive Director (Development, Growth and Investment) summarising progress in the redevelopment of the new Tameside Interchange.

It was explained that following the July 2014 funding award, a comprehensive tendering exercise was undertaken by Transport for Greater Manchester, as the delivery agents for the project. The project would see a new interchange constructed primarily on the existing site, but with the footprint shifted slightly to the west to better tie in with the new Metrolink stop in Ashton town centre.

One of the key drivers of the project was better integration with the tram stop at Ashton allowing for multi modal journeys to take place in a seamless manner and enable more passengers to make sustainable choices with regard to transport across Greater Manchester. The majority of stands would operate from a single concourse building although there would be several stands located immediately adjacent to the tram stop. The interchange would incorporate a number of environmentally sustainable initiatives such as rain water harvesting and solar power generation.

Members heard that as part of the consultation process, five public events had been held at various locations in the area in addition to a number of stakeholder meetings. Some 7,600 leaflets were distributed and a number of responses were received to the consultation which closed on 15 September 2015.

In summary, a number of comments were made by members of the public in relation to the design proposals and whilst largely supportive, there were a number of issues raised that would be

addressed by the project team prior to the submission of a planning application. Briefly, these included:

- The need for a completely covered area including links between the main concourse and the stands immediately adjacent to the Metrolink station itself;
- Linked bus, Metrolink and rail information screens; and
- Improved security.

Following completion of the public consultation exercise, it was intended that the submission of a planning application would take place in late 2015 / early 2016 and the commencement of works on site in late 2016 / early 2017. In conjunction with other investment opportunities through the Vision Tameside initiative, funding for improved pedestrian links with the heavy rail facility at Ashton Rail would be sought.

Further to the main planning submission, Transport for Greater Manchester was considering a number of enhancements to the existing Ashton Metrolink stop to complement the new Interchange. In addition, a parallel initiative was being progressed to explore potential mixed-use and other development opportunities which might be appropriate for construction on the site beside the core transport infrastructure.

In conclusion it was explained that the new Tameside interchange formed part of a multi-million investment package of measures for the whole of Ashton town centre area. Together with the new sixth form college, the proposed shared Administration Centre, the St Petersfield development area and investments to the strategic highway network, Tameside continued to see a major reinvention of the borough's main administrative and retail centre within the borough.

RESOLVED

- (i) That the progress report be noted.**
- (ii) That the new interchange scheme be known as the Tameside Interchange to reflect the economic benefit it would bring to the whole Borough.**

25. VISION TAMESIDE

Consideration was given to a report of the First Deputy (Performance and Finance), the Assistant Executive Director (Asset and Investment Partnership Management) and the Assistant Executive Director (Development, Growth and Investment) updating Members with progress in respect of the Vision Tameside Phase 2 programme and any potential financial implications. The report also sought approval for the making of a future key decision to approve a comprehensive programme of public realm and infrastructure improvements in Ashton Town Centre.

The Assistant Executive Director (Asset and Investment Partnership Management) advised that the programme to deliver the Vision Tameside 2 project was progressing well. However, there were cost implications from the design development, IT and furniture and equipment that needed to be managed within the programme. The purchase of James Howe Mill, Turner Lane, Ashton, had been completed with progress by Vodafone in respect of their relocation of the mast on TAC being closely monitored. At the present time it appeared that the temporary relocation of a mast on Union Street car park would still be required. There was a risk of delay as the masts would need to be disconnected and removed before the tower area of the TAC building could be demolished.

The Assistant Executive Director (Development, Growth and Investment), continued by outlining the delivery of high quality public realm works which would support the objectives of the Vision Tameside programme.

The project area had been split into 10 Zones to effectively manage and co-ordinate project development, delivery and phasing. It would also ensure that the four key primary design objectives were achieved. A map of the project scope, identifying each Zone was submitted

demonstrating the impact and integration of the 10 Zones together with a status and progress update for each Zone.

Details of the estimated budget costs and sources of funding were highlighted. The Council had currently committed a total of £7.1 million to this project and it was noted that the report identified potential estimated costs of £9.793 million for work in all the Zones. Therefore the shortfall of £2.662 million would need to be identified from either third parties or a decision taken to reduce the scope of the works. Negotiation with partners was ongoing and further information would be provided in a future report once the funding package had been developed further.

Members considered that due to its high profile, robust governance arrangements would need to be followed in line with Council governance arrangements to secure the successful project delivery of the Ashton Town Centre Public Realm. It was proposed that Assistant Executive Member (Performance and Finance) would take a political lead in relation to financial management reporting to the First Deputy and the Executive Board for direction with any governance decisions being made through Strategic Planning and Capital Monitoring Panel and Cabinet subject to key decisions where required. A full risk register, including details of the range of governance, financial and delivery risks was monitored at the project level at the monthly Task Group meetings and would be overseen by the Project Board.

Executive Cabinet was also advised on planned communication activity over the coming months attached to key development stages of the project. It was proposed that to assist with brand concept the naming of the new Council Offices would need to be addressed and possible suggestions included in a report to Executive Board for consideration.

RESOLVED

- (i) That the Vision Tameside Phase 2 progress update be noted.**
- (ii) That approval be given to the following approach to the delivery of the Ashton Town Centre Public Realm project as follows:**
 - a) That the outline proposals for the 10 Zones in the project as outlined in the report be approved.**
 - b) To note the governance arrangements whereby the Assistant Executive Member (Performance and Finance) would take a political lead in respect of the oversight of the project particularly in relation to ensuring delivered within budget reporting to the First Deputy and the Executive Board for direction with any governance decisions being made through the Strategic Planning and Capital Monitoring Panel and Cabinet subject to key decisions where required.**
 - c) To receive a future report on the outcome of further detailed project development and consultation with key stakeholders including some clear understanding of the costs outlined 5.34 of the report would be funded.**
- (iii) That a report be prepared for future Member consideration listing suggestions for the name of the new Council Offices.**

26. URGENT ITEMS

The Chair reported that there were no urgent items for consideration at this meeting.

CHAIR

STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

30 November 2015

Commenced: 2.00pm

Terminated: 3.05pm

Present:

Councillor J Taylor (In the Chair)

Councillors Cooney, Dickinson, Fairfoull and McNally

Monitoring Officer

Sandra Stewart

Section 151 Officer:

Peter Timmins

Also in attendance:

Robin Monk, Angela Hardman, Damien Bourke, Paul Moore, Emma Varnam and David Boulger

Apologies for Absence:

Councillor K Quinn, J Fitzpatrick and B Holland

23. DECLARATIONS OF INTEREST

Members	Subject Matter	Type of Interest	Nature of Interest
Councillor Dickinson	Agenda Item: 9 – Greater Manchester Broadband	Prejudicial	Member of the Transport for Greater Manchester Committee

Councillor Dickinson left the room during consideration of the above and took no part in the voting or discussion thereon.

24. MINUTES

The Minutes of the meeting of the Strategic Planning and Capital Monitoring Panel held on 21 September 2015 were signed by the Chair as a correct record.

25. CAPITAL MONITORING REPORT

Consideration was given to a report of the First Deputy (Performance and Finance)/Interim Assistant Executive Director (Finance) detailing the capital monitoring position at 30 September 2015. The report showed projected capital investment of £52.044 million by March 2016. This was £14.712 million less than the current budget. Re-phasing of £14,590 million into the next financial year was therefore proposed, which would reduce the variation to £0.122 million.

Details of the projected outturn capital expenditure at September 2015 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, capital receipts and prudential indicators and it was -

RESOLVED

- (i) That the current capital monitoring position be noted;
- (ii) That the resources currently available to fund the capital programme be noted;
- (iii) That the re-phasing to reflect up-to-date investment profiles be approved;

- (iv) That the current position with regard to Compulsory Purchase Orders (CPO's) and Indemnities be noted;**
- (v) That the changes to the capital programme be noted;**
- (vi) That the capital receipts position be noted; and**
- (vii) That the changes to the Prudential Indicators be approved.**

26. VISION TAMESIDE PHASE 2

Consideration was given to a report of the Assistant Executive Director (Sustainable Growth and Assets) 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 in September 2015. The demolition of TAC was progressing well with Level 7 completely clear and the goods lift decommissioned. Vodafone had installed their temporary mast on Union Street Car Park and were in the process of installing their permanent mast on Howe Mill. Internal and external dilapidations survey in respect of Ashton Town Hall had been completed and the ground investigations under TAC were underway and the United Utilities diversion had been completed. It was reported that due to the identification of asbestos in the mastic around the windows in TAC and in the concrete panels, the demolition programme was six weeks behind. An alternative demolition strategy had been developed, which would reduce the delay to an estimated three weeks, with demolition completing in June 2016.

A number of further key milestones were detailed as follows:

- Hoardings around the site were 100% complete;
- Refurbishment and demolition surveys were 100% complete;
- The works to separate services and reconnect to Ashton Town Hall are 100% completed;
- The demolition of Wilko's roof and soft strip of the Warrington Street and Market Street elevation was 100% completed;
- 15% of the hand separation from Ashton Town Hall been completed; and
- 50% of the asbestos had been removed from the market Place and Warrington Street elevations.

In respect of the development of the new build; discussions had progressed with the College, Job Centre Plus and the Clinical Commissioning Group about their proposed space and these had now been finalised. The analysis of furniture, fittings and equipment for all elements of the new scheme had been completed as part of the draft Stage 2 submission, which was received on 19 October 2015. The original £1.5 million budget for the Council and partners had been confirmed to be sufficient at Stage 2. The Stage 2 submission for the scheme had been submitted to the Council for approval. The main cost pressures were an additional £706,000 relating to the additional asbestos found in TAC, inflation and the projected £765,000 additional projected costs of the furniture and equipment for the College.

Approval was sought from the Panel for approval to be sought from Executive Cabinet to accept the Stage 2 proposal provided that the TIP confirmed that the project met the scope, was affordable and represented value for money, and approve the virement of budgets requested an authorise the Executive Director, Place, in consultation with the Borough Solicitor to negotiate and agree a contract for the construction of the new building.

Details of the updated programme for Vision Tameside Phase 2 were given, which informed Members that the new building would be delivered for March 2018.

With regard to financial implications, it was reported that the projected costs of the Vision Tameside Phase 2 building, decant work, public realm and potential costs of the early terminated of the Wilkinson's lease had been reported throughout the project. Details were given of budgets previously approved and current projected costs.

It was reported that the risk profile of the programme of activity was being reviewed through the Stage 2 process and details of risks going forward as the programme developed were explained.

It was concluded that the programme to deliver the Vision Tameside Phase 2 project was progressing well, however, there were cost implications from design development, IT and furniture and equipment that needed to be managed within the programme.

There were as yet unquantified risks relating to the treatment of the exposed Ashton Town Hall façade, ground conditions under TAC and also the extent of the fixed furniture in the College element of the Vision Tameside Phase 2 building and further design changes. If costs exceed budget, virement from the contingency allocation or savings elsewhere would need to be identified.

The current programme would deliver the new building for March 2018, due to delays in vacating the TAC building. However work was being undertaken to identify if the current projected delay could be mitigated.

Expenditure on all elements of the programme would be closely monitored on a fortnightly basis to ensure that the programme was delivered with the approved budget. The outstanding agreements for lease and leases with partners and particularly Tameside College, CCG and Job Centre Plus must be resolved as soon as possible to confirm the occupation in the new building and also enable capital and revenue budgets to be confirmed.

RESOLVED:

That the following recommendations be made to Executive Cabinet:

- (i) **That, subject to receipt from the TIP that the project represents value for money, the Stage 2 proposal be accepted in principle and authorisation be given to the payment of the Design and Development Fees to bring the project to phase 2 of £1 million, which are in line with the budget for the project, be accepted in principle;**
- (ii) **That virement be approved as follows:**

Expenditure	Projected Expenditure May 2015 £	Projected Expenditure Stage 2 November 2015 £	Virement Requested Stage 2 November 2015 £
Construction and Demolition	35,049,251	36,694,792	1,645,541
TMBC Furniture Budget	1,500,000	1,213,000	-287,000
TMBC construction contingency	941,316	250,000	-691,316
Contingency for inflation	2,642,327	2,294,291	-348,036
Total Construction Costs	40,132,894	40,452,083	319,189
Additional asbestos removal costs in TAC		706,997	706,997
Total	40,132,894	41,159,080	1,026,186
Less SFA grant	-4,000,000	-4,000,000	0
Net construction costs	36,132,894	37,159,080	1,026,186
Additional Costs Confirmed			
Decant / condition works	2,824,452	2,764,452	-60,0000
Co-op bank termination of lease	100,000	100,000	0
Programme Management	100,000	100,000	0
Fit out costs of temporary store re Early	850,000	832,978	-17,022

Lease termination – Wilkos			
Additional Costs to be Confirmed			
College Fixed Furniture and Equipment	300,000	300,000	
Fit out costs re Early Lease termination – Wilkos	859,900	859,900	0
Public Realm	2,631,000	2,631,000	
Document Scanning	500,000	250,000	-250,000
Potential loss of profits Wilkos	550,000	550,000	0
Legal costs of construction works	50,000	50,000	0
IT Enablement	2,194,000	2,194,000	0
Programme Contingency	1,581,548	882,384	-699,164
Total	48,673,794	48,673,794	0

- (iii) That the Executive Director, Place, and the Borough Solicitor be authorised to negotiate and agree a design and build contract for the Vision Tameside Phase 2 building.

27. ASSET MANAGEMENT UPDATE

Consideration was given to a report of the Assistant Executive Director (Sustainable Growth and Assets) 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.

Details were given of the disposal of assets and it was reported that all of the surplus leased properties had been vacated, and in most cases, dilapidations had been agreed and completed. The exact level of dilapidation in respect of Good Hope Mill was still being negotiated and would be subject to further reports to the Strategic Capital Panel and formal governance.

It was also reported that the Council still had a number of long leases in respect of Plantation Estates and Portland Basin and in addition, leases the former St Ann's RC Primary School in Ashton as a training centre.

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. An analysis of repairs was detailed totalling £101,600.

In addition to the above, Members were informed that the demolition of TAC meant that the Authority needed to re-establish a centre for the CCTV operation. The Authority had ceased the operations of the existing CCTV service and put in place interim measures as a result of the closure of TAC. A solution had been developed to deliver the CCTV solution with the programme expected to finish installation by mid-December. The cost of this would be £849,488 and a request was made to allocate this sum to the project from the capital programme

It was further reported that the management of CCTV would be responsibility of the Adult Services who currently manage the Community Response and Emergency Control with the aim of bring the services together within a period of time. The new control room would have a range of facilities that would allow it to become a business that would income generate and a good marketing strategy would be required that would allow business to be brought to the organisation. CCTV had the ability to be cost neutral within two years, but would also have the capacity to make a profit that

could be invested in other business opportunities. A full business plan would be provided for the next meeting of the Panel and/or Executive Cabinet setting out how it would be cost neutral.

As previously reported, the capital receipts that were anticipated to be received over the next three years were as follows:

Estimated Receipt Required to Balance Capital Programme	2015/16 Est	2015/16 Actual to Date	2016/17 Est	Post 2016/17 Est	Total over 3 years
£000	£000	£000	£000	£000	£000
16,333	15,000	6,313	15,000	15,000	45,000

The above summary of estimated capital receipts was based on land and property already identified for disposal and reflected either firm offers received or the best estimate of the capital receipt that was likely to be received. A target of £15 million per annum receipts had been set for the next three years. A list of properties was being considered for future reporting to the Panel. Information in respect of properties that had been identified for disposal or where tenants had sought to acquire the freehold of the properties being leased were detailed in **Appendix 1** to the report.

Members were also informed that the Council had a 10% investment in the TIP, known as Inspiredspaces Tameside Limited and a 45% share of the investment Inspiredspaces (ProjectCo1) Limited, Inspiredspaces (ProjectCo2) Limited, Inspiredspaces Tameside (Holdings1) Limited, and Inspiredspaces Tameside (Holdings2) Limited. The Council was required to appoint a director and alternative director to the five companies. Steven Pleasant, Chief Executive, being the Council's representative Director and Elaine Todd, former Assistant Executive Director, Asset and Investment Partnership was the Alternate Director. As Elaine Todd had now left the employ of the Authority, it was proposed that Robin Monk as Executive Director, Place, be a straight replacement for Elaine Todd as Steven Pleasant's Alternate Director and her position on the five boards.

RESOLVED

That the following recommendations be made to Executive Cabinet:

- (i) That the list of disposals identified in Appendix 1 to the report be approved;**
- (ii) That the allocation of £101,600 to undertake building condition replacement/repair projects as detailed within the report, be approved;**
- (iii) That an allocation of £849,488 in respect of the CCTV installation at Dukinfield Town Hall is provisionally made subject to a full business case being presented at the Cabinet or the next Strategic Capital Panel with procurement through the ESPO framework as set out in Appendix 2 of the report, be approved; and**
- (iv) The Executive Director, Place, Robin Monk, be appointed as the Alternate Director to Steven Pleasant, Chief Executive, replacing Elaine Todd, the former Assistant Executive Director, Assets and Investment in respect of the inspiredspaces Tameside Limited; inspiredspaces (Project1Co1) Limited, inspiredspaces (ProjectCo2) Limited, inspiredspaces Tameside (Holdings1) Limited, and inspiredspaces Tameside (Holdings2) Limited companies. Noting that any director fees payable were not paid to the offices but used to support the BSF affordability.**

28. EDUCATION CAPITAL UPDATE

Consideration was given to a report of the Assistant Executive Director (Sustainable Growth and Assets) advising the Panel of work required to address condition needs in a number of primary schools and plans for increased capacity in schools identified for expansion.

It was explained that the Council had 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 had the responsibility for the maintenance of community and voluntary aided school buildings, even though it does not own voluntary aided school buildings.

It was reported that a significant number of capital projects were delivered over the summer of 2015, however, a number of schemes were still in construction, including:

- The new Broadoak 2FE primary school building, which started on site in July 2015, with the new school being completed in February 2018;
- The new 2FE school for Discovery Academy, off Porlock Avenue in Hattersley, which was due for completion in July 2016; and
- The schools strategic repair and maintenance programme.

With regard to education investment, the Council received notification from the DfE on 10 February 2015 that Condition Funding of £1,920,166 would be allocated for maintained schools in respect of the financial year 2015/2016. In addition, £768,060 was allocated to Voluntary Aided schools. The funding for Voluntary Aided Schools was prioritised and agreed by the four dioceses in Tameside and did not appear on the capital programme. Allocations for 2016/17 and 2017/18 were expected to be at similar levels but would be reduced to take account of any additional schools that converted to Academy Trusts.

Members were advised that the Council had already been notified of Basic Need Funding for 2015/16 of £5,663,234 and £5,946,396 for 2016/17 was confirmed last financial year. Basic Need funding of £6,542,566 for the financial year 2017/2018 was confirmed on 12 February 2015.

It was further reported that the majority of primary basic need schemes required had already been approved. However, the cost of the offsite highway works for the Discovery Academy had now been received at a cost of £451,969 including site investigations. Developer Contributions of £301,782 were allocated to these costs in March 2015 (meeting of the Strategic Planning and Capital Monitoring Panel of 2 March 2015, Minute 45 refers), the balance of £150,187 would need to be financed from Basic Need in 2016/2017, unless further S106 and Developer Contributions could be allocated to the scheme.

The focus for 2016/2017 and future schemes would be mainly related to increasing the capacity of high schools, to accommodate the increase in pupils moving through primary schools into the secondary schools. The only current costed scheme was a project to create two teaching spaces out of a larger space at St Damian's High School at a cost of £250,000, which would increase the Planning Admission Number by 10.

With regard to Condition and Maintenance Schemes, the Council had undertaken additional condition surveys of a number of schools whose condition was known to be deteriorating and a number of schemes were recommended for approval for funding at the last meeting of the Panel. However, requests had been made at three schools for tarmac ramps and paths, Hurst Knoll, Stalyhill Infants, Bradley Green, required for pupils needing additional with mobility needs at a cost of £40,420. The 2015/2016 Capital Maintenance Grant of £1.920 million had been fully committed in the current financial year.

Members were informed that Astley Sports College had applied for a capital grant to fund the development of a 3G football pitch on its grounds. The Football Foundation grant came with a number of conditions (details of which were appended to the report), which the Council needed to be satisfied had been addressed in advance of accepting the associated terms.

The Football Foundation had provisionally allocated £487,227 of capital grant towards the project which was 83% of the estimated costs of the project. The remaining balance of the capital funding required was £100,000. Astley Sports College had provisionally identified £65,000 towards this level of funding. The Astley Sports College contribution needed to be formally confirmed by the

schools Governing Body together with additional linked contributions from Cromwell Special School of £10,000 and Yew Tree Primary of £5,000. This left a remaining balance of Capital Funding required of £20,000 which Astley College were requesting the Council provisionally allocate from the 2016/17 Capital Maintenance Grant. The 2016/2017 Capital Maintenance Grant allocation was expected to be confirmed during December 2015.

Members were further informed that the School brought forward a deficit revenue balance of £82,000 from 2014/15. The 3 year budget plan received from the school in April 2015 projected the following cumulative revenue balances:

Financial Year	Projected Cumulative Revenue Balance () = Deficit £
2015/2016 (Adjusted for correct 2014/15 balance brought forward)	(77,466)
2016/2017	(33,834)
2017/2018	201,476

The School currently received a Devolved Formula Capital allocation of £16,000. It was not confirmed at this stage from the school governing body whether this sum would contribute towards the £65,000 committed towards the 17% balance required. If it did, a balance of £49,000 would remain. The table above demonstrated that the school did not have the resource to finance this balance. There was an additional risk that the school was unable to finance the ongoing maintenance costs of the pitch for the duration of the grant conditions. It was essential that the Council received appropriate reassurance from the Governing Body (together with an updated budget plan which had received the appropriate Council scrutiny) that the grant conditions would be adhered to and any associated liabilities could be financed from the school budget before accepting the associated grant conditions.

In respect of risk management, it was reported that the risk of managing the condition and suitability of community and voluntary aided school buildings had been mitigated by successful bidding for additional capital resources over the last fifteen years, from Exceptional Basic Need, Targeted Capital, Building Schools for the Future, Primary Capital Strategy for Change, Priority School Building and Targeted Basic Need Programmes. Recent condition surveys of a number of schools had indicated that urgent work was required to be carried out in order to address health and safety issues and prevent further deterioration. The most urgent investment schemes were proposed to address this.

Plans needed 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.

In conclusion, it was reported that there had been significant capital investment in schools over the last 15 years which would support the Council's delivery of its statutory responsibilities connected with the provision of sufficient and suitable places. The delivery of the core strategy would further increase the demand for places within the next 5 to 20 years as the impact of new homes increased the number of school age children in the Borough, which would need to be planned for carefully.

RESOLVED

That the following recommendations be made to Executive Cabinet:

- (i) The allocation of £40,420 Capital Maintenance grant funding from 2015/16 to construct tarmacadam ramps and paths at Hurst Knoll, Stalyhill Infants, Bradley Green primary schools for pupils needing additional support with mobility;**
- (ii) The schemes detailed in recommendation (i) be funded from the previously approved 2015/16 Capital Maintenance grant schemes listed in the table below, as a result of**

these schemes costing less than originally estimated, and that the schemes below be removed from the existing capital programme:

SCHEME	£
Livingstone Primary – Retaining Wall	3,401
Gorse Hall Primary – Toilet Refurbishment	2,732
Broadoak Primary – Flat Roof Replacement, Main Entrance Modification, Metal Windows Replacement	25,000
Oakdale Primary – Internal Refurbishment	12,000
Buckton Vale Primary – Furniture	5,000
TOTAL	48,133

- (iii) The provisional allocation of £105,187 to finance the cost of off-site access works in respect of the discovery Academy. This will be funded from either the confirmed 2016/17 Basic Need grant funding allocation or any additional S106/developer contributions which are received in the 2016/17 financial year; and
- (iv) In respect of the application by Astley Sports College for a capital grant to fund the development of a 3G football pitch on its grounds, Members, having considered the report and heard the update from the interim Chief Finance Officer felt that they were unable to support the recommendation owing to an absence of a business plan as to how they can fund the match funding of 17% required, together with the maintenance costs arising to create a maintenance fund to replace the artificial turf in year 15 and the lack of necessary assurances from the School. That said the Panel were keen not to lose a significantly grant funded facility for the young people of the Borough and asked that officers work with the school to see if there was an acceptable solution that would enable the Council to support the proposal and make the necessary recommendation to Cabinet.

29. DEVELOPER AGREEMENTS, CONTRIBUTIONS AND SECTION 106 AGREEMENTS

Consideration was given to a report of the Executive Director, Place, summarising the current position with regard to receipts received from Section 106 Agreements and Developer Contributions.

It was reported that the summary position as at 1 September 2015 for Section 106 Agreements totalled £190,000, with Developer Contributions totalling £233,000. The balance of unallocated section 106 funds and developer contributions were as follows:-

- Services for Children and Young People - £124,000 (s106) and £46,000 developer contributions;
- Community Services (Operations) - £43,000 (s106) and £171,000 developer contributions; and
- Engineering Services - £23,000 (s106) and £13,000 developer contributions.

The report further provided an updated position on progress made in implementing a section 106 smart pooling system as a result of changes to the Community Infrastructure Levy Regulations and National Planning Policy.

Members were informed that, in order to effectively manage the s106 smart pooling system, the Council would need to implement a number of changes including establishing a robust monitoring system. A number of these elements had been completed, some were in the process of being implemented, however, there were a number of longer term outstanding actions, which were detailed in the report. To ensure effective management and maximum benefit for the Council from developer obligations, the managing and monitoring of such a system effectively would require

additional officer time to be committed to it beyond existing resources. As an indication, six of the ten Greater Manchester authorities currently had a full or part time s 106 officer.

Historically, it had been reported that officer time may in part be recoverable through administrative fees with many Councils charging between 4% and 5% to cover the management of such a system. However a recent High Court challenge to overturn the decision of a Planning Inspector to not allow the requirement for a monitoring and administration fee failed. The judgement found that the charging of a monitoring fee was not compliant with Regulation 122 of the Community Infrastructure Levy Regulations. Therefore resource would be required outside of the obligation fee in order to fully manage, monitor and capitalise on the s106 income stream in ensuring the Borough receives the developer obligations it needs to mitigate the impact of development.

RESOLVED

- (i) That the current position with regard to receipts received from Section 106 Agreements and Developer Contributions be noted.**
- (ii) That the provision of resources to manage consultee engagement, monitor development triggers, project commencement and update the now implemented smart pooling system to ensure the Council receives the developer obligation funds due, be approved.**

Councillor Dickinson left the room during consideration of the item below and took no part in the voting or discussion thereon.

31. GREATER MANCHESTER BROADBAND

Consideration was given to a report of the Assistant Executive Director, Development, Growth and Assets, providing an update to the 'Get Digital Faster' Superfast Broadband programme currently being delivered across Greater Manchester. It sought approval for a further funding tranche to provide additional demand stimulation, the continued requirements for the upkeep of an SME database for future audits purposes and an extension of time for the programme team to deliver the extended programme.

RESOLVED

That the following recommendations be made to Executive Cabinet:

- (i) That approval be given for a final tranche of funding to the Greater Manchester Superfast Broadband roll out, to:**
 - Agree funding of £20,000 over the two financial years 2015/16 (£5,000) and 2016/17 (£15,000) as part contribution to the initiative. (The other 7 AGMA authorities have already agreed to contribute identical amounts); and**
 - Delegate authority to the Borough Solicitor to enter into any relevant legal agreements and make any necessary decisions to implement the scheme as identified in the report.**

32. LIBRARIES FOR THE 21ST CENTURY

The Head of Stronger Communities submitted a report setting out the current position of the library service following the last review in 2012 and outlined the steps, indicative costs and timescales for taking the service to the next stage of a modern, progressive library service that met the needs of customers, but was still affordable for the Council to sustain.

Details were given of four distinct phases of activity required to achieve the overall vision, as follows:

- Development of the initial programme and business case;
- Implementation of a new Library Management System including self-issue and Radio Frequency Identification (RFID) technology;

- Implementation of technology to allow unstaffed opening hours and thereby reduce staffing costs whilst still allowing access to the service for customers; and
- Recruit volunteers to support the service in specific areas.

RESOLVED

- (i) That the Libraries future vision and support for capital investment to enable technology to be put in place to achieve the ambition of a progressive, modern library service whilst achieving revenue budget reductions, be approved;
- (ii) That the virement of £60,000 to fund the replacement of the Library Management System from the Digital Tameside budget currently within the capital programme and to approve the additional sum of £17,415 to finance the total cost of the system (£77,415), be approved; and
- (iii) The utilisation of £180,000 from the existing Libraries budget within the Capital Programme and an additional capital allocation for the remaining £316,200, be approved. (The total cost of the technological improvements for the wider Library Investment Project is £496,200).

33. URGENT ITEMS

At this juncture, the Chair agreed that it would expedient to consider the Hyde Leisure Phase 2 report in conjunction with an Urgent Item – Acquisition of Hyde United Football Club Clubhouse and Stand, considered as urgent due to time constraints and the recent receipt of the valuation and Club's consent, as both reports involved the consideration of leisure facilities in Hyde.

RESOLVED

That the Acquisition of Hyde United Football Club Clubhouse and Stand be considered as an urgent item, due to time constraints and the recent receipt of the valuation and Club's consent, as both reports involved the consideration of leisure facilities in Hyde.

34. HYDE LEISURE PHASE 2 – OPTIONS APPRAISAL AND ACQUISITION OF HYDE UNITED FOOTBALL CLUB CLUBHOUSE AND STAND

The Director of Public Health submitted a report setting out the historical context of Phase 2 of the Hyde proposals, which were originally put forward in 2011.

It was reported that in order to successfully deliver Phase 2 it was envisaged that the Club would seek a match funding capital contribution from the Premier League's Community Fund. It was agreed that once the outcome of the Community Fund bid was known a further report would be presented to the Council to approve the start of Phase 2.

Due to considerable time lapse that ensued, the matter was considered at the Joint Meeting of the Council's Executive Cabinet and Overview (Audit) Panel on 12 February 2014. At the meeting it was resolved that:

'Hyde United FC be given a deadline of 31 March 2014 to confirm that the necessary funding from the Football Foundation is in place for the scheme. If a definitive guarantee was not provided by 31 March 2014, then the Council's capital support for the scheme would be withdrawn'

It was further reported that funding had not been secured by the deadline established above, and on 14 July 2015 the Council received notification from the club that its bid to the Football Foundation had been unsuccessful.

The Club, having considered its options, was now seeking financial and technical support from the Council to utilise the capital funding to convert the current stadium pitch to a synthetic surface in time for the start of the 2016/17 football season at a cost of £0.405 million. The Club had no match funding and the entire financial liability for the scheme would be with Tameside Council.

Whilst there was an allocation of £0.405 million within the 2015/16 capital programme, Members noted that any approved proposal would need to be financed by borrowing which would require the

related annual revenue repayment. There was no provision within the Council's Medium Term Financial Strategy for this additional expenditure.

The report set out three options available to Members, detailing the benefits and risks of each.

Consideration was then given to the following Urgent Item, Acquisition of Hyde United Football Club Clubhouse and Stand, as referenced above.

The Executive Director, Governance & Resources, explained that Hyde United Football Club currently benefitted from a 125 year lease, dated 21 June 1995, in respect of Ewen Fields, Grange Road, Hyde, which it used as its home football ground and training facility. Whilst the freehold of the site was owned by the Council the assets on the site were owned by the Club.

To alleviate some of the financial pressures and to secure the sustainability of the Club into the future, the club had contacted the Council with a view to surrendering the current 125 year lease in return for a premium and a new lease. It was proposed that the new lease had a significantly shorter term of 25 years on a rolling annual break with the rent remaining at the current level (increased annually in line with the retail price index) and to be contract out of the Landlord Tenant Act 1954.

The Panel were informed that the Council had commissioned a valuation of the clubhouse and grounds and also condition surveys in respect of the building.

The report further provided detail of the proposed transaction and sought approval to accept the surrender of the 125 year lease and to enter into a shorter term lease for 25 years, with a rolling annual break and contracted out of the landlord and Tenant Act 1954, using the opportunity purchase fund to enable the Club to concentrate on developing and sustaining the Club.

Details were also given of:

- The scope of the club house and facilities;
- Market conditions for disposal of similar facilities;
- Valuation;
- Property implications; and
- Financial implications.

The report concluded that Hyde United FC is a long standing, well supported football Club, which, in common with other similar clubs had struggled financially in recent years. The management of the Club had offered the surrender of the 125 year lease for a cash sum, subject to external independent valuation and also in exchange for a shorter 25 year contracted out lease, with a rolling mutual annual break, at a reduced rent of £1,500 per annum.

There was a loan of £50,000 which would need to be discharged on completion, in favour of the beneficiary.

An external valuation of the surrender of the 125 year lease and the granting of a new 25 year contracted out lease, with a rolling mutual break, had been undertaken by Matthews and Goodman. They assessed the value to be between £70k and £125K dependent on annual rental to be paid by the Club as set out in the report.

The benefit to the Council would be to better secure its assets.

Given the financial position of the Club going into administration or other analogous position of insolvency, if this occurred then the deal which the Council proposed, could be reviewed to determine whether it was on solid commercial terms or, if not, with a view to the transaction being set aside. Ultimately this should mean the repayment of the premium. However, the use of an independent valuation should reduce this risk materialising significantly.

The Club had advised, following a meeting on the 26 November 2015, that they would be willing to pay the revised rent of £6.25K to access the £125 premium on the revised lease terms.

RESOLVED

That the following recommendations be made to Executive Cabinet:

- (i) That the Council offer a premium to Hyde United Football Club Limited for the early surrender of the existing 125 year lease in respect of the land and buildings, currently known as Ewen Fields, Grange Road, Hyde, Cheshire. SK14 2SB of £125K and the Borough Solicitor be authorised to grant a 25 year lease at a rental of £6.25K subject to annual RPI, in respect of the same land and buildings, and to reflect the markets terms subject to a rolling annual mutual break, (contracted out of the landlord & Tenant Act 1954), and subject to a condition of the deal, that Hyde United Football Club repays an outstanding loan made to the Club from the premium; and**
- (ii) With regard to the request from Hyde United Football Club, seeking financial and technical support from the Council to utilise the capital funding to convert the current stadium pitch to a synthetic surface in time for the start of the 2016/17 football season at a cost of £0.405 million, that, further to the resolution (i) above, a new bid for support for facilities be submitted to be considered at a later date.**

CHAIR

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ENFORCEMENT CO-ORDINATION PANEL

28 October 2015

Commenced: 10.30 am

Terminated: 11.30 am

Present:	Councillor S Quinn (Chair)	
	Councillors Bowerman, D Lane, Robinson and Taylor	
In Attendance:	Alan Jackson	Head of Environmental Services (Highways)
	Sharon Smith	Head of Environmental Services (Public Protection)
	Jason Dugdale	Development Manager (Planning, Development and Investment)
	Kevin Garside	Integrated Neighbourhood Services Manager
	Mark Hobson	Senior Enforcement Officer (Planning)
	Sarah Dobson	Head of Policy and Communications
Apologies for Absence:	Councillors Middleton and Sweeton and Sandra Stewart, Executive Director (Governance and Resources)	

8. DECLARATIONS OF INTEREST

There were no declarations of interest submitted at this meeting.

9. MINUTES

The Minutes of the meeting held on 29 July 2015 were approved as a correct record.

10. ENFORCEMENT ACTIVITIES

(a) Planning

The Panel received a report of the Assistant Executive Director (Development, Growth and Investment) summarising the enforcement activities during the second quarter, July to September 2015, showing that 73 complaints were received alleging a breach of planning and building control, of which 52 were found to be proven as breaches. This represented a level of breach of 71% meaning 7 out of 10 of the complaints received required further investigation and possibly further action.

During the reported period, 4 formal notices were issued. This included one Enforcement notice, one Planning Contravention notice and two Section 215 notices. The Enforcement Notice related to land at Station Road, Hyde where the owner of a nearby house had stationed a metal storage container and was operating a commercial vehicle repair and metal manufacturing business. The Planning Contravention notice related to a farm in Hyde where the farmer had carried out tipping operations and erected stables on the land. The Section 215 notices related to properties in Denton and Dukinfield which were both untidy residential properties.

It was explained that enforcement action had recently taken place with regard to a residential property in Denton. The Council had received regular complaints from an adjoining resident and local MP about the overgrown condition of the front, side and rear garden areas of the property.

There was also a collapsed timber shed and an accumulation of brick waste from garden walls that had previously been demolished and it was clear that no maintenance had been undertaken at the property for some time. A Section 215 untidy land notice was issued and served on the owner requiring improvements to be made. The owner did not appeal against the notice and also failed to comply with the notice requirements. Direct default action was therefore decided as the best course of action to improve the condition of the property. Default works were carried out at the site in late July 2015 by contractors at a cost of £660 including VAT and this cost was being re-charged to the owner.

Enforcement action had also recently been taken with regard to a residential property in Stalybridge. Regular complaints had been received from adjoining residents, New Charter Housing and Greater Manchester Police about the overgrown condition of the front, side and rear garden areas, broken windows, and missing rainwater goods of this property that had been empty for several years. A Section 215 untidy land notice had been issued to the owner requiring improvements to bring the property back to an acceptable condition. The owner chose to appeal against the notice to Tameside Magistrates Court who eventually rejected the owners appeal and, as the compliance date in the notice had expired without any improvement works having taken place, it was decided direct default action would be taken. Default works were carried out at the site on 10 September 2015 by contractors at a cost of £1440 which was being re-charged to the owner.

Reference was also made to **Appendix 1** containing details of the current enforcement activity where formal notice had been served and cases recently concluded.

RESOLVED

That the report be noted.

(b) Environmental Enforcement

Consideration was given to a report of the Assistant Executive Director (Environmental Services) summarising the key enforcement activity undertaken by the Environmental Enforcement Team during the period April to June 2015.

Panel Members were advised that Environmental Services had been alerted to a number of travellers who had taken up occupancy on Park Road, Hyde on land belonging to the Council. A Removal Order under Section 78 of the Criminal Justice and Public Order Act 1994 was served on all occupants stating that they were now directed to leave the land, remove the vehicle or vehicles and any other property within 24 hours. Officers visited the next day and the caravans were still in situ and following a Court Order being obtained officers visited the site the same day with Police and executed the Order. All caravans were removed and the site was cleaned up and made secure. However, since this time the same travellers had returned to five different sites in Tameside and were currently at Guide Bridge Station. A further group of travellers were also occupying land on Lord Sheldon Way. This issue was taking a significant amount of resources to deal with and regular meetings were being held with the Council's Legal Section to deal with these unauthorised encampments.

Following complaints from a resident of a noise nuisance coming from a food manufacturing plant in Droylsden, investigations had led to the serving of a noise abatement notice on the factory requiring the company to abate the nuisance by taking a staged approach to addressing the problem. The company had employed an acoustic engineer to assess the site and recommend mitigations measures which could be put in place including the fitting of soundproof doors and acoustic cowls to reduce the noise from vents and extraction units. Once these works had been completed, officers would be in a position to determine if these had been successful. The Development Manager (Planning, Development and Investment) added that he would be pursuing a breach of condition notice with the developer of the site who had failed to install an acoustic wall when the houses were constructed some years ago.

In addition, the following matters were also highlighted:

- Summary of Improvement Notices served during this period;
- Details of a prosecution of the owner of a house in multiple occupation for fire safety breaches;
- Public Health Act notice served on the owner of a filthy and verminous property;
- Counterfeit washing powder seized from a warehouse in Hyde;
- Infectious disease cases, Shigella and E-coli investigated by officers;
- Investigations ongoing into allegations that the plume of smoke coming from a chimney stack of a factory was causing health issues and a nuisance;
- Update on a number of waste transfer sights that were not complying with their waste permits;
- Details of the licensing review of Hughes Bar, Denton;
- Application for the transfer of a premises licence and change of DPS refused by Speakers Panel;
- Suspension of premises licence for Caesars Bar, Hyde, following a serious incident on 13 September 2015;
- Details of three taxi drivers reviewed by the Speakers Panel;
- Consultations in respect of three new / revised licensing policies.

RESOLVED

That the content of the update report be noted.

(c) Engineering Services

The Environmental Services Manager (Highways) submitted a report detailing information on enforcement activities relating to abandoned vehicles, skips, scaffolding, pay and display car parking / on-street parking, bus lane enforcement, banner permits and private drainage and utility works.

In particular, there were 95 reports of abandoned vehicles during the quarter compared to the previous quarter of 88, mainly relating to untaxed vehicles. The Service now had access to undertake keeper checks via the NAFN network. In terms of private drainage, the number of requests had decreased to 20, and 19 of the requests received were given an informal settlement. The number of utility openings had decreased slightly since the last quarter, but remained fairly consistent and as predicted the number of defects had decreased from 620 to 287.

As predicted in previous reports, the income from bus lane enforcement had decreased as motorists became aware of the cameras in operation. There was still one camera to be made live at New Beech Street in Hyde as the site required further work and consultation on Traffic Regulation Orders.

The Environmental Services Manager advised on the theft of paving flags from Park Bridge. The individuals responsible had been caught, arrested and charged and the matter was being dealt with through the Courts. The Council would be looking to recover its costs for the replacement and installation of the paving flags.

In conclusion, he stated that for future reports he would be including information on the work of the Risk Management Team in dealing with slip, trip and fall personal compensation injury claims made against the Council.

RESOLVED

That the update report be noted.

(d) Neighbourhood Services

Consideration was given to a report of the Head of Stronger Communities, detailing enforcement activities carried out by Neighbourhood Services over the reported period of 1 April to 30 June 2015 which showed:

- A reduction in reports of littering;
- A reduction in reports of dog fouling;
- A reduction in reports of anti-social behaviour;
- An increase in reports of fly-tipping; and
- 12 successful prosecutions.

Neighbourhood Services officers were at the forefront of partnership working and assisting with corporate projects and there were currently 10 officers on secondment. In addition, 12 officers had volunteered to assist with the Bin Swap initiative at various periods and this would have some impact on frontline capacity.

In relation to anti-social behaviour 4,007 incidents were reported during Quarter 1, a reduction of 440 reports on the corresponding quarter of last year. It was pleasing to note this reduction particularly in areas where joint initiatives with partners developing an approach of enforcement, prevention and diversionary activities was having the desired effect of reducing problems and improving the quality of life for residents having to endure the difficulties.

The service continued to tackle littering and the misuse of public litter bins and in one case a letter found within a bag led officers to an address in Denton and a FPN was issued. On Ridge Hill Lane a persistent offender was caught when he left out cardboard boxes that contained delivery details.

There had been an increase of 10% in the number of reports of fly-tipping and Neighbourhood Services was working closely with colleagues from Waste Services and partners from external agencies to address the problem. Reference was made to details of individual cases where enforcement action had been taken.

Councillor Taylor raised concerns regarding several incidents of graffiti in Ashton Town Centre. It was important to remove graffiti immediately to discourage the offenders from targeting the area again and 'taggers' gained more notoriety the longer the graffiti remained. Photographs had been circulated to partners and efforts were continuing to identify those responsible.

RESOLVED

That the content of the report be noted.

11. WASTE POLICY AND ENFORCEMENT STRATEGY

The Assistant Executive Director (Environmental Services) submitted a report, which explained that following discussion at the last meeting of the Enforcement Co-ordination Panel, a draft policy was considered at the Executive Board meeting on 23 September 2015 where it was agreed that authorisation be given to the commencement of a consultation exercise on the introduction of a proposed waste policy and enforcement strategy.

The consultation would be via 'The Big Conversation' and would run for a period of 5 weeks up to mid-November. Consideration would be given to the responses received and a report drafted for Executive Cabinet for its meeting in December 2015 with a launch date of 1 January 2016 subject to approval. The report for Cabinet would detail the final Waste Policy and Enforcement Strategy to be adopted by the Council together with a detailed communication plan.

Alongside the consultation, consideration was being given to how enforcement would be delivered by the Council moving forward and whether there should be a single regulatory service and a separate report would be taken to Board on this matter.

RESOLVED

- (i) That the content of the report be noted.**
- (ii) That a report be submitted to the next Enforcement Co-ordination Panel detailing the policy following consultation and agreement by the Council.**

12. URGENT ITEMS

The Chair advised that there were no urgent items for the consideration at this meeting.

13. DATE NEXT MEETING

It was noted that the next meeting of the Enforcement Co-ordination Panel would take place on Wednesday 27 January 2015 commencing at 10.30 am.

CHAIR

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ITEM NO: 3(d)

Report To:	EXECUTIVE CABINET
Date:	October 2015
Executive Member/Reporting Officer:	Councillor Kieran Quinn, Executive Leader Steven Pleasant, Chief Executive
Subject:	AGMA EXECUTIVE BOARD MEETINGS / GREATER MANCHESTER COMBINED AUTHORITY
Report Summary:	<p>To inform Members of the issues considered at the October and November meetings of the AGMA Executive Board and Greater Manchester Combined Authority meeting. Under the AGMA Constitution there are provisions to ensure that AGMA Executive deliberations and decisions are reported to the ten Greater Manchester Councils. In order to meet this requirement the minutes of AGMA Executive Board/Greater Manchester Combined Authority meetings are reported to Executive Cabinet on a regular basis. The minutes of the following meetings of the AGMA Executive Board and the Greater Manchester Combined Authority are appended for Members information:</p> <p>GM Combined Authority: 30 October 2015 Joint Meeting of GM Combined Authority and AGMA Executive Board: 30 October 2015 GM Combined Authority: 27 November 2015 Joint Meeting of GM Combined Authority and AGMA Executive Board 27 November</p> <p>Also appended to the report is a copy of the Greater Manchester Combined Authority and AGMA Executive Board Forward Plan of strategic decisions.</p>
Recommendations:	That Members note and comment on the appended minutes and forward plan.
Links to Community Strategy:	The Constitution and democratic framework provides an effective framework for implementing the Community Strategy.
Policy Implications:	In line with council policies.
Financial Implications: (Authorised by the Section 151 Officer)	There are no budgetary implications other than any specific references made in the AGMA Executive Board/Greater Manchester Combined Authority minutes.
Legal Implications: (Authorised by the Borough Solicitor)	Consideration of the AGMA Executive Board/Greater Manchester Combined Authority minutes helps meet the requirements of the AGMA Constitution and helps to keep Members informed on sub-regional issues and enables effective scrutiny. The matter relating to the airport is picked up as a separate report for consideration by members.
Risk Management:	There are no specific risks associated with consideration of the minutes.

Access to Information:

The background papers relating to this report can be inspected by contacting Robert Landon, Head of Democratic Services by:



phone: 0161 342 2146



e-mail: robert.landon@tameside.gov.uk

**NOTICE OF THE DECISIONS AGREED AT THE GREATER MANCHESTER
COMBINED AUTHORITY MEETING HELD ON FRIDAY 27 NOVEMBER 2015
AT TRAFFORD TOWN HALL**

GM INTERIM MAYOR	Tony Lloyd (in the Chair)
BOLTON COUNCIL	Councillor Cliff Morris
BURY COUNCIL	Councillor Mike Connolly
MANCHESTER CC	Councillor Richard Leese
OLDHAM COUNCIL	Councillor Jean Stretton
ROCHDALE MBC	Councillor Peter Williams
SALFORD CC	Ian Stewart
STOCKPORT MBC	Councillor Sue Derbyshire
TAMESIDE MBC	Councillor Kieran Quinn
TRAFFORD COUNCIL	Councillor Sean Anstee
WIGAN COUNCIL	Councillor Peter Smith

JOINT BOARDS AND OTHER MEMBERS IN ATTENDANCE

GMFRA	Councillor David Acton
GMFRA	Councillor John Bell
GMWDA	Councillor Nigel Murphy
TfGMC	Councillor Andrew Fender

OFFICERS IN ATTENDANCE

Keith Davies	Bolton Council
Mike Owen	Bury Council
Howard Bernstein	Manchester CC
Carolyn Wilkins	Oldham Council
Steve Rumbelow	Rochdale MBC
Jim Taylor	Salford CC
Eamonn Boylan	Stockport MBC
Steven Pleasant	Tameside MBC
Theresa Grant	Trafford Council
Donna Hall	Wigan Council
Ian Hopkins	GMP
Andrew Lightfoot	GM Director of Public Service Reform
Mark Hughes	Manchester Growth Company
Simon Nokes	New Economy
Adam Allen	Office of the Interim Mayor and Police & Crime Commissioner
Clare Regan	TfGM
Steve Warrener	TfGM
Dave Newton	TfGM

Liz Treacy	GMCA Monitoring Officer
Richard Paver	GMCA Treasurer
Julie Connor) Greater Manchester
Sylvia Welsh) Integrated Support Team
Kerry Bond)
Rebecca Heron)

149/15 APOLOGIES

Apologies for absence were received on behalf of Jim McMahon (Oldham), Richard Farnell (Rochdale), Margaret Asquith (Bolton), Peter O'Reilly (GMFRA), Cath Piddington (GMWDA), Jon Lamonte (TfGM).

150/15 CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS

The Chair welcomed Ian Hopkins, Chief Constable, GMP to the meeting and informed members that Paul Najsarek, Chief Executive, Bolton Council had left the authority and Margaret Asquith had been appointed as Interim Chief Executive pending the appointment of a new Chief Executive.

On behalf of the GMCA, Tony Lloyd thanked Peter Fahy and Paul Najsarek for their work and commitment to Greater Manchester and wished them well for the future, advising that he would write a letter of thanks to both.

151/15 DECLARATIONS OF INTERESTS

There were no declarations of interests made in respect of any item on the agenda.

152/15 MINUTES OF THE GMCA MEETING HELD ON 30 OCTOBER 2015

The minutes of the GMCA meeting held on 30 October were submitted for consideration.

RESOLVED/-

To approve the minutes of the GMCA meeting held on 30 October 2015.

153/15 FORWARD PLAN OF STRATEGIC DECISIONS OF GMCA

Consideration was given to a report of Julie Connor, Head of the Greater Manchester Integrated Support Team, which set out a Forward Plan of those strategic decisions to be considered by GMCA over the next four months.

RESOLVED/-

To note the Forward Plan of Strategic Decisions as set out in the report.

154/15 TRANSPORT FOR GREATER MANCHESTER COMMITTEE HELD ON 13 NOVEMBER 2015

Members were assured that work is underway on developing and progressing an Integrated Smart Ticketing system for implementation across Greater Manchester.

The meeting was advised that Transport for the North is also looking to develop Northern Smart Ticketing and it was important that the work undertaken by Greater Manchester aligns with this.

RESOLVED/-

To note the minutes of the meeting held on 13 November 2015.

155/15 GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP BOARD HELD ON 12 NOVEMBER 2015

RESOLVED/-

To note the minutes of the meeting held on 12 November 2015.

156/15 GMCA QUARTERLY COMMUNICATIONS UPDATE

Tony Lloyd and Carolyn Wilkins presented a report providing a quarterly update on current and planned GMCA communications and engagement activity.

Members welcomed the report and the steps being undertaken to ensure the GMCA works in an open and transparent way. Today is the first time that the GMCA and AGMA Executive Board meetings have been live streamed and it was suggested that officers should review live streaming facilities across the Greater Manchester venues for future GMCA meetings, with a view to establishing consistency of standards.

Members also commented and welcomed on the new improved website, acknowledging that it will need to continually evolve.

RESOLVED/-

To note progress and upcoming activity and provide feedback.

157/15 SPENDING REVIEW ANNOUNCEMENT

Richard Leese presented a report providing an overview of the additional freedoms and flexibilities awarded to Greater Manchester as part of a further Devolution Agreement which were publicised as part of the Spending Review announcement made on 25 November 2015.

Members were advised that negotiations with Government have been continuous since signing the Devolution Agreement in November 2014, with further work to be undertaken with BIS around Business Support Programmes, specifically for Greater Manchester. A further paper on overall impact of the delivery of the Devolution

Agreement with more detail on timelines will be submitted to GMCA in December. Further announcements specifically around transport are expected, with further work necessary on delivery platforms required to be completed by March 2016.

Members also commented on the need to ensure that skills programmes match future job requirements and the inter-relationship with the Working Well Programme.

RESOLVED/-

1. To endorse the Greater Manchester Agreement: Further Devolution to the Greater Manchester Combined Authority and directly elected Mayor as detailed in Annex A of the report.
2. To agree that a further detailed report be brought to the GMCA meeting scheduled for 18 December 2015.

158/15 GREATER MANCHESTER AREA BASED REVIEW

Sean Anstee presented a report updating members on the Area Based Review process and the impact on provision that the expected outcomes are likely to have. He proposed an amendment to the report (page 8) relating to skills capital funding, recommending that all the schemes detailed are allowed to proceed given significant commitments and progress made in respect of each. This will still leave c.£20m for allocation following completion of the Area Based review.

Sean Anstee also added that he would be writing to all GM MP's to provide them with an update on progress. Members also commented that transport links would be critical in supporting the outcome of the review.

RESOLVED/-

1. To approve the suggested criteria to use as a starting point for discussions with BIS.
2. To approve that the 5 key criteria for GM be applied to the process, as outlined in Section 4 of the report.
3. To approve an amendment as now reported that all the schemes detailed are allowed to proceed given significant commitments made in respect of each.

159/15 GREATER MANCHESTER GROWTH DEAL TRANSPORT UPDATE

Steve Warrener presented a report providing a quarterly update on the latest position in relation to the Local Growth Deal Transport Programme.

Members recognised the impact of major works in Manchester City Centre on the surrounding areas, stressing the importance of collaboration between local authorities. It was noted that Manchester City Council officers have been directed to ensure that capacity of Great Ancoats Street is not reduced under any circumstances.

RESOLVED/-

1. To note the current position in relation to the initial Growth Deal Major Schemes programme.
2. To note the current position in relation to the initial Growth Deal Minor Works programme.
3. To note the current position in relation to the Growth Deal 2 Additional Priorities and Minor Works programmes.
4. To note the ongoing activities that are taking place in order to progress the programme generally.
5. To agree that an update report be submitted to the February GMCA meeting.

160/15 2040 VISION CONSULTATION

Dave Newton presented a report summarising the feedback received during the 12 week consultation (July to October 2015) on the 'Greater Manchester Transport Strategy 2040: Our Vision'.

Members were assured that this Strategy and Transport for the North work streams would be aligned to reflect GM priorities for example, Pennine Tunnel Link. In addition officers are working with local cycling groups and local authorities to ensure all safety issues are addressed.

RESOLVED/-

1. To note the range and nature of responses received on the 2040 Vision consultation.
2. To note that further work, informed by this consultation, is underway to prepare a draft 2040 strategy for GMCA consideration in early 2016.

161/15 GREATER MANCHESTER LOW EMISSIONS STRATEGY AND AIR QUALITY ACTION PLAN

Dave Newton presented a report seeking approval for the Greater Manchester Low Emissions Strategy and the Air Quality Action Plan and to request authorisation to proceed to external consultation.

The meeting was reminded that the Low Carbon Implementation Plan was currently subject to consultation and does need to be aligned with the Low Emissions Strategy and Air Quality Action Plan in the New Year.

RESOLVED/-

1. To endorse the Low Emissions Strategy for Greater Manchester.
2. To endorse the Air Quality Action Plan for Greater Manchester.
3. To authorise the commencement of external consultation for both documents.

162/15 CLUSTER OF EMPTY HOMES PROGRAMME

Councillor Sue Derbyshire presented a report seeking agreement to a delegation to determine the use of £212,000 of remaining funds allocated for the Clusters of Empty Homes Programme.

RESOLVED/-

To delegate authority, to determine the allocation of the remaining funds to Eamonn Boylan, Portfolio Lead Chief Executive for Planning and Housing and Richard Paver, GMCA Treasurer, in consultation with Councillor Sue Derbyshire, Portfolio Lead for Planning and Housing.

163/15 GREATER MANCHESTER HOUSING INVESTMENT FUND – INVESTMENT APPROVAL RECOMMENDATIONS

Councillor Sue Derbyshire presented a report seeking approval of a GM Housing Fund loan of £957,654 to Wiggitt Homes Ltd.

RESOLVED/-

1. To agree that approval be given to the loan of £957,654 to Wiggitt Homes Ltd to deliver it's Charminster Drive, Crumpsall, Manchester development.
2. To delegate authority to the Richard Paver, GMCA Treasurer and Liz Treacy, GMCA Monitoring Officer, to review the due diligence information and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transaction, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the loan at 1) above.
3. To agree that Manchester City Council prepares and effects the necessary legal agreements in accordance with its approved internal process.

164/15 GREATER MANCHESTER INVESTMENT FRAMEWORK AND CONDITIONAL PROJECT APPROVAL

Councillor Kieran Quinn presented a report seeking approval for a loan to Zen Internet Limited and a proposal to reallocate the funding for Project Catalyst to Growing Places.

RESOLVED/-

1. To agree that the project funding application by Zen Internet Limited, (loan of £1,000,000), be given conditional approval and progress to due diligence.
2. To agree that the funding for Project Catalyst (loan of £4,700,000) be reallocated to Growing Places.
3. To delegate authority to the Richard Paver, GMCA Treasurer and Liz Treacy, GMCA Monitoring Officer to review the due diligence information and, subject

to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transaction, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the loan at 1) above.

165/15 EXCLUSION OF PRESS AND PUBLIC

RESOLVED/-

That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following item of business on the grounds that this involves the likely disclosure of exempt information, as set out in paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

166/15 GREATER MANCHESTER HOUSING INVESTMENT FUND – INVESTMENT APPROVAL RECOMMENDATIONS

Councillor Sue Derbyshire presented a report providing detail on the proposed GM Housing Fund loan to Wiggett Homes Ltd for its Charminster Drive, Crumpsall, Manchester development.

RESOLVED/-

To note the contents of this report.

167/15 GREATER MANCHESTER INVESTMENT FRAMEWORK AND CONDITIONAL PROJECT APPROVAL

Consideration was given to a report providing further detail on the funding application from Zen Internet Limited and the Project Catalyst reallocation.

RESOLVED/-

To note the contents of the report.

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**NOTICE OF THE DECISIONS AGREED AT THE JOINT MEETING OF THE GREATER
MANCHESTER COMBINED AUTHORITY AND AGMA EXECUTIVE BOARD HELD ON
FRIDAY 27 NOVEMBER 2015 AT TRAFFORD TOWN HALL**

GM INTERIM MAYOR	Tony Lloyd (in the Chair)
BOLTON COUNCIL	Councillor Cliff Morris
BURY COUNCIL	Councillor Mike Connolly
MANCHESTER CC	Councillor Richard Leese
OLDHAM COUNCIL	Councillor Jean Stretton
ROCHDALE MBC	Councillor Peter Williams
SALFORD CC	Ian Stewart
STOCKPORT MBC	Councillor Sue Derbyshire
TAMESIDE MBC	Councillor Kieran Quinn
TRAFFORD COUNCIL	Councillor Sean Anstee
WIGAN COUNCIL	Councillor Peter Smith

JOINT BOARDS AND OTHER MEMBERS IN ATTENDANCE

GMFRA	Councillor David Acton
GMFRA	Councillor John Bell
GMWDA	Councillor Nigel Murphy
TfGMC	Councillor Andrew Fender

OFFICERS IN ATTENDANCE

Keith Davies	Bolton Council
Mike Owen	Bury Council
Howard Bernstein	Manchester CC
Carolyn Wilkins	Oldham Council
Steve Rumbelow	Rochdale MBC
Jim Taylor	Salford CC
Eamonn Boylan	Stockport MBC
Steven Pleasant	Tameside MBC
Theresa Grant	Trafford Council
Donna Hall	Wigan Council
Andrew Lightfoot	GM Director of Public Service Reform
Ian Hopkins	GMP
Mark Hughes	Manchester Growth Company
Simon Nokes	New Economy

Adam Allen) Office of the Interim Mayor and Police & Crime
Clare Regan) Commissioner
Steve Warrener	TfGM
Dave Newton	TfGM
Liz Treacy	GMCA Monitoring Officer
Richard Paver	GMCA Treasurer
Julie Connor) Greater Manchester
Sylvia Welsh) Integrated Support Team
Kerry Bond)
Rebecca Heron)

113/15 APOLOGIES

Apologies for absence were received on behalf of Jim McMahon (Oldham), Richard Farnell (Rochdale), Margaret Asquith (Bolton), Peter O'Reilly (GMFRA), Cath Piddington (GMWDA), Jon Lamonte (TfGM).

114/15 DECLARATIONS OF INTERESTS

None received.

115/15 MINUTES OF THE JOINT GMCA AND AGMA EXECUTIVE BOARD MEETING HELD ON 30 OCTOBER 2015

The minutes of the Joint GMCA and AGMA Executive Board meeting held on 30 October 2015 were submitted for consideration.

RESOLVED/-

To approve the minutes of the Joint GMCA and AGMA Executive Board held on 30 October 2015.

116/15 FORWARD PLAN OF STRATEGIC DECISIONS OF THE JOINT GMCA AND AGMA EXECUTIVE BOARD AND AGMA EXECUTIVE BOARD

Consideration was given to a report of Julie Connor, Head of the Greater Manchester Integrated Support Team, which set out the Forward Plan of those strategic decisions to be considered over the next four months.

RESOLVED/-

To note the Forward Plan of Strategic Decisions as set out in the report.

117/15 GM PLANNING AND HOUSING COMMISSION – CHANGE IN ROCHDALE MBC NOMINATIONS

RESOLVED/-

To agree to the appointment of Councillor John Blundell, replacing Councillor Linda Robinson on the GM Planning and Housing Commission with effect from 27 November 2015.

118/15 ASYLUM SEEKERS EXECUTIVE BOARD – CHANGE IN BOLTON COUNCIL NOMINATIONS

RESOLVED/-

To agree to the appointment of Councillor Kevin McKeon, replacing Councillor Kate Lewis on the Asylum Seekers Executive Board with effect from 27 November 2015.

119/15 MINUTES OF THE JOINT GMCA AND AGMA SCRUTINY POOL MEETING HELD ON 13 NOVEMBER 2015

RESOLVED/-

To note the minutes of the Joint GMCA and AGMA Scrutiny Pool meeting held on 13 November 2015.

120/15 REVISED AGMA CONSTITUTION

Liz Treacy presented a report requesting the adoption of the revised AGMA Constitution, incorporating changes necessitated by the GMCA joining AGMA as a Full Member.

RESOLVED/-

To approve the adopt the revised AGMA Constitution as set out in Appendix 1 of the report.

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**NOTICE OF THE DECISIONS AGREED AT THE GREATER MANCHESTER
COMBINED AUTHORITY MEETING HELD ON FRIDAY 30 OCTOBER 2015
AT BURY TOWN HALL**

GM INTERIM MAYOR	Tony Lloyd (in the Chair)
BOLTON COUNCIL	Councillor Cliff Morris
BURY COUNCIL	Councillor Mike Connolly
MANCHESTER CC	Councillor Richard Leese
OLDHAM COUNCIL	Councillor Jean Stretton
ROCHDALE MBC	Councillor Peter Williams
SALFORD CC	Councillor David Lancaster
STOCKPORT MBC	Councillor Sue Derbyshire
TAMESIDE MBC	Councillor Kieran Quinn
TRAFFORD COUNCIL	Councillor Sean Anstee
WIGAN COUNCIL	Councillor Peter Smith

JOINT BOARDS AND OTHER MEMBERS IN ATTENDANCE

GMFRA	Councillor Tommy Judge
GMWDA	Councillor Nigel Murphy
TfGMC	Councillor Andrew Fender

OFFICERS IN ATTENDANCE

Margaret Asquith	Bolton Council
Mike Owen	Bury Council
Carolyn Wilkins	Oldham Council
Howard Bernstein	Manchester CC
Steve Rumbelow	Rochdale MBC
Jim Taylor	Salford CC
Eamonn Boylan	Stockport MBC
Steven Pleasant	Tameside MBC
Theresa Grant	Trafford Council
Alison McKenzie Folan	Wigan Council
Peter O'Reilly	GM Fire & Rescue
Ian Hopkins	GMP
John Bland	GM Waste Disposal Authority
Simon Nokes	New Economy
Adam Allen	Office of the Police & Crime Commissioner
Jon Lamonte	TfGM

Liz Treacy
Richard Paver
Andrew Lightfoot
Julie Connor
Sylvia Welsh
Kerry Bond

GMCA Monitoring Officer
GMCA Treasurer
GM Public Service Reform
) Greater Manchester
) Integrated Support Team
)

138/15 APOLOGIES

Apologies for absence were received on behalf of David Acton (GMFRA), Richard Farnell (Rochdale), Donna Hall (Wigan), Paul Najsarek (Bolton), Cath Piddington (GMWDA) and Ian Stewart (Salford).

139/15 CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS

There were no Chair's announcements.

140/15 DECLARATIONS OF INTERESTS

Councillor Leese declared a prejudicial interest in item 9, Greater Manchester Investment Framework and Conditional Project Approval, as a Director of Manchester Ship Canal Company and left the room during discussion of this item.

141/15 MINUTES OF THE GMCA MEETING HELD ON 25 SEPTEMBER 2015

The minutes of the GMCA meeting held on 25 September were submitted for consideration.

RESOLVED/-

To approve the minutes of the GMCA meeting held on 25 September 2015.

142/15 FORWARD PLAN OF STRATEGIC DECISIONS OF GMCA

Consideration was given to a report of Julie Connor, Head of the Greater Manchester Integrated Support Team, which set out a Forward Plan of those strategic decisions to be considered by GMCA over the next four months.

RESOLVED/-

To note the Forward Plan of Strategic Decisions as set out in the report.

143/15 CITIES AND LOCAL GOVERNMENT DEVOLUTION BILL UPDATE

Liz Treacy, GMCA Monitoring Officer, updated members on the progress of the Cities and Devolution Bill and outlined subsequent stages. The second day of committee would now be on 17 November 2015.

Members reaffirmed the GMCA's position that adoption of an elected mayor was always contingent on Greater Manchester receiving devolved powers in relation to transport powers as outlined in the Devolution Agreement.

RESOLVED/-

1. To note the progress on the Bill and that a further report will be provided when the Bill has completed its passage through Parliament.
2. That officers be requested to seek assurances from Government in relation to the devolution of transport powers in line with the signed Devolution Agreement.

144/15 CAPITAL EXPENDITURE UPDATE 2015/16

Richard Paver, GMCA Treasurer, presented an update report in relation to the Greater Manchester Combined Authority 2015/16 capital expenditure programme.

RESOLVED/-

1. To approve the revisions to the capital budget as set out in appendix A and detailed within the report.
2. To note the actual expenditure as at August 2015 and the current 2015/16 forecast compared to the revised 2015/16 capital budget.
3. To approve the addition of the Cycle City Ambition Grant (CCAG) 2 into the capital programme; and
4. To approve the virement of £1.2 million of Growth Deal funding for the Great Ancoats Street scheme to the Hyde Road scheme as detailed in paragraph 5.2

145/15 GREATER MANCHESTER ROAD ACTIVITY PERMIT SCHEME (GMRAPS): YEAR 2 FURTHER PROGRESS

Jon Lamonte, Chief Executive, TfGM, provided an update of the operation and financial performance of GMRAPS performance halfway through its third year.

RESOLVED/-

1. To note the operational update.
2. To approve the introduction of the proposed Key Performance Indicators (KPIs), as contained in the statutory permit guidance document, when the scheme is next varied.
3. To approve the change in the rate of set-up cost amortisation from the current rate of five years to the originally agreed basis of over the first three years of scheme operation.
4. To approve the implementation of a Key Route Network (KRN) Local Authority Allowable Cost Reimbursement rate, from April 2016, the basis of which has been agreed with Local Authority representatives.

5. To approve the implementation of updated non-KRN Local Authority Allowable Cost Reimbursement rates, from April 2016.

146/15 GREATER MANCHESTER INVESTMENT FRAMEWORK AND CONDITIONAL PROJECT APPROVAL

Eamonn Boylan, Chief Executive, Stockport MBC, introduced a report seeking approval for a Growing Places loan to fund infrastructure works at Port Salford, and recycled Regional Growth Fund loans to B&H Precision Tools and RealityMine. Further details of the projects are included as a more detailed report, considered in the confidential part of the agenda due to the information relating to the business affairs of the applicants.

RESOLVED/-

1. To agree that the project funding applications by Port Salford Holdings Limited, a subsidiary of the Peel Group, (loan of £4,600,000), B&H Precision Tools (loan of £550k) and RealityMine Phase 2 (loan of £1,250,000) be given conditional approval and progress to due diligence.
2. To delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transactions, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the loans at 1) above.

147/15 EXCLUSION OF PRESS AND PUBLIC

RESOLVED/-

That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following item of business on the grounds that this involves the likely disclosure of exempt information, as set out in paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

148/15 GREATER MANCHESTER INVESTMENT FRAMEWORK AND CONDITIONAL PROJECT APPROVAL

Consideration was given to a report providing further detail on the funding application from Port Salford Holdings Limited for £4,600,000, B&H Precision Tooling for £550,000 and RealityMine Phase 2 for £1,250,000.

RESOLVED/-

To note the contents of the report.

NOTICE OF THE DECISIONS AGREED AT THE JOINT MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY AND AGMA EXECUTIVE BOARD HELD ON FRIDAY 30 OCTOBER 2015 AT BURY TOWN HALL

GM INTERIM MAYOR	Tony Lloyd (in the Chair)
BOLTON COUNCIL	Councillor Cliff Morris
BURY COUNCIL	Councillor Mike Connolly
MANCHESTER CC	Councillor Richard Leese
OLDHAM COUNCIL	Councillor Jean Stretton
ROCHDALE MBC	Councillor Peter Williams
SALFORD CC	Councillor David Lancaster
STOCKPORT MBC	Councillor Sue Derbyshire
TAMESIDE MBC	Councillor Kieran Quinn
TRAFFORD COUNCIL	Councillor Sean Anstee
WIGAN COUNCIL	Councillor Peter Smith

JOINT BOARDS AND OTHER MEMBERS IN ATTENDANCE

GMFRA	Councillor Tommy Judge
GMWDA	Councillor Nigel Murphy
TfGMC	Councillor Andrew Fender

OFFICERS IN ATTENDANCE

Margaret Asquith	Bolton Council
Mike Owen	Bury Council
Carolyn Wilkins	Oldham Council
Howard Bernstein	Manchester CC
Steve Rumbelow	Rochdale MBC
Jim Taylor	Salford CC
Eamonn Boylan	Stockport MBC
Steven Pleasant	Tameside MBC
Theresa Grant	Trafford Council
Alison McKenzie Folan	Wigan Council
Peter O'Reilly	GM Fire & Rescue
Ian Hopkins	GMP
John Bland	GM Waste Disposal Authority
Simon Nokes	New Economy
Adam Allen	Office of the Police & Crime Commissioner
Jon Lamonte	TfGM

Liz Treacy
Richard Paver
Andrew Lightfoot
Julie Connor
Sylvia Welsh
Kerry Bond

GMCA Monitoring Officer
GMCA Treasurer
GM Public Service Reform
) Greater Manchester
) Integrated Support Team
)

105/15 APOLOGIES

Apologies for absence were received on behalf of David Acton (GMFRA), Richard Farnell (Rochdale), Donna Hall (Wigan), Paul Najsarek (Bolton), Cath Piddington (GMWDA) and Ian Stewart (Salford).

106/15 DECLARATIONS OF INTERESTS

None received.

107/15 MINUTES OF THE JOINT GMCA AND AGMA EXECUTIVE BOARD MEETING HELD ON 25 SEPTEMBER 2015

The minutes of the Joint GMCA and AGMA Executive Board meeting held on 25 September 2015 were submitted for consideration.

RESOLVED/-

To approve the minutes of the Joint GMCA and AGMA Executive Board held on 25 September 2015.

108/15 FORWARD PLAN OF STRATEGIC DECISIONS OF THE JOINT GMCA AND AGMA EXECUTIVE BOARD AND AGMA EXECUTIVE BOARD

Consideration was given to a report of Julie Connor, Head of the Greater Manchester Integrated Support Team, which set out the Forward Plan of those strategic decisions to be considered over the next four months.

RESOLVED/-

To note the Forward Plan of Strategic Decisions as set out in the report.

109/15 MINUTES OF THE JOINT GMCA AND AGMA SCRUTINY POOL MEETING HELD ON 9 OCTOBER 2015

RESOLVED/-

To note the minutes of the Joint GMCA and AGMA Scrutiny Pool meeting held on 9 October 2015.

110/15 GREATER MANCHESTER SPATIAL FRAMEWORK – CONSULTATION ON STRATEGIC GROWTH OPTIONS

Eamonn Boylan, Chief Executive, Stockport MBC, introduced a report updating members on the next stage of the Greater Manchester Spatial Framework, seeking approval to a formal consultation process following discussions with Leaders on the final content.

The report also advised that it was proposed the consultation will begin on 9 November 2015 for at least 6 weeks and will be carried out in line with the Statement of Communities Involvement of the 10 local planning authorities.

RESOLVED/-

1. To note the report and agree the approach.
2. To delegate responsibility to make any final amendments to the consultation documents and agree their publication to Eamonn Boylan, Chief Executive, Stockport MBC, in consultation with Councillor Sue Derbyshire, Portfolio Lead member for Planning & Housing.
3. To agree that Greater Manchester continue discussions with Department for Communities and Local Government as outlined in Section 3 of the report.

111/15 HOUSING AND PLANNING BILL

Eamonn Boylan, Chief Executive, Stockport MBC presented a report detailing the key provisions of the Government's Housing and Planning Bill, published on 13 October 2015.

A member expressed concern that this legislation would not help to address the growing demand in Greater Manchester for affordable rented housing for those on low incomes given the current economic climate.

It was noted that a further paper presenting options under development to identify how these issues might be addressed as they affect Greater Manchester would be considered at an informal meeting of leaders later in the day. It was also suggested that the further paper could be made publicly available once discussed so that there is a general understanding and awareness of the context, constraints of work currently being undertaken to address the needs of Greater Manchester residents more specifically.

RESOLVED/-

To note the key elements of the Housing and Planning Bill.

112/15 AGMA REVENUE BUDGET MONITORING UPDATE 2015/16



Richard Paver, GMCA and AGMA Treasurer, presented a report informing members of the 2015/16 forecast revenue outturn position as at end September 2015.

In response to a question it was confirmed that conversations were being undertaken across the relevant agencies to ensure Operation Challenger would be as sustainable going forward and that the funding request from the Police and Crime Panel support costs was for

RESOLVED/-

1. To note the report and the current revenue outturn forecast for 2015/16 which is projecting an underspend of £268,000.
2. To note and approve the funding requirements for Operation Challenger as detailed in the report and approve the virement of £121,000 from the Police and Crime Panel support costs budget to the project budget as detailed in paragraphs 2.1 to 2.3 of the report, noting that the funding is for 2015/16 only and that longer term funding requirements will need to be addressed.
3. To approve the remaining revisions to the revenue budget plan 2015/16 as identified in the report and described in paragraph 2.4 of the report.
4. To note the position on reserves as highlighted in paragraph 3 of the report.

ITEM NO: 4

Report To:	JOINT EXECUTIVE CABINET & AUDIT PANEL
Date:	16 December 2015
Reporting Officer:	Councillor Kieran Quinn – Executive Leader, Tameside MBC. Steven Pleasant – Chief Executive, Tameside MBC Gareth Mills – Senior Manager, Grant Thornton
Subject:	ANNUAL AUDIT LETTER
Report Summary:	This report and the attached letter provides the Executive Cabinet and Audit Panel with the External Auditor's (Grant Thornton) findings for 2014/15 in respect of the audit of the Council's financial statements and the assessment of the Council's arrangements to achieve value for money in its use of resources. It reports unqualified accounts and concludes that the Council has proper arrangements in place to secure value for money.
Recommendations:	That the Executive Cabinet and Audit Panel note the report of Grant Thornton covering the audit of the Council's statement of accounts, the issues raised and the positive conclusion regarding value for money.
Links to Community Strategy:	The Sustainable Community Strategy and Local Area Agreement are key documents outlining the aims of the Council and its partners to improve the borough of Tameside (agreed in consultation with local residents).
Policy Implications:	The Annual Audit Letter provides valuable evidence regarding the quality of the financial statements of the Council and its ability to ensure that good value for money is provided.
Financial Implications: (Authorised by the Section 151 Officer)	There are no direct financial implications as a result of this report. However, the Annual Audit Letter does provide valuable evidence of the quality of financial management in the Council and demonstrates that high standards are being maintained despite the financial pressure the Council continues to address. This and the last report published on the 21.09.15 from our auditors demonstrate that whilst we are as resilient as we can be and compared with other councils doing extremely well in addressing our challenges, there is no room for complacency.
Legal Implications: (Authorised by the Borough Solicitor)	This report is a key accountability measurement as to how well as a Council we are performing in relation to delivering value for money and service delivery outcomes. It is a measure as to how well we are performing as guardian of public funds. the two priority areas are being addressed.
Risk Management:	The audit provides external verification from an independent organisation.
Access to Information:	Background papers relating to this report can be inspected by contacting Beverley Stephens, Head of Resource Management:-  Telephone:0161 342 3887  e-mail: Beverley.stephens@tameside.gov.uk

1. BACKGROUND

- 1.1 This report is an annual report from the external auditor issued in line with Audit Commission and wider auditing guidelines. It sets out the conclusions arising from the auditors' work for the financial year ending 31 March 2015 and draws together previous reports issued earlier in the year.
- 1.2 The audit of the accounts is a fundamental test of governance in any council. Publishing accounts in a timely way and securing an unqualified opinion on them is the principal means by which those responsible for the stewardship of public money discharge their accountability for their financial performance. It should be borne in mind that every year a number of councils fail to meet the required timescales and are unable to conclude the audit process and complete the auditor's opinion within them.

2. ISSUES RAISED

- 2.1 The letter sets out that an unqualified audit opinion was given by Grant Thornton, the Council's external auditor for the 2014/15 financial statements, which give a true and fair view of the Council's financial position as at 31 March 2015 and its income and expenditure for the year.
- 2.2 The letter also states that the Council had effective arrangements in place during 2014/15 to secure economy, efficiency and effectiveness and was therefore given an unqualified value for money conclusion. The letter also covers three areas of value for money:

Financial Resilience

- 2.3 The auditor's report states that the Council has responded positively to the challenges created by the reduction in central government funding and continues to show strong financial resilience and good financial planning and management arrangements. The scale of the future challenge remains significant. Members will recall that the 2014/15 Financial Resilience report from the external auditors confirmed that for the third successive year the Council has been graded as having financial management arrangements that meet or exceed adequate standards in all areas.
- 2.4 The auditors refer to the overall reserves position and identify that the position is similar to peer authorities, demonstrating that we continue to be well placed to deal with the potential impact of continued spending pressures. Reserves are an important mechanism for dealing with unexpected events, smoothing service redesign programmes, supporting invest to save projects and mitigating risks and liabilities facing the Council. A prudent approach is particularly important as the risk profile of the Council has increased over the period of funding reductions.

Better Care Fund (BCF)

- 2.5 The Council is seeking to establish a fully pooled budget and implement a strategic plan to support the transformation of health and social care services within the Borough. The integration plans for Tameside are more ambitious than most local authority areas, with ultimate plans for wider aligned budgets between the Council and CCG of c£300m. As external auditors to both the organisations, we continue to work closely with senior management of both entities, holding joint planning meetings to discuss the accounting and governance issues arising from integration on this scale the pooling of funds across health and social care will create a significant opportunity to transform the way that services are commissioned. Ensuring sufficient management capacity is maintained as this is implemented will continue to be an important issue for the Council and its partners. We will continue to work closely with both the Council and the CCG on this issue

Vision Tameside

- 2.6 The auditor's report notes the significant capital project to relocate Tameside College and create a customer-focussed, energy efficient building for public services in Tameside on the site of the current Tameside Administrative Centre building. The Council continues to work with its partners to develop and deliver ambitious plans for investment and regeneration across the Borough – through the Vision Tameside project - including the major developments in Ashton-under-Lyne town centre. We have continued to meet with senior officers throughout the year to consider the progress being made. There is a level of contingency within the overall budget for the project. However, there are risks around the completion both in terms of construction build costs and furnishing costs. This major regeneration scheme continues to be closely managed but it is important for this on-going close monitoring and reporting to be maintained given the scale and complexity of this scheme.

Plantation Industrial Estate

- 2.7 The auditor's report noted that the Council took out a finance lease in 2005-06 on Plantation Industrial Estate. The lease charge is £0.213m per year and has 90 years to run, resulting in gross future cash payments of £19.2m (before discounting). It was noted that the Council had valued the building at virtually zero, suggesting it has a worthless asset in relation to which it is currently committed to pay several millions of pounds over a substantial period. It was recommended that the Council should consider formally the value for money offered by this lease, including any alternative options that may be available.

Markazi Jamia Mosque

- 2.8 The auditor's report commented that whilst the Council can demonstrate progress in implementing the prior year recommendations raised, that the mosque in Ashton-under-Lyne - constructed after the previous building had to be demolished to make way for the Northern Bypass - has still to be legally transferred over to the Trustees of the mosque. There is a risk that because legal ownership is yet to formally transfer to the Mosque Trustees; the Council could be liable for any structural or internal damages that may occur prior to the legal transfer. We are informed that the Council continues to try to resolve this matter but further action is required.

3 RECOMMENDATIONS

- 3.1 As set out on the front of the report.

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The Annual Audit Letter for Tameside Metropolitan Borough Council (including Greater Manchester Pension Fund)

Year ended 31 March 2015

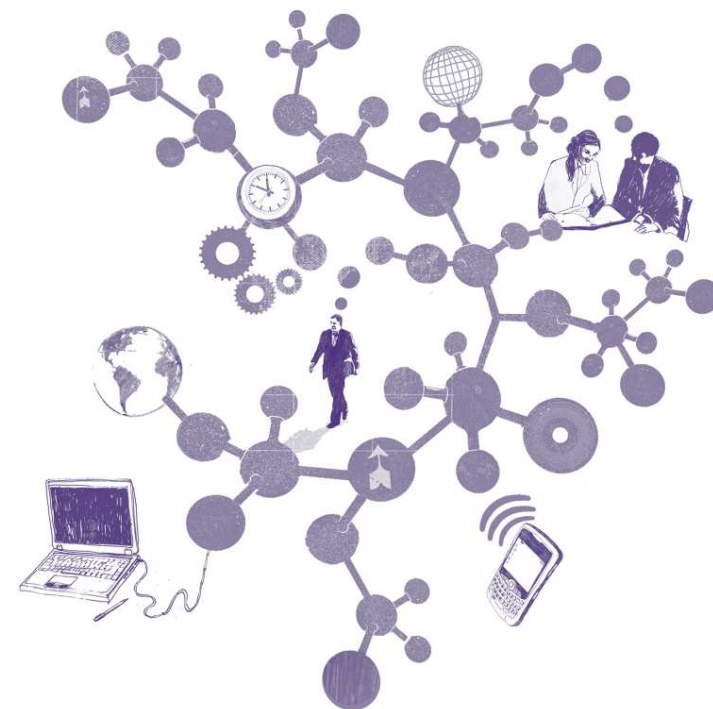
19 October 2015

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Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Tameside Metropolitan Borough Council ('the Council') for the year ended 31 March 2015. In addition, the Letter summarises our audit work on Greater Manchester Pension Fund.

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plans that we issued for the Council and Pension Fund in April 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and Public Sector Audit Appointments (PSAA) Limited.

Page 53	<p>Financial statements audit (including audit opinion)</p> <p>We reported our findings arising from the audit of the financial statements in our Audit Findings (ISA260) Report on 21 September 2015 to the Overview (Audit) Panel. The key messages arising from our audit of the Council's financial statements were:</p> <ul style="list-style-type: none"> • the Council updated its presentation of the accounts this year, resulting in an improved structure and flow for the reader. Both the accounts and working papers were of a good standard • our audit did not identify any adjustments affecting the Council's level of useable reserves. The only amendment processed in relation to a primary statement related to a minor change of £262k to the Comprehensive Income and Expenditure Statement (which did not affect the overall deficit on provision of services) • the other amendments identified were only in relation supporting disclosures within the notes to the accounts. <p>We issued an unqualified opinion on the Council's 2014-15 financial statements on 21 September 2015, ahead of the deadline set by the Department for Communities and Local Government of 30 September. Our opinion confirmed that the financial statements gave a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council.</p> <p>Both the Council and ourselves are committed to further enhancing the accounts and audit process in 2015-16. We will be working closely with the senior finance team in our joint aim to continue to bring forward completion of the accounts audit timetable, in advance of the anticipated move of the national statutory deadline to 31 July by 2018.</p>
	<p>Whole of Government Accounts</p> <p>We reviewed the consolidation pack which the Council prepared to support the production of Whole of Government Accounts. We reported that the Council's pack was consistent with the audited financial statements.</p>
	<p>Audit fee</p> <p>Our audit fee for the Council's 2014-15 accounts was £140,023 whilst the fee for the certification of grant claims and returns was £32,430 (excluding VAT). Our fees were in line with our planned fees for the year and further details are included at Appendix B.</p> <p>For comparison, our fee for 2015-16 has been set at £105,017, representing a 25% reduction for the Council next year.</p>

Value for Money (VFM) Conclusion

We issued an unqualified VFM conclusion on 21 September 2015, confirming that the Council continues to have effective arrangements in place to secure economy, efficiency and effectiveness in its use of resources. A summary of our key recommendations and areas of focus arising from our 2014-15 audit work are included below and at Appendix A.

Financial Resilience:

The Council has good financial planning and review processes in place, and a track record of delivering financial plans and savings. However, in common with other authorities the Council is continuing to experience real financial pressures to deliver on its medium term financial strategy (MTFS) from 2015-16 onwards.

After a period of managing the challenges of the current local government settlement by delivering outturns in line or ahead of budget, in 2014-15 the Council overspent on its £190m budget by £2.5m (or 1.3%) and did not fully deliver its £13m savings target (achieving £9.5m). Whilst this overspend needs to be considered in the context of an increase in the year of usable reserves of £22m, it nevertheless highlights the financial context in which the Council is operating.

The Council has been proactive in taking difficult decisions in relation to its cost base during the last five years (with over £100m of cost reductions), but this also means that it is becoming more challenging to identify and deliver additional savings. The Council understands the need for continued focus on proposals to deal with expected future funding reductions combined with rising demand for services.

For 2015-16 and 2016-17, budgetary saving requirements total some £38.1m. The difficulties of managing this situation were recently illustrated in the Council's 2015-16 Quarter 1 monitoring report, which showed a projected overspend on the services budget of £12.7m (mainly in relation to demanded adult and children's social care). However, this is mitigated by the 'other cost pressures' contingency balance within the overall 2015-16 budget and included in the Council's MTFS. We will be monitoring the Council's financial position throughout our 2015-16 audit.

Vision Tameside:

The Council continues to work with its partners to develop and deliver ambitious plans for investment and regeneration across the Borough - through the Vision Tameside project - including the major developments in Ashton-under-Lyne town centre. We have continued to meet with senior officers throughout the year to consider the progress being made.

There is a level of contingency within the overall budget for the project. However, there are risks around the completion both in terms of construction build costs and furnishing costs. This major regeneration scheme continues to be closely managed but it is important for this on-going close monitoring and reporting to be maintained given the scale and complexity of this scheme.

Better Care Fund / Integrated Care Organisation:

The Council is seeking to establish a fully pooled budget and implement a strategic plan to support the transformation of health and social care services within the Borough. The integration plans for Tameside are more ambitious than most local authority areas, with ultimate plans for wider aligned budgets between the Council and CCG of c£300m. As external auditors to both the organisations, we continue to work closely with senior management of both entities, holding joint planning meetings to discuss the accounting and governance issues arising from integration on this scale.

The pooling of funds across health and social care will create a significant opportunity to transform the way that services are commissioned. Ensuring sufficient management capacity is maintained as this is implemented will continue to be an important issue for the Council and its partners. We will continue to work closely with both the Council and the CCG on this issue.

<p>Certification of housing benefit grant claim</p>	<p>Our work on certification of the claim for Housing Benefit Subsidy for 2014-15 (the only remaining claim at the Council within the scope of the Audit Commission/PSAA certification framework) is ongoing. Our work to date has not identified any significant issues to highlight in this Letter. The deadline for the certification of this claim is 30 November 2015.</p> <p>In addition, at the Council's request we are auditing the Teachers' Pension Return during October and November 2015.</p> <p>Details of the overall findings from our grant certification work will be included in our Grants Certification Report due to be issued to officers in December 2015 and presented to the Audit Panel in early 2016.</p>
<p>Greater Manchester Pension Fund Financial Statements and Annual Report</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 55</p>	<p>The Council is the administrative body for the Greater Manchester Pension Fund (GMPF).</p> <p>We reported our findings arising from the audit of the GMPF's financial statements in a separate Audit Findings (ISA260) Report to the Overview (Audit) Panel on the 21 September 2015. The key messages reported were:</p> <ul style="list-style-type: none"> • we received the financial statements and key supporting working papers in advance of the statutory deadline of 30 June • the draft financial statements were of a good standard • we did not identify any adjustments affecting the Fund's reported financial position, however we agreed a small number of adjustments to improve the presentation of the financial statements. <p>We issued an unqualified opinion on the GMPF financial statements (contained within the Council's financial statements) on 21 September 2015. Our opinion confirmed that the Pension Fund's financial statements gave a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2015 and of the amount and disposition of the Fund's assets and liabilities as at 31 March 2015, other than liabilities to pay pensions and benefits, after the end of the fund year.</p> <p>We also reviewed the GMPF's Annual Report and issued an unqualified consistency opinion, confirming that in our opinion, the pension fund financial statements were consistent with the pension fund financial statements included within the annual Statement of Accounts of the Council for the year ended 31 March 2015.</p>

Appendix A: Key issues and recommendations

This appendix summarises the significant recommendations identified during the 2014-15 audit. These were previously reported to officers and members in our Audit Findings (ISA260) Report to those charged with governance, presented to the Overview (Audit) Panel on 21 September 2015.

No.	Issue and recommendation	Priority	Management response	Responsible Officer and due date
1.	<p>Plantation Industrial Unit lease: We noted that the Council took out a finance lease in 2005-06 on Plantation Industrial Estate. The lease charge is £213k per year and has 90 years to run, resulting in gross future cash payments of £19.2m (before discounting).</p> <p>We noted that the Council had valued the building at virtually zero, suggesting it has a worthless asset in relation to which it is currently committed to pay several millions of pounds over a substantial period</p> <p>We recommend the Council should consider formally the value for money offered by this lease, including any alternative options that may be available.</p>	High	The Council is reviewing its overall corporate assets and consideration will be given to the value added from plantation industrial estate.	Ben Jay / Elaine Todd November 2015
2.	<p>Follow up of prior year recommendations – the Markazi Jamia mosque constructed in 2011-12:</p> <p>Whilst again the Council can demonstrate progress in implementing the prior year recommendations raised, we note that the mosque in Ashton-under-Lyne - constructed after the previous building had to be demolished to make way for the Northern Bypass - has still to be legally transferred over to the Trustees of the mosque.</p> <p>There is a risk that because legal ownership is yet to formally pass to the Mosque Trustees, the Council could be liable for any structural or internal damages that may occur prior to the legal transfer. We are informed that the Council continues to try to resolve this matter but further action is required.</p> <p>As a result, we have once again raised this issue in the Action Plan and we reiterate to the Council the need to resolve this matter as soon as possible.</p>	High	The Council is continuing to pursue any outstanding issues and is hopeful that a full resolution will be achieved in the near future.	Ben Jay April 2016

Appendix B: Reports issued and fees

We confirm below the fees charged for the audit and non-audit services.

Fees for audit services

	Per Audit Plan £	Actual fees £
Council audit	140,023	140,023
Housing Benefit grant certification fee	32,430	32,430
Total audit fees	172,453	172,453

Fees for Greater Manchester Pension Fund

	Per Audit Plan £	Actual fees £
Pension Fund audit	62,337	62,337
Total audit fees	62,337	62,337

Reports issued

Report	Date issued
Audit Fee Letter	April 2014
Audit Plan, including interim findings	April 2015
Pension Fund Audit Plan	April 2015
Audit Findings (ISA260) Report	September 2015
Pension Fund Audit Findings (ISA260) Report	September 2015
Annual Audit Letter	October 2015
Grants Certification Report	due December 2015

Fees for other services (relating to the Council audit)

Service	Fees £
Audit related services:	
• Teachers Pension Return	4,200
• George Frederick Byrom Trust – charity independent examination	1,500
• Godley Hill project – Regional Growth Fund grant	5,000
• St Petersfield Henry Square project – Department for Business, Innovation and Skills grant	5,000
• St Petersfield Henry Square project – Homes and Communities Agency grant	5,000
TOTAL	20,700
Non-audit related services:	
• None	Nil



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ITEM NO: 5a

Report To:	EXECUTIVE CABINET
Date:	16 December 2015
Executive Member/ Reporting Officer:	Cllr J M Fitzpatrick - First Deputy (Performance and Finance) Peter Timmins – Interim Assistant Executive Director, (Finance)
Subject:	REVENUE MONITORING – QUARTER 2 2015/16
Report Summary:	<p>This report shows that at Quarter 2 the overall net projected outturn revenue position for 2015/16 is £6.390m over budget. This includes the recommended budget adjustment for children’s services area to align its budget with comparable authorities.</p> <p>Strong budget management is required across the Council to ensure that the Council achieves its financial plans. Higher than budgeted spending will need to be addressed. This forecast is set in the context of challenging savings requirements: £24m for 2015/16 and a further £14.1m and £15.4m planned for 2016/17 and 2017/18 respectively.</p> <p>The report is presented shortly ahead of the publication of the government’s Spending Review (expected 25 November). The anticipated adverse impact of that announcement has been provided for, wherever possible, within the current financial plan, and is a key factor in the future savings requirement. The financial plan will be reviewed following the publication of the Spending Review and revised and reported as necessary thereafter.</p>
Recommendations:	<ol style="list-style-type: none">1) That the projected revenue outturn position is noted and corrective action pursued where necessary;2) That the detail for each service area is noted;3) That the changes to revenue budgets as outlined are approved;4) That the intention to review the overall financial plan further to the publication of the government’s spending review is noted.
Links to Community Strategy:	Budget is allocated in accordance with the Community Strategy.
Policy Implications:	Budget is allocated in accordance with Council Policy.
Financial Implications: (Authorised by the Section 151 Officer)	Failure to secure sustainably balanced budgets within the financial year will leave problems which will need to be resolved in the next financial year. Overall financial balance can only be achieved through each area securing a balanced budget.
Legal Implications: (Authorised by the Borough Solicitor)	There is a statutory duty to ensure the Council sets a balanced budget and that it is monitored to ensure statutory commitments are met.

Risk Management:

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

Access to Information

The background papers relating to this report can be inspected by contacting the report writer, Peter Timmins, Assistant Executive Director of Finance by:



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1 INTRODUCTION

- 1.1 This is the second revenue monitoring report of the 2015/16 financial year. The report summarises the projected revenue outturn position of the Council at the 31 March 2016.
- 1.2 Details of the various sections and appendices within the report are shown below:
- **Section 2:** a summary of the revenue financial position of the Council.
 - **Section 3:** updated performance position against the agreed savings proposals.
 - **Section 4:** Business Rates and Council Tax collection performance.
 - **Section 5:** the recommendations of this report.

 - **Appendix 1:** the Council's budget and outturn revenue position for 2015/16.
 - **Appendix 2:** details for each directorate showing the revenue outturn position, and:
 - An explanation of significant variations to budget
 - Analysis of expenditure and income
 - A savings update
 - **Appendix 3:** details of the analysis of Children's services
 - **Appendix 4:** details the changes to the Council's in-year revenue budget since March 2014.
 - **Appendix 5:** analysis of the Council Tax and Business Rates collection performance.
- 1.3 This report details Directorates' projected revenue outturn position for 2015/16 against budgets for the year and shows the net of income and expenditure as a variation to budget.
- 1.4 Separate tables, which break down the budgets into elements of expenditure and income, are included in **Appendix 2**, to show how Directorates are utilising their allocated funding.

2 SUMMARY FINANCIAL POSITION AND KEY ISSUES

- 2.4 The Council's overall projected net revenue expenditure in the 2015/16 financial year is expected to exceed the allocated budget by £6.390m. Table 1 shows the projected revenue outturn position for 2015/16. This is included at **Appendix 1** in greater detail. Detail for individual service areas are set out in **Appendix 2**.
- 2.5 A briefing to the Executive Board has recommended that the budget for Children's Services is adjusted, to ensure that the resources for this key service are not a barrier to its effectiveness. The briefing analysed the persistent gap between budgeted and forecast expenditure in the service and compared outcomes in similar councils. It recommended that the gap is addressed through a combination of service efficiency improvements and budget adjustment. The recommended adjustment is reflected in the revised budget provision set out in this report. Further details are provided at **Appendix 3**.
- 2.3 The Public Health budget has been reduced by £1m to reflect the indicative in-year grant reduction and the projected outturn variation has been changed accordingly.
- 2.4 Brief explanations of the variations to budget are included in Table 1 below. The Council is actively developing ways to deliver services differently, but is also continuing to provide necessary services.

Directorate	Service	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000	Explanation
People	Children's Social Care	19,363	23,245	3,882	Savings are required to be realised as planned to address the in-year overspend. The budget has been reviewed and is in line with best practice in similar authorities.
People	Strategy and Early Intervention	2,623	2,412	(211)	Cost reductions have been identified through vacancies not being filled and the cessation of contracts.
People	Education	3,289	3,094	(195)	Saving has been achieved from not filling vacancies.
People	Adult and Early Intervention Services	49,006	54,362	5,356	Planned savings are not being realised as expected and some previous plans are now in doubt. There is also increasing demand upon services.
People	Stronger Communities	6,955	9,219	2,264	Work is ongoing to identify savings, although the revised plan is yet to be confirmed.
	Total Director of People	81,236	92,332	11,096	
Place	Asset & Investment Partnership	5,487	5,512	25	
Place	Environmental Services	45,501	45,383	(118)	Savings as a result of vacant posts not being filled and efficiencies across the service.
Place	Development Growth and Investment	2,604	2,542	(62)	Savings realised as a result of vacant posts and service re-design.
Place	Digital Tameside	1,822	1,830	7	
	Total Director of Place	55,414	55,267	(148)	
Public Health	Public Health	16,155	16,244	89	In-year indicative reduction of grant assumed.
Governance and Resources	Governance and Resources	12,034	10,392	(1,642)	Savings achieved in advance, including not filling vacant posts and reviewing all contracts.
Other	Corporate Costs, Capital and Financing	26,740	23,734	(3,006)	Efficiencies- review of insurance costs and savings from borrowing.
	Total	191,579	197,969	6,390	

Table 1: Projected outturn revenue position for 2015/16

- 2.5 The ongoing deficit position for Children’s services will need to be tackled through a combination of efficiency improvements and ensuring best practice models of care are used throughout.
- 2.6 The remedial action to address the Adults services position will be delivered as rapidly as possible, but, for some areas of activity, this may only be achievable over the period of the two-year budget set in February 2015 (i.e. to March 2017). This may require re-profiling of some savings planned for the current year to be delivered no in the next year. However, some planned savings are now in doubt. Any budget deficit unaddressed at March 2016 will be carried forward to be resolved by March 2017.
- 2.7 The revenue position reported needs to be considered in the context of the Council’s Medium Term Financial Strategy (MTFS). Below is a summary taken from the MTFS which sets out the £24m savings planned for 2015/16 and the requirement of future savings to 2019/20.
- 2.8 The targets for 2016/17 and 2017/18 are the current estimated position before any mitigating actions are put into place. They take account of known funding reductions and anticipated demand and cost increases. These assumptions will be kept under review.
- 2.9 The report is presented shortly ahead of the publication of the government’s Spending Review (expected 25 November). The anticipated adverse impact of that announcement has been provided for, wherever possible, within the current financial plan, and is a key factor in the future savings requirement, which can be seen in the anticipated 22% overall reduction in resources between 2015/16 and 2019/20, shown below (a 22% overall resource reduction is the gearing impact of a more acute reduction in government funding compared with the combined income from local taxation and government support. Government support is anticipated to be reduced by c30% overall, but with reductions of more than 60% for some funding lines).
- 2.10 The financial plan will be reviewed following the publication of the Spending Review and revised and reported as necessary thereafter

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Total Planned Expenditure	210,962	195,617	196,917	202,803	209,320
Total Estimated Resources	(210,962)	(195,617)	(181,562)	(172,705)	(164,756)
	0	0	15,355	30,098	44,564
Savings already allocated	24,050	14,100	0	0	0
Savings not yet allocated (annual)			15,355	14,743	14,464
Savings not yet allocated (cumulative)			15,355	30,098	44,564

Table 2: Summary Medium Term Financial Strategy

3 SAVINGS

- 3.1 Savings targets were allocated in line with consideration of the Council's core purpose, policy priorities, and assessed risks. The Council agreed a savings target of £24m for 2015/16 as part of a two year budget plan. Detailed savings proposals were drawn up for 2015/16 and agreed by Full Council in February 2015.

4 COUNCIL TAX AND BUSINESS RATES

- 4.1 The Business Rates Retention Scheme means that a reduction in the level of Business Rates income collected has a direct impact on Council resources. The level of Council Tax income collected remains an important area for the Council as any shortfall in the level of Council Tax income also has a direct impact on Council resources.
- 4.2 At quarter 1 both the level of Business Rates and Council Tax income are slightly under targeted collection rates. Both areas will be closely monitored during the financial year and it is anticipated that all target income will be collected within 2015/16. **Appendix 5** includes two tables that show how the Council is performing against target collection rates in both Business Rates and Council Tax.

5 RECOMMENDATIONS

- 5.1 As set out on the front of the report.

APPENDIX 1

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
<u>DIRECTOR OF PEOPLE</u>			
Children's			
Children's Social Care	19,363	23,245	3,882
Strategy and Early Intervention	2,623	2,412	(211)
Education	3,289	3,094	(195)
	25,275	28,751	3,476
Adult and Early Intervention Services			
Adult Social Care	47,686	53,058	5,372
Adults and Early Intervention	1,320	1,304	(16)
	49,006	54,362	5,356
Stronger Communities	6,955	9,219	2,264
TOTAL DIRECTOR OF PEOPLE	81,236	92,332	11,096
<u>DIRECTOR OF PUBLIC HEALTH</u>	16,155	16,244	89
<u>DIRECTOR OF PLACE</u>			
Asset and Investment Partnership			
Management	5,487	5,512	25
Environmental Services	45,501	45,383	(118)
Development Growth and Investment	2,604	2,542	(62)
Digital Tameside	1,822	1,830	7
TOTAL DIRECTOR OF PLACE	55,414	55,267	(148)
<u>RESOURCES</u>			
Director of Governance and Resources	12,034	10,392	(1,642)
Corporate Costs	8,420	7,922	(498)
TOTAL RESOURCES	20,454	18,314	(2,140)
Capital and Financing	18,320	15,812	(2,508)
TOTAL	191,579	197,969	6,390

DIRECTOR OF PEOPLE

1. CHILDRENS

	2015/16 Budget	Projected Outturn	Variation to Budget
	£000	£000	£000
Childrens Social Care	19,363	23,245	3,882
Strategy and Early Intervention	2,623	2,412	(211)
Education	3,289	3,094	(195)
TOTAL	25,275	28,751	3,476

a. Overview

Children's is expected to exceed its overall budget by £3.476m in 2015/16. Although plans are in place to deliver the specific savings proposals in future years, remaining within the annual budget has proved more difficult due to a combination of more demand for the service and greater complexity of the cases presented. The corporate review of the budget position has now been completed and the budget is adjusted accordingly. The service is committed to reducing placement costs, for example through renegotiating prices and a specialist fostering scheme.

Reasons for the significant variations to budget:

	£000
<u>Children's</u>	
Expenditure Over Budget at Quarter 1	8,816
Corporate Budget allocated to Children's Social Care	(5,100)
Net effect of changed staffing costs within the service.	
Increase in Remand Costs for Children having been placed in Custody/Remand and the council having to fund this.	40
Reduction in Youth Offending Good Practice Grant	60
Minor Variations	(76)
Children's Total	<u>3,882</u>

£000

Strategy and Early Intervention

Expenditure is below budget on employee costs due to the Head of Service being seconded to the Public Services Reform Team for 3 years from June 2015 (£0.057m) and a substantive post (£0.045m) being funded by the Early Help Investment. The funding from the Early Help Investment is due to cease in September 2016 and therefore will not be an ongoing saving. (102)

Expenditure is below budget on employee costs due to a number of part year vacancies within the Early Help Teams and Children's Centre Service. This is a one off In year saving. (87)

Expenditure is below budget on other expenditure due to the cessation of the Action for Children Contract from December 2015 (£0.029m), contracts with Stockport NHS (£0.030m) now being funded by Public Health and Community and Voluntary Action Tameside (0.050m) being funded by the Early Help Investment. The funding from the Early Help Investment is due to cease in September 2016 and therefore will not be an ongoing saving. (109)

Use of One Off Monies:

It is not expected that the full investment allocation (£1m over 2 years) in relation to Early Help will be required due to the current vacancies within the service 113

Other Minor Variations (24)

Other Income (2)

Strategy and Early Intervention Total (211)

Education

Expenditure is below budget on employee costs due to in year vacancies. (177)

Special Education transport: Minor variations under £0.05m 5

Other expenditure: Minor variations under £0.05m 3

Non-Academy Schools Income: Minor Variations under £0.05m 28

Academy Schools Income: Minor Variations under £0.05m (31)

Sales, Fees & Charges: Minor variations under £0.05m (23)

Education Total (195)

b. Budget Analysis

An analysis of expenditure and income for each service within Children's is detailed below:

Children's Social Care

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Children's Social Care 2015/2016 - Period 5			
Employee costs	8,554	8,326	(228)
External Agency Placements - Residential/Fostering	7,518	7,101	(417)
Internal Carer Payments	5,769	5,826	57
Direct Payments	470	550	80
Placements 16+	1,025	925	(100)
Transport Related Expenses	92	100	8

Transport Related - Car Mileage	177	107	(70)
Other Expenditure	2,119	2,226	107
Savings to be achieved	(4,451)	0	4,451
EXPENDITURE	21,273	25,161	3,888
Grants and Contributions	(201)	(186)	15
Sales, Fees and Charges	(311)	(320)	(9)
Other Income	(388)	(400)	(12)
External Placements Residential	(249)	(249)	0
Government Grant Income	(761)	(761)	0
INCOME	(1,910)	(1,916)	(6)
TOTAL	19,363	23,245	3,882

Strategy and Early Intervention

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs	2,916	2,727	(189)
Other Expenditure	2,363	2,231	(132)
EXPENDITURE	5,279	4,958	(321)
Grants and Contributions	(1,016)	(1,017)	(1)
Sales, Fees and Charges	(1)	(1)	0
Other Income	(757)	(759)	(2)
INCOME	(1,774)	(1,777)	(3)
Use of one-off monies	(882)	(769)	113
Savings being planned	0	0	0
TOTAL	2,623	2,412	(211)

Education – Core Services

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee Costs	3,502	3,325	(177)
Special Education Transport	1,254	1,259	5
Other Expenditure	5,186	5,189	3
EXPENDITURE	9,942	9,773	(169)
Grants and Contributions	(512)	(512)	0
Dedicated Schools Grant (DSG)	(2,567)	(2,567)	0
Non-Academy Schools Income	(2,861)	(2,833)	28
Academy Schools Income	(243)	(274)	(31)
Sales, Fees & Charges	(177)	(200)	(23)
Other Income	(170)	(170)	0
INCOME	(6,530)	(6,556)	(26)
B/fwd from 2014/15	4	4	0
Use of one-off monies	(127)	(127)	0
TOTAL	3,289	3,094	(195)

Education - DSG Specific Services

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee Costs	1,689	1,653	(36)
Special Education Transport	0	0	0
Other Expenditure	11,226	11,492	266
EXPENDITURE	12,915	13,145	230
Grants and Contributions	(538)	(538)	0
Dedicated Schools Grant (DSG)	(12,193)	(11,846)	347
Non-Academy Schools Income	(144)	(144)	0
Academy Schools Income	(40)	(34)	6
Other Income	0	(6)	(6)
INCOME	(12,915)	(12,568)	347
Use of one-off monies	0	(577)	(577)
TOTAL	0	0	0

OVERALL EDUCATION TOTAL	3,289	3,094	(195)
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2. ADULT AND EARLY INTERVENTION SERVICES

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Adult Social Care	47,686	53,058	5,372
Adults and Early Intervention	1,320	1,304	(16)
TOTAL	49,006	54,362	5,356

a. Overview

The original estimated financial gap for Adult Social Care was approximately £7m, as part of a recovery plan to bridge the gap the decision has been taken to reduce the placement profile into Residential and Nursing Care homes by 1 placement per week effective 6th July, a number of other measures areas are in place or being put into place to bridge the funding gap.

	£000
Adult Social Care	
Reduction of the placement profile into Residential and Nursing Care homes by 1 placement per week effective 6 th July. The 2015-16 cost benefit of this decision is £0.7m.	6,086
Reduction in placement profile into residential and nursing care of 1 per week effective 6 th July 2015.	(436)
Income to be received for Deprivation of Living from CCG.	(30)
Direct Payments Clawbacks, expenditure under budget.	(163)

Funding from Public Health to Fund staffing posts in Commissioning team	(60)
SRG Funding Streams from CCG	(105)
Minor Variations	80
Adult Social Care Total	<u>5,372</u>

Adults and Early Intervention

The allocation from the Better Care Fund (BCF) is providing support to the carer's service. This has resulted in a saving in year which has prevented the need for use of savings achieved in advance. (107)

It is not expected that the savings achieved in advance (£0.132m) in relation to Adults Early Intervention will be required due to the support from BCF. 132

Other Minor variations (41)

Adults and Early Intervention Total **(16)**

b. Budget Analysis

An analysis of expenditure and income for each service within Adult and Early Intervention Services is detailed below:

Adult Social Care

	2015/16 Budget £000	Outturn Qtr 2 £000	Variation to Budget £000
Employee costs	19,448	19,242	(206)
Residential and Nursing Care	23,178	24,071	893
Residential and Nursing Care - FNC	1,327	1,368	41
Direct Payments	3,242	2,839	(403)
Homecare	6,200	6,200	0
Transport Related Expenditure	1,088	932	(156)
Other Expenditure	21,507	20,960	(547)
Savings to be identified	(6,742)	0	6,742
EXPENDITURE	69,248	75,612	6,364
Grants and Contributions	(2,641)	(2,962)	(321)
Sales, Fees and Charges	(8,442)	(8,694)	(252)
Residential and Nursing Care inc Property Income & CHC	(9,065)	(9,468)	(403)
Residential and Nursing Care - FNC	(1,300)	(1,316)	(16)
Other Income	(114)	(114)	0
INCOME	(21,562)	(22,554)	(992)
TOTAL	47,686	53,058	5,372

Adults and Early Intervention

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee Expenses	571	533	(38)
Other Expenditure	1,005	898	(107)
EXPENDITURE	1,576	1,431	(145)
Grants and Contributions	(87)	(87)	0
Sales, Fees and Charges	(37)	(32)	5
Other Income	0	(8)	(8)
INCOME	(124)	(127)	(3)
Use of one-off monies	(132)	0	132
TOTAL	1,320	1,304	(16)

3. STRONGER COMMUNITIES

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Stronger Communities	6,955	9,219	2,264
TOTAL	6,955	9,219	2,264

a. Overview

Stronger Communities is expected to exceed its budget by £2.264m. The service will continue to be closely monitored as budget pressures increase. The reasons for the service being over budget are:

Stronger Communities Total

2,264

b. Budget Analysis

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee costs	4,964	4,901	(63)
Other Expenditure	5,450	4,980	(470)
EXPENDITURE	10,414	9,881	(533)
Grants and Contributions	(123)	(123)	0
Sales, Fees and Charges	(501)	(539)	(38)
INCOME	(624)	(662)	(38)
B/fwd from 2013/14	(80)	0	80
Savings Planned and Savings to be Identified	(2,755)	0	2,755
TOTAL	6,955	9,219	2,264

4. DIRECTOR OF PUBLIC HEALTH

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Director of Public Health	16,155	16,244	89
TOTAL	16,155	16,244	89

a. Overview

The current Public Health Position of £89,000 over budget is because Public Health have planned for an in year 7% reduction to the Public Health grant. This has been confirmed (4/11/15) as £943,000.

Due to the in year nature of the reduction, £308,000 that has been allocated to re-negotiating current contracts will not fully materialise until 2016/17. 308

Early Years additional reduction in program spend (144)

Additional in year efficiencies (75)

Public Health Total 89

b. Budget Analysis

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs	1,363	1,369	6
Other Expenditure	15,320	15,482	162
EXPENDITURE	16,683	16,851	168
Sales, Fees and Charges	(528)	(607)	(79)
INCOME	(528)	(607)	(79)
TOTAL	16,155	16,244	89

5. ASSET AND INVESTMENT PARTNERSHIP MANAGEMENT

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Asset and Investment Partnership Management	5,487	5,512	25
TOTAL	5,487	5,512	25

a. Overview

The service is projected to spend more than budget by £0.025m due to minor variations.

b. Budget Analysis

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee costs	3,235	3,270	35
PFI Unitary Charges and FM Service Fees	0	0	0
Other Expenditure	32,264	32,081	(183)
EXPENDITURE	35,499	35,351	(148)
Grants and Contributions	(14,383)	(14,383)	0
Sales, Fees and Charges	(4,049)	(3,913)	136
School / Academy Contributions	(32)	(32)	0
Other Income	(11,543)	(11,511)	32
INCOME	(30,007)	(29,839)	168
Movements to/from Earmarked Reserves	0	0	0
Savings to be identified	(5)	0	5
TOTAL	5,487	5,512	25

6. ENVIRONMENTAL SERVICES

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Environmental Services	45,501	45,383	(118)
TOTAL	45,501	45,383	(118)

a. Overview

The service is projected to spend less than budget by £0.118m. In addition the service continues to scrutinise all spending with a view to identifying further savings for future years.

£000

Under achievement of income targets across Environmental Services offset by grants and additional income received from capital projects. (34)

Bin Swap related costs are anticipated to be £138k less than previously anticipated to be transferred to/from reserve. 138

Total **(118)**

b. Budget Analysis

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs	14,433	13,908	(525)
Passenger Transport Levy	15,854	15,854	0
Land Drainage Levy	106	106	0
GMC Waste Disposal Levy	16,519	16,519	0
Other Expenditure	21,637	21,940	303
EXPENDITURE	68,549	68,327	(222)
Grants and Contributions	0	(76)	(76)
Sales, Fees and Charges	(15,265)	(15,173)	92
Other Income	(7,330)	(7,380)	(50)
INCOME	(22,595)	(22,629)	(34)
B/fwd from 2014/15	106	106	0
Movements to/from Reserves	(1,111)	(973)	138
Savings being planned	552	552	0
TOTAL	45,501	45,383	(118)

7. DEVELOPMENT GROWTH AND INVESTMENT

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Development Growth and Investment	2,604	2,542	(62)
TOTAL	2,604	2,542	(62)

a. Overview

Development growth and investment is projected to have a (£0.062m) variation to budget.

Expenditure below budget for Employee costs as a result of vacant posts across the service and service re-design not yet fully complete in all areas. (250)

Professional Consultancy - Contingency plans for external assistance for Building Control due to inability to fill vacant posts £35k	52
Other minor variations across Development Growth and Investment £17k	
Shortfall in Building Control Income as a result of vacant posts, therefore inability to complete work £130k	151
Post 19 Underachievement of Course Fee Income £21k	
Additional contribution for work being completed by Employment and Skills team funded via DWP	(15)
Development Growth and Investment Total	(62)

b. Budget Analysis

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs	3,101	2,851	(250)
British Waterways Levy	76	76	0
Other Expenditure	1,663	1,715	52
EXPENDITURE	4,840	4,642	(198)
Grants and Contributions	(1,072)	(1,072)	0
Sales, Fees and Charges	(1,299)	(1,148)	151
Other Income	(100)	(115)	(15)
INCOME	(2,471)	(2,335)	136
B/fwd from 2014/15	228	228	0
Movements to/from Reserves	0	0	0
Savings being planned	7	7	0
TOTAL	2,604	2,542	(62)

8. DIGITAL TAMESIDE

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Digital Tameside	1,822	1,830	7
TOTAL	1,822	1,830	7

a. Overview

The projected outturn position is set out below :

b. Budget Analysis

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs	1,377	1,357	(20)
Supplies & Services Expenses	1,112	1,171	59
EXPENDITURE	2,489	2,529	39
Sales, Fees and Charges	(162)	(194)	(32)
Recharge Income	(504)	(504)	0
INCOME	(667)	(699)	(32)
TOTAL	1,822	1,830	7

DIRECTOR OF GOVERNANCE AND RESOURCES

9. DIRECTOR OF GOVERNANCE AND RESOURCES

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Director of Governance and Resources	12,034	10,392	(1,642)
TOTAL	12,034	10,392	(1,642)

a. Overview

The projected outturn position of expenditure under budget of £1.642m is due to several factors, including planned savings achieved through reviewing service structure, delays in recruiting to posts and reviewing a number of contracts and the way of working.

b. Budget Analysis

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs	12,078	10,876	(1,202)
Housing Benefit Payments	96,002	96,002	0
Other Expenditure	3,169	2,734	(434)
EXPENDITURE	111,249	109,613	(1,636)
Grants and Contributions	(987)	(627)	360
Sales, Fees and Charges	(2,475)	(2,575)	(101)
Housing Benefit Subsidy	(92,554)	(92,554)	0
Other Income	(3,480)	(3,546)	(66)
INCOME	(99,495)	(99,302)	193
B/fwd from 2014/15	280	81	(199)
TOTAL	12,034	10,392	(1,642)

10. CORPORATE COSTS

a. Overview

Corporate Costs include a range of central functions including Insurance, AGMA and Coroners costs and the cost of Democracy. The achievement of efficiencies and the receipt of additional income have resulted in an outturn position of spending below budget of £0.498m, as detailed below:

Efficiencies achieved as a result of the insurance contract review.	£000 (297)
Efficiencies in the cost of Democracy	(201)

(498)

b. Budget Analysis

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs (incl. employee insurance)	6,875	6,782	(93)
Other Expenditure	4,475	4,066	(409)
EXPENDITURE	11,350	10,848	(502)
Grants and Contributions	(80)	(76)	4
Sales, Fees and Charges	(370)	(370)	0
Other Income	(2,480)	(2,480)	0
INCOME	(2,930)	(2,926)	4
B/fwd from 2014/15	0	0	0
Savings being planned	0	0	0
TOTAL	8,420	7,922	(498)

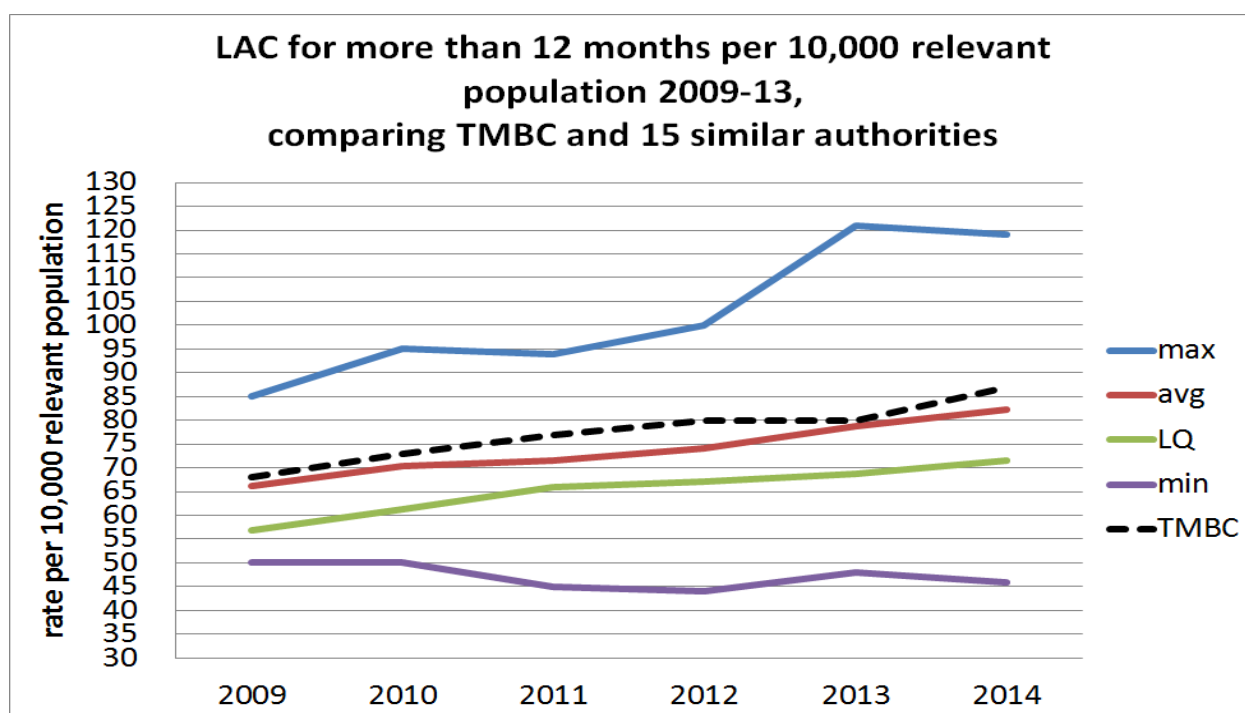
APPENDIX 3

1. Children's services budget review

- 1.1 The revenue outturn positions of the Children's, Strategy and Early Intervention Services for the current and previous two financial years are shown in **table 1**. It can be seen that expenditure has remained around £26m, while budgets have reduced from £25m to £17m. This leaves a gap between budgets and expenditure of around £8.8m.
- 1.2 Income includes funding from government for the Youth Offending Team and contributions from schools and other partners towards the cost of the Local Children's Safeguarding Board (LCSB). All of which are planned to reduce.
- 1.3 Planned budget reductions were supported by clear plans to reduce spending, set out in Council budget reports. However, the nature of children's services spend has meant that savings have not all been achieved as planned.
- 1.4 The proposals by which this gap can be closed, using a combination of service-led efficiency improvements (£3.7m) and corporate budget realignment (£5.1m), as follows in **table 2**.

Summary financial plan to address the £8.8m spending gap

Identified gap (table 1)		£8.8m
To be met through:		
Existing cost reduction plans (table 10)	£2.1m	
Efficiency target set for all services	£1.6m	
Service led spending reductions (tables 8 & 9)		£3.7m
Budget realignment		£5.1m
TOTAL		£8.8m



3.1 **Table 3** provides details of the activity variance being the variation between actual and average cost of looked after children for the Council's comparator neighbours. This shows that if Tameside continued with its current cost of care packages but reduced activity to the lower quartile, there is scope to reduce costs by £3,358,548:

Table 3: Activity variance

Activity Variance		£ m
Tameside number of looked after children		431
Lower Quartile number of looked after children		379
Variation	a	52
Lower Quartile total cost per looked after child (per 0-19 population)	b	£64,792
Activity Variance (a x b)		£3,358,548

4 OTHER OPTIONS CONSIDERED

- 4.1 The previous preferred option was for the service to reduce its costs in line with earlier budget reports. As noted above, this has not proved to be achievable.
- 4.2 It has been considered whether the service would be able to address the situation without budget realignment being necessary. This is not regarded as sustainable in the long term due to the nature of children's safeguarding services. The current level of projected overspending indicates that this is unlikely.
- 4.3 It has also been considered that the implementation of integrated care arrangements in the local health economy could also secure cost reductions in children's services, However, realising the ICO will take a number of years, and the reorganisation of care management will not address the active supplier market for provision of fostering, adoption and other care services in the near term.
- 4.4 A combination of service led expenditure reductions, focussed on reducing the on-flow of children into the care system, complemented by budget realignment, is therefore recommended as the preferred solution.

APPENDIX 4

AMENDMENTS TO THE APPROVED BUDGET

Since the 2015/16 Budget Report was approved at Full Council in March 2015 a number of changes to budgets have been required. Details of the changes are summarised below:

	2015/16 £000	2015/16 £000
Original Budget		208,640
Budget Report March 2015		
Allocation of balances brought forward	1,142	
Leaders pledge- Development & Growth	1,000	
Leaders pledge- Big tidy up	1,000	
Grant additional allocations:		
- Deprivation of Living Grant	123	
- Welfare Reform Funding	55	
- Helping People Home Grant	40	
- Busy Subsidy Grant	12	
- Allocation of Housing Implementation	3	
- Local Reform and Community Voices		
Grant reduction:		
- Education Support Grant	(51)	
- New Homes Bonus Refund	(2)	
- Public Health Grant (indicative)	(1,000)	
Total changes		2,322
MTFS update - Quarter 2		210,962

APPENDIX 5

The tables below detail how the Council is performing against target collection rates in both Business Rates and Council Tax. The aim is to collect 100% of all income due. Arrears are pursued and recovery of current year arrears will continue in future years in the same way that previous year's arrears continue to be recovered.

<u>Council Tax In-year Collection Performance 2015/16</u>				
	Cash Collected £m	Cash Collected %	Cash Target %	Variation %
April 2015	9.208	10.60	10.40	+0.20
May 2015	16.695	19.17	19.50	-0.33
June 2015	24.608	28.24	28.40	-0.16
July 2015	32.619	37.42	37.60	-0.18
August 2015	40.160	46.00	46.20	-0.20
September 2015	48.247	55.10	55.50	-0.40

<u>Business Rates In-year Collection Performance 2015/16</u>				
	Cash Collected £m	Cash Collected %	Cash Target %	Variation %
April 2015	6.679	10.88	9.90	+0.98
May 2015	11.629	18.98	20.90	-1.92
June 2015	17.543	28.96	30.40	-1.44
July 2015	23.289	38.44	39.40	-0.96
August 2015	28.353	46.85	47.20	-0.20
September 2015	33.553	55.20	55.80	-0.40

ITEM NO: 5b

Report To:	EXECUTIVE CABINET
Date:	16 December 2015
Executive Member/Reporting Officer:	Cllr Jim Fitzpatrick - First Deputy (Performance & Finance) Peter Timmins – Interim Assistant Executive Director (Finance)
Subject:	CAPITAL MONITORING REPORT – 30 SEPTEMBER 2015
Report Summary:	<p>This report summarises the capital monitoring position at 30 September 2015.</p> <p>The report shows projected capital investment of £52.044m by March 2016.</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 (CPO's) and Indemnities is noted.(v) That the changes to the capital programme are noted.(vi) That the capital receipts position is noted.(vii) The Prudential Indicator position is noted.
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 pressures 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)	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.
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 Peter Timmins, Interim Assistant

Executive Director, Finance by:



phone: 0161 342 3864



e-mail: Peter.Timmins@tameside.gov.uk

1. INTRODUCTION

- 1.1 This is the second capital monitoring report for 2015/16, summarising the position as at 30 September 2015. There will be two further monitoring statements during 2015/16, which will be quarter three (for the period to the end of December 2015) and the final outturn report (for the period to the end of March 2016). 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 £52.044m on capital investment by March 2016. At present, the £52.044m of investment is £14.712m 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-September 2015

CAPITAL MONITORING STATEMENT - SEPTEMBER 2015					
	Table Reference	2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation
		£000	£000	£000	£000
<u>PEOPLE</u>					
Adults		0	0	0	0
Education	Table 4	16,591	7,519	15,896	(695)
Community Services	Table 5	552	68	552	0
Public Health	Table 6	9,724	127	945	(8,779)
<u>PLACES</u>					
Asset Investment	Table 7	12,023	1,610	12,023	0
Partnership Management Development & Investment	Table 8	9,839	1,914	7,124	(2,715)
Digital Tameside	Table 9	3,076	856	3076	0
Engineering Services	Table 10	9,818	2,205	8,548	(1,270)
Environmental Health	Table 11	1,485	41	232	(1,253)
Transport	Table 12	3,648	915	3,648	0
Subtotal		66,756	15,254	52,044	(14,712)
Unallocated		4,360			
Total		71,116			

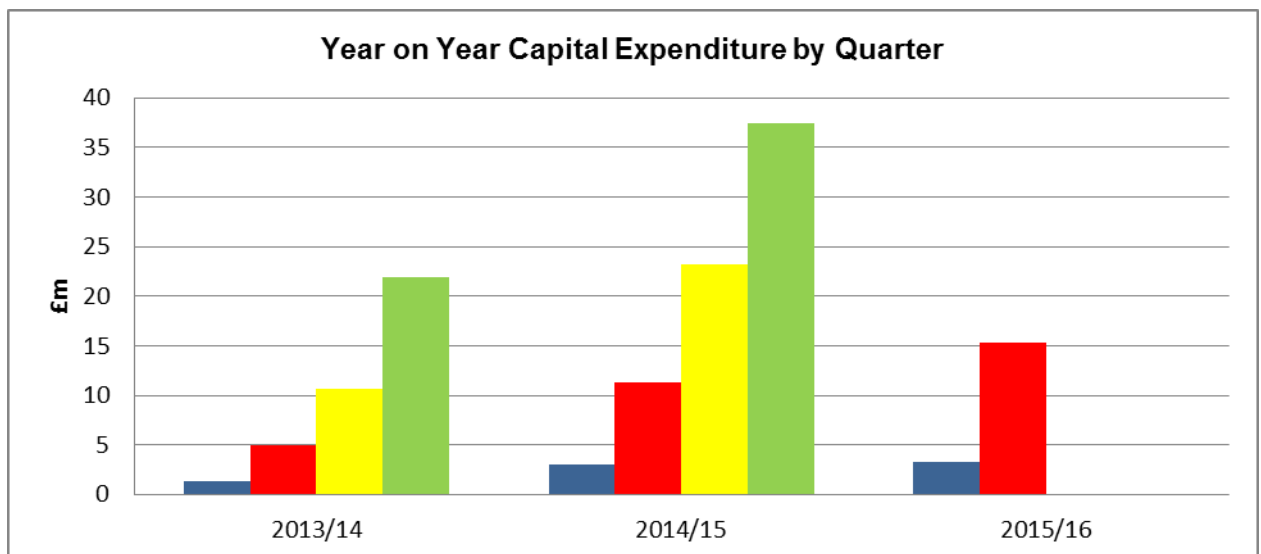
- 2.5 It is proposed that the capital investment programme is re-profiled to reflect current information. Proposed re-phasing of £14.590m into the next financial year will reduce this variation to £0.122m this is identified within the individual service area tables below.
- 2.6 Table 2 below shows the current Resources funding the 2015/16 Capital programme, including the unallocated funding streams. The resourcing structure, however, is not final and the section 151 Officer will make the best use of resources available at the end of the financial year.

Table 2: Funding statement 2015/16

Resources	£000
Capital Grants	27,166
Unsupported Capital Expenditure (Borrowing)	26,295
Revenue Contributions	15,403
Specific Capital Receipts	1,747
Capital Contributions	496
Supported Capital Expenditure	9
Total	71,116

- 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, 2013-15



3. CAPITAL EXPENDITURE TO DATE AND PROJECTED OUTTURN 2015/16

- 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 rephasing.

Table 4: Detail of Education Capital Investment Programme

Education Capital Programme Statement					
Capital Scheme	Revised 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
HYDE TARGETED BASIC NEED NEW SCHOOL	6,336	3,129	5,829	(507)	(507)
ASHTON TARGETED BASIC NEED NEW SCHOOL	2,175	2,074	2,083	(92)	
SAMUEL LAYCOCK TARGETED BASIC NEED EXTENSION	942	904	904	(38)	
SHORT BREAKS CENTRE AT CROMWELL SITE	912	0	912	0	
BUILDING SCHOOLS FOR THE FUTURE RESERVE - FUNDING STREAM	683	0	683	0	
DEVOLVED SCHOOLS CAPITAL	487	487	487	0	
YEW TREE - EXTENSION	469	0	469	0	
SPECIFIC CAPITAL RESERVE	403	0	403	0	
ALDWYN PRIMARY ADDITIONAL ACCOMMODATION	400	0	400	0	
ICT HIGH SCHOOLS - REPLACEMENT ICT SERVERS	400	379	400	0	
GRESWELL PRIMARY ROOF HEATING & ASBESTOS REMOVAL	363	13	363	0	
MILTON ST JOHN LIGHTING, POWER AND ALARM REPLACEMENT	350	20	350	0	
TWO YEAR OLD ENTITLEMENT GRANT - FUNDING STREAM	281	21	281	0	
PRIMARY CAPITAL PROGRAMME - RUSSELL SCOTT	276	4	276	0	
OTHER MINOR SCHEMES	3,316	489	3,258	(58)	
Total	17,793	7,519	17,098	(695)	(507)

Table 4b: Education Capital Investment Programme – re-phasing

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

Community Services Capital Programme Statement					
Capital Scheme	Revised 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
implementing the new library offer	229	0	229	0	
supporting customer experience and contact	179	0	179	0	
safe and secure project	136	18	136	0	
street art in the community	8	0	8	(8)	
Total	552	18	552	(8)	0

Public Health

- 3.4 The table below outlines the projected investment for Public Health. Explanations are also provided for the necessary rephasing.

Table 6a: Detail of Public Health Capital Investment Programme

Public Health Capital Programme Statement					
Capital Scheme	Revised 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
hyde leisure phase 2	405	0	50	(355)	(355)
active tameside centre	8,410	0	0	(8,410)	(8,400)
active playzone	711	119	711	0	
copley leisure centre boiler replacement	150	0	150	0	
droylsden youth centre	48	8	34	(14)	
Total	9,724	127	945	(8,779)	(8,755)

Table 6b: Public Health Capital Investment Programme – rephasing

Explanation of Re-phasing at Quarter 2			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
Public Health	Active Tameside Centre	Active Tameside Centre – The existing partnership with Active Tameside is currently under review. The outcome of the review, including proposals for facility rationalisation, will be known in October of this year. Any new partnership arrangement will not come in to effect until the 1 April 2016. It is unlikely that there will be any spend against this budget in 2015/16. However, this may be subject to change.	(8,400)
Public Health	Hyde Leisure Phase 2	Hyde Leisure Pool Phase 2 - The capital budget for this scheme is being used as match funding towards a Football Foundation Grant funding bid to support the development of community football facilities at Hyde FC. The bid, submitted by the club some time ago has now reached a conclusion; the Football Foundation is not willing to support the existing application. The club is considering its position and may reapply to the Football Foundation or seek to remodel the project in consultation with the Council. A Key Decision is required to progress the scheme. It is unlikely that there will be any significant spend in year. The only spend, subject to a key decision; will be on design development (£0.050m).	(355)

Asset Investment Partnership Management (AIPM)

3.5 The table below outlines the projected investment for AIPM. At present no rephasing is required.

Table 7; Detail of Asset Investment Partnership Management (AIPM) capital programme

AIPM Capital Programme Statement					
Capital Scheme	Revised 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
vision tameside	8,203	143	8,203	0	
decant costs	1,329	1,064	1,329	0	
opportunity purchase fund	573	85	573	0	
document scanning	500	62	500	0	
building fabric works	563	5	563	0	
mottram showground (opf)	165	0	165	0	
wellington works	131	6	131	0	
prep of outline planning applications	130	6	130	0	
energy consumption pilot scheme dukinfield town hall	110	64	110	0	
structural, asbestos, mechanical and electrical surveys	107	112	107	0	
dukinfield crematoria clock tower	98	0	98	0	
development of former stamford high school site	50	0	50	0	
other minor schemes	39	62	39	0	
tac cctv upgrade	25	0	25	0	
Total	12,023	1,610	12,023	0	0

Development and Investment

- 3.6 The table below outlines the projected investment for Development and Investment. Explanations are also provided for the necessary re-phasing.

Table 8: Detail of Development and Investment Capital Programme

Development and Investment Capital Programme Statement					
Capital Scheme	Revised 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
ashton town centre and civic square	5,077	579	2,477	(2,600)	(2,600)
ashton old baths	3,013	866	3,013	0	
disabled facilities grants	1,321	530	1,321	0	
st petersfield	200	0	200	0	
godley hill development and access road	112	0	0	(112)	
gm broadband	54	0	54	0	
longlands mill	32	8	32	0	
hyde town centre	27	0	27	0	
ashton market hall incubator units	3	0	0	(3)	
Total	9,839	1,983	7,124	(2,715)	(2,600)

Table 8b: Development and Investment Capital Investment Programme – re-phasing

Explanation of Re-phasing at Quarter 2			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
Development and Investment	Ashton Town Centre and Civic Square	An extensive consultation programme and the finalising of the scheme design have delayed the start on site. It was also crucial that the timing of this project was co-ordinated with the wider Vision Tameside redevelopment plans, in order to minimise disruption and ensure the town centre remained open for business. The start date was therefore delayed by several months which has had an impact on the projects spend profile. It is anticipated that £2.6m will be carried forward into 2016/2017 to enable Phase 1 of the project to be completed in September 2016. The remaining budget will contribute towards the completion of Phase 2 of the project which will commence to coincide with the opening of the new Shared Service Centre.	(2,600)

Digital Tameside

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

Table 9: Detail of Digital Tameside Capital Investment Programme

Digital Tameside Capital Programme Statement					
Capital Scheme	Revised 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
ict - enablement project	2,097	459	2,097	0	
working differently - it hardware & software	879	297	879	0	
my home finance	100	100	100	0	
Total	3,076	856	3,076	0	0

Engineering Services

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

Table 10a: Detail of Engineering Services Capital Investment Programme

Engineers Capital Programme Statement					
Capital Scheme	Revised 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
asda roundabout	1,118	821	1,118	0	
led street lighting investment	1,000	3	530	(470)	(470)
challenge funding	1,000	0	750	(250)	(250)
cycle city ambition grant	511	67	511	0	
the longdendale integrated transport strategy	480	0	0	(480)	(480)
bt roundabout	424	32	424	0	
principal/nonprincipal roads - ashton	410	235	400	(10)	0
denton link road	309	110	750	441	441
principal/nonprincipal roads - audenshaw	241	22	240	(1)	0
mossley road retaining wall continuation scheme	240	7	395	155	0

principal/nonprincipal roads - hyde	213	43	210	(3)	0
shepley bridge	200	92	170	(30)	0
wilson brook culvert	200	0	192	(8)	0
footway works	200	194	200	0	0
other minor schemes	3,272	579	2,788	(484)	(181)
total	9,818	2,205	8,678	(1,140)	(940)

Table 10b: Detail of Engineering Services Capital Programme – re-phasing

Engineers - Explanation of true variances over the life of a project			
Service Area	Project	Explanation	Amount (£000)
Engineering	Mossley Road Retaining Wall – Budget £0.240m	Tenders have been returned for the scheme and are above estimated costs, the increased costs will be accommodated from within the overall structures budget.	155
Explanation of Re-phasing at Quarter 2			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
Engineering	The Longdendale Integrated Transport Strategy	This initiative remains an objective within the Association of Greater Manchester Authorities (AGMA) approved Greater Manchester Transport fund but no expenditure is anticipated this year.	(480)
Engineering	LED Street Lighting Investment	Each contract submission required an economic assessment over a 25 year period to determine which supplier provided the least capital outlay and the greatest energy consumption saving. Once the winning supplier was identified we had to establish whether the extra initial cost of luminaire to guarantee it up to 25 years was worthwhile. Considering critical components and failure rates from 15 years onwards and taking account of the replacement costs it was determined that financially it wasn't in the Council's best interest to have a 25 year guarantee and that a 15 year guarantee was the better option. This guarantee change meant that an update report had to be done which delayed the award of the contract and consequently delayed the implementation of the installation programme.	(470)
Engineering	Denton Link Road	The anticipated start date on site will be January 2016 working through to December 2016. It is anticipated that whilst the majority of expenditure on the scheme will be within 2016/17, the expenditure incurred during the current financial year will be in excess of the original 2015/16 budget. This is as a result of the requirement to pay in advance for Utility Diversion Costs and Urban Traffic Control (UTC) design and installation costs.	441

Engineering	Challenge Funding	The overall £3m budget for the three year programme is currently being developed following confirmation of funding in July 2015. The allocation from Department for Transport for this financial year is £1.0m. When the bid was submitted we suggested £0.5m for the 15/16 financial year however it is now currently anticipated that £0.75m will be spent this financial year.	(250)
Engineering	Ashton Town Centre Access Improvements	The work planned is to complement the Ashton Market Square scheme and Public Realm works to the college and Vision Tameside Phase 2 development. It is now anticipated that the work will be undertaken in coordination with the other capital schemes in the 2016/17 financial year.	(181)

Environmental Services

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

Table 11a: Detail of Environmental Services Capital Investment Programme

Environmental Services Capital Programme Statement					
Capital Scheme	Revised 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
guide lane former landfill site	509	34	40	(469)	(469)
retrofit (basic measures)	359	5	32	(327)	(327)
carbon reduction	311	0	0	(311)	(311)
other minor schemes	306	0	160	(146)	
Total	1,485	39	232	(1,253)	(1,107)

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

Explanation of Re-phasing at Quarter 2			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
Environmental Services	Guide Lane Former Landfill	Gas Remediation Works A procurement exercise has been undertaken to award a contract for the Gas Remediation works, no tenders were received and as a result the procurement process was stopped. A feedback exercise	(469)

		<p>with contractors has been undertaken and as a result the scheme is now in the process of going back out to tender. Tenders are scheduled to be received and the preferred contractor is to be selected before the end of December. Actual works will not begin until March / April 2016 due to an obstruction caused by bats being in hibernation on the site.</p> <p>Demolition Works The contractor who was awarded the demolition contract for the demolition of the properties has gone into liquidation and therefore this element of the works has had to be re-tendered, the process is currently ongoing.</p>	
Environmental Services	Retrofit (Basic Measures)	This budget is used to 'top up' domestic retrofit measures that are primarily funded by ECO grants emanating from DECC. The supply of central funding available has been sporadic and will continue to be for the foreseeable future making it difficult to profile spend. However plans under the Devo Manc scheme (if successful) should see a much more consistent devolved funding regime	(327)
Environmental Services	Carbon Reduction	We are currently engaged in a Greater Manchester wide procurement exercise for the installation of solar panels onto buildings owned by the Council. This procurement exercise will finish in January 2016. If the procurement is successful then this capital money will be used to fund installations in the 2016/17 financial year.	(311)

Transport

3.10 The table below outlines the projected investment for Transport.

Table 12: Detail of Transport Capital Investment Programme

Transport Capital Programme Statement					
Capital Scheme	Original 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
fleet replacement programme	1,140	915	1,141	1	
Total	1,140	388	1,141	1	0

4. COMPULSORY PURCHASE ORDERS, INDEMNITIES AND POTENTIAL LIABILITIES

Redmond Close

- 4.1 The Council have purchased and demolished property numbers 2 – 18 (evens). Property number 22 is to remain in situ with a remedial solution to be installed. Property number 20 is adjoining number 22 and is to be demolished, a party wall agreement is now in place and the Council has undertaken a site investigation. A new gable end wall between numbers 20 / 22 needs to be reconstructed because of the demolition of number 20. The Council is currently going through a tendering process for the remedial works.

Wellington Works

- 4.2 This is a complex compulsory purchase compensation matter which has hit a serious dispute between the Council and the claimant; some costs are outstanding as an amount has not yet been 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 is currently completing 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.

Ashton Northern Bypass

- 4.7 As part of the Construction of the bypass the Council purchased and demolished a number of properties by CPO. One of the properties was a place of worship, the Council therefore agreed to construct a replacement building for the trustees. There are still a number of snagging issues that are yet to be resolved between the Contractor and the trustees before the transfer of legal ownership can be completed.

Hattersley CPO

- 4.8 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.
- 4.9 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 capital programme was approved at Executive Cabinet in August 2015 there has been an increase in the programme totalling £3.124m over the period 2015/16 – 2017/18. This increase mainly relates to the Challenge Fund grant allocation to Engineering Services. 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 Councils 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 temporary corporate funding of the Schools Capital Programme.
- 6.3 Receipts of £1.673m have been generated to date from the disposal of Council assets, with a further £14.636m forecast to be completed before 31 March 2016.

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 Prudential Indicators for 2015/16 and the following two years were set out by the Council in February 2015.
- 7.2 The Prudential Indicators as at October 2015 are shown in **Appendix 2**.

APPENDIX 1

Changes to the Capital Programme

SERVICE	SCHEME	SOURCE OF FUNDING	BUDGET CHANGES 2015/16 £000	BUDGET CHANGES 2016/17 £000	BUDGET CHANGES 2017/18 £000	TOTAL £000
Capital Programme 2015/16 Opening			75,831	39,328	27,488	159,964
A) Increases to the Programme						
Education	BSF High School Telephone Lines	Grant	14			14
Education	Flowery Field Additional Furniture for New Building	Grant	16			16
Education	Linden Road Children's Centre - Refurbishment and Electrical	Grant	17			17
Education	Milton St John Primary - Temporary Emergency Works	Grant	16			16
Education	Inspire Academy - Pre-opening costs	Grant	115			115
Education	Broadoak Primary School - FF&E For new building	Grant	107			107
Education	Broadoak Parking Improvements	RCCO	68			68
Education	Capital Maintenance 15/16	Grant	63			63
Education	Micklehurst Fire Alarm Survey & Works	Grant	10			10
Education	Bradley Green Primary Roof	Grant	30			30
Education	Gorse Hall Windows	Grant	1			1
Engineers	Challenge Funding	Grant	1,000	1,500	500	3,000
Engineers	Discovery Academy – Remodelling Furniture	Grant		15		15
Education	BSF High School Telephone Lines	Grant	14			14
Education	Flowery Field Additional Furniture for New Building	Grant	16			16
Education	Linden Road Children's Centre - Refurbishment and Electrical	Grant	17			17
Education	Milton St John Primary - Temporary Emergency Works	Grant	16			16
Education	Inspire Academy - Pre-opening costs	Grant	115			115
Education	Broadoak Primary School - FF&E For new building	Grant	107			107
			1,458	1,515	500	3,473

B) Reductions in Programme					
Education	Basic Need Funding Stream	Grant		(230)	(230)
Education	Broad oak Parking Improvements	Grant	(63)		(63)
Education	Funding Stream - RCCO Reserve	Grant	(50)		(50)
Education	Audenshaw Primary – Emergency Works	Grant	(5)		(5)
			(118)	(230)	0
C) Funding Transfers in Programme					
AIPM	Building Fabric works	Corporate	154		154
AIPM	Vision Tameside (Correction to Slippage)	Corporate	(22)		(22)
Education	Livingstone Remodelling/Extension	Grant	(345)	345	0
Education	Milton St John Creation of Bulge Class	Grant	(40)	40	0
Education	Discovery Academy – Remodelling Furniture	Grant	(100)	100	0
Engineers	Ashton – Stalybridge Cycle Route	Grant	(400)	400	0
Engineers	Denton Link Road	Grant	(1,600)	1,600	0
Engineers	LED Street lighting	Grant	(4,000)	4,000	0
Engineers	Junction Improvements on/off at J23 M60	Grant	(250)	250	0
Engineers	Pinch Point Schemes	Grant	(150)	150	0
Engineers	Ashton Northern bypass – stage 2	Grant	(230)	230	0
Resources	Resources	Corporate	(132)		(132)
			(7,115)	7,115	0
Net Changes			(5,776)	8,400	500
Capital Programme 2015/16 Outturn			71,116	49,016	34,531
					154,662

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.

APPENDIX 2

Prudential Indicators

Actuals v limits as at 07/10/2015			
	limit	Actual @ 07/10/2015	amount within limit
	£000's	£000's	£000's
Operational Boundary for External Debt	£237,319	£120,098	-£117,221
Authorised Limit for External Debt	£257,319	£120,098	-£137,221
Upper Limit for fixed	£211,163	£33,593	-£177,570
Upper Limit for variable	£63,349	-£75,198	-£138,547
Capital financing requirement	£211,163	£203,045	-£8,118
Capital expenditure	£53,763	£49,416	-£4,347

Prudential Indicators

Gross borrowing and the capital financing requirement	cfr @ 31/03/15 + increase years 1,2,3	Gross borrowing @07/10/2015	amount within limit
	£000's	£000's	£000's
	£211,163	£120,098	-£91,065

Maturity structure for borrowing 2015/16

Fixed rate		
Under 12 months	0% to 15%	0.73%
12 months and within 24 months	0% to 15%	0.86%
24 months and within 5 years	0% to 30%	5.72%
5 years and within 10 years	0% to 40%	4.30%
10 years and above	50% to 100%	88.38%

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Report To:	EXECUTIVE CABINET
Date:	16 December 2015
Executive Member /Reporting Officer:	Councillor J. Fitzpatrick - First Deputy (Performance & Finance); Peter Timmins – Interim Assistant Executive Director (Finance)
Subject:	TREASURY MANAGEMENT ACTIVITIES
Report Summary:	This report provides a mid-year review of the Council's Treasury Management activities for 2015/16, including the borrowing strategy and the investment strategy.
Recommendations:	<ol style="list-style-type: none">1. That the reported treasury activity and performance be noted.2. That the proposed changes to the Council's MRP policy from 2015/16 are approved, and agree a change in the repayment setting aside basis, to generate an annual revenue saving of £2.5m (see section 8), from:<ul style="list-style-type: none">• 4%, resulting in a reducing balance; to• 2%, resulting in repayment over 50 years,and that the revised MRP policy be recommended to Council for approval.3. That approval be given to adjust the Council's Treasury Management investment list to match that of the Council's treasury advisors, Capita. This will allow access to an increased range of counterparties and therefore improved levels of diversification and yield.
Links to Community Strategy:	The Treasury Management function of the Council underpins the ability to deliver the Council's priorities.
Policy Implications:	In line with Council Policies.
Financial Implications: (Authorised by the Section 151 Officer)	<p>The Public Works Loan Board has continued the scheme to allow a 0.20% reduction on the published borrowing rates, known as the "certainty rate", for Councils that provide indicative borrowing requirements for the next 3 years. The Council has provided this information and has therefore protected its eligibility for the "certainty rate" This does not however commit the Council to a particular course of action.</p> <p>The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, the agencies have begun removing these "uplifts". While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse</p>

financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now.

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

The achievement of savings on the cost of financing the Council's debt through repayment, conversion and rescheduling, together with interest earned by investing short term cash surpluses, is a crucial part of the Council's medium term financial strategy. This has to be carefully balanced against the level of risk incurred. It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:-

- 1) Increases in interest charges and principal repayments caused by increased borrowing to finance additional capital expenditure, and
- 2) Any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future are affordable.

Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred therefore such expenditure is spread over several years in order to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and now be determined under Guidance.

Statutory Instrument 2008 no. 414 s4 lays down that: *"A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent."*

There is no requirement to charge MRP where the Council's overall Capital Financing Requirement is nil or negative at the end of the preceding financial year. The Government has issued guidance which requires that a Statement on the Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate. The Council is legally obliged to "have regard" to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required previously. The guidance offers four main options under which MRP can be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably similar with that over which the capital expenditure is estimated to provide benefits. It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

Risk Management:

Failure to properly manage and monitor the Council's loans and investments could lead to service failure and loss of public

confidence.

Access to Information:

The background papers relating to this report can be inspected by contacting Beverley Stephens, Head of Resource Management, by:



phone: 0161 342 3887



e-mail: Beverley.stephens@tameside.gov.uk

1. BACKGROUND

- 1.1 Cash-flow management is a core element of the Council's financial management activities. The Council operates a balanced budget, which broadly means cash raised during the year will meet cash expenditure. Treasury Management operations firstly ensure that cash flow is adequately planned, with short term surplus funds being invested. The investment strategy priorities are security (in low risk counterparties), then liquidity (cash flow needs), and lastly, yield – providing adequate liquidity initially before considering maximising investment return.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital investment plans, agreed as part of the annual budget setting process and updated throughout the financial year. These capital plans provide a guide to the borrowing need of the Council, essentially this is the long term cash flow planning to ensure the Council can meet its capital spending requirements. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk management or cost reduction objectives.
- 1.3 As a consequence treasury management is defined as:
“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2. INTRODUCTION

- 2.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2011) was adopted by this Council on 8 February 2012. The primary requirements of the Code are as follows:
- 1) Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - 2) Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - 3) Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, **a Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
 - 4) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - 5) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is Overview (Audit) Panel.
- 2.2 This mid-year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:
- An economic update for the first six months of 2015/16;
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - The Council's capital expenditure (prudential indicators);
 - A review of the Council's investment portfolio for 2015/16;
 - A review of the Council's borrowing strategy for 2015/16;
 - A review of any debt rescheduling undertaken during 2015/16;
 - A review of compliance with Treasury and Prudential Limits for 2015/16;
 - A review of the Minimum Revenue Provision Policy.

3. ECONOMIC UPDATE

3.1 The following economic update is provided by the Councils treasury management advisors Capita (formerly Sector).

- a. UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, possibly being equal to that of the US. However, quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a rebound in quarter 2 to +0.7% (+2.4% y/y). Growth is expected to weaken to about +0.5% in quarter 3 as the economy faces headwinds for exporters from the appreciation of Sterling against the Euro and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme, although the pace of reductions was eased in the May Budget. Despite these headwinds, the Bank of England August Inflation Report had included a forecast for growth to remain around 2.4 – 2.8% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero over the last quarter. Investment expenditure is also expected to support growth. Moreover, since the report was issued, the Purchasing Manager's Index, (PMI), for services on 5 October would indicate a further decline in the growth rate to only +0.3% in Q4, which would be the lowest rate since the end of 2012. In addition, worldwide economic statistics and UK consumer and business confidence have distinctly weakened so it would therefore not be a surprise if the next Inflation Report in November were to cut those forecasts in August.
- b. The August Bank of England Inflation Report forecast was notably subdued in respect of inflation which was forecast to barely get back up to the 2% target within the 2-3 year time horizon. However, with the price of oil taking a fresh downward direction and Iran re-joining the world oil market after the impending lifting of sanctions, there could be several more months of low inflation still to come, especially as world commodity prices have generally been depressed by the Chinese economic downturn.
- c. There are therefore considerable risks around whether inflation will rise in the near future as strongly as had previously been expected; this will make it more difficult for the central banks of both the US and the UK to raise rates as soon as was being forecast until recently, especially given the recent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the volatility we have seen in equity and bond markets in 2015 so far, which could potentially spill over to impact the real economies rather than just financial markets.
- d. The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015. While there had been confident expectations during the summer that the Fed. could start increasing rates at its meeting on 17 September, or if not by the end of 2015, the recent downbeat news about Chinese and Japanese growth and the knock on impact on emerging countries that are major suppliers of commodities, was cited as the main reason for the Fed's decision to pull back from making that start. The nonfarm payrolls figures for September and revised August, issued on 2 October, were disappointingly weak and confirmed concerns that US growth is likely to weaken. This has pushed back expectations of a first rate increase from 2015 into 2016.

- e. In the Eurozone, the European Central Bank (ECB) unleashed a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries in January. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This already appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in quarter 2 and looks as if it may maintain this pace in quarter 3. However, the recent downbeat Chinese and Japanese news has raised questions as to whether the ECB will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

3.2 Capita's view on the outlook for the next six months of 2015/16 is as follows:-

- a. Capita Asset Services undertook its last review of interest rate forecasts on 11 August shortly after the quarterly Bank of England Inflation Report. Later in August, fears around the slowdown in China and Japan caused major volatility in equities and bonds and sparked a flight from equities into safe havens like gilts and so caused PWLB rates to fall below the above forecasts for quarter 4 2015. However, there is much volatility in rates as news ebbs and flows in negative or positive ways and news in September in respect of Volkswagen, and other corporates, has compounded downward pressure on equity prices.
- b. Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:
 - Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
 - UK economic growth turns significantly weaker than we currently anticipate.
 - Weak growth or recession in the UK's main trading partners - the EU, US and China.
 - A resurgence of the Eurozone sovereign debt crisis.
 - Recapitalisation of European banks requiring more government financial support.
 - Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Fed. rate increases, causing a flight to safe havens
 - The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -
 - Uncertainty around the risk of a UK exit from the EU.
 - The ECB severely disappointing financial markets with a programme of asset purchases which proves insufficient to significantly stimulate growth in the EZ.
 - The commencement by the US Federal Reserve of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
 - UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

3.3 The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

3.4 The view of the Council's treasury management advisors (Capita) on the anticipated future movement in interest rates is shown below.

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%
5yr PVLB rate	2.40%	2.50%	2.60%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%
10yr PVLB rate	3.00%	3.20%	3.30%	3.40%	3.50%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
25yr PVLB rate	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
50yr PVLB rate	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%

3.5 The above Capita forecasts for Public Works Loan Board rates incorporate the Public Works Loan Board certainty rate reducing Public Works Loan Board borrowing rates by 0.20% for most local authorities.

3.6 As documented in previous reports, the Council's Bank, Co-operative Bank, signalled its intention to withdraw from the local Authority banking transmissions market once current contracts expire. Tameside MBC's current contract expires on the 31 March 2018. The Council participated in a Greater Manchester wide collaborative tender for banking services, led by Bury MBC. The successful Tenderer was Barclays Bank. Tameside MBC is currently in the process of transferring to Barclays with the transfer on target completed on 1 December 2015.

4. TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY UPDATE

4.1 The Treasury Management Strategy Statement (TMSS) for 2015/16 was approved by the Council on 4 February 2015.

4.2 The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.

4.3 In keeping with the agencies' new methodologies, the credit element of our own credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used by Standard & Poor's, this has been a change to the use of Fitch and Moody's ratings. It is important to stress that the other key elements to our process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.

- 4.4 The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, clients typically assigned the highest sovereign rating to their criteria the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. While this authority understands the changes that have taken place, it will continue to specify a minimum sovereign rating of AA. This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.
- 4.5 It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution, merely a reassessment of their methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the "support" phase of the financial crisis.

5. THE COUNCIL'S CAPITAL POSITION (PRUDENTIAL INDICATORS)

- 5.1 The Prudential Indicators are reported on a monthly basis to the Executive Director of Finance and the First Deputy Performance & Finance. The table at 5.3 below shows the current position against the Prudential Indicator limits set as part of the 2015/16 Budget Report.
- 5.2 The indicators are updated from the Capital Programme as at October 2015, showing the Council's capital expenditure plans and how these plans are being financed. Any changes in the capital expenditure plans will impact of the on the prudential indicators and the underlying need to borrow.
- 5.3 The current prudential indicator position is shown below. All the indicators are within the set limits showing that the Council's borrowing strategy remains a prudent one.

Prudential Limits

Actuals v limits as at 07/10/2015

	limit	Actual @ 07/10/2015	amount within limit
	£000's	£000's	£000's
Operational Boundary for External Debt	£237,319	£120,098	-£117,221
Authorised Limit for External Debt	£257,319	£120,098	-£137,221
Upper Limit for fixed	£211,163	£33,593	-£177,570
Upper Limit for variable	£63,349	-£75,198	-£138,547
Capital Financing Requirement	£211,163	£203,045	-£8,118
Capital expenditure	£53,763	£49,416	-£4,347

Prudential Indicators

Gross borrowing and the capital financing requirement	CFR @ 31/03/14 + increase years 1,2,3	Gross borrowing @07/10/2015	amount within limit
	£211,163	£120,098	£91,065

Maturity structure for borrowing 2015/16

Fixed rate

Under 12 months	0% to 15%	0.73%
12 months and within 24 months	0% to 15%	0.86%
24 months and within 5 years	0% to 30%	5.72%
5 years and within 10 years	0% to 40%	4.30%
10 years and above	50% to 100%	88.38%

6. INVESTMENT PORTFOLIO 2015/16

- 6.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 3, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment, investment returns are likely to remain low.
- 6.2 The Council held £141.350m of investments as at 30 September 2015 (£150.970m at 31 March 2015) and the investment portfolio yield for the first six months of the year is 0.45% against LIBID of 0.36%.
- 6.3 The Interim Assistant Executive Director of Finance confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2015/16.
- 6.4 The Council's 2015/16 budget shows that external loans will incur interest charges of £11.892 and £0.117m will be paid to various Council funds such as the Insurance Fund. Investment income to be earned during the year is estimated to reduce these costs to give a net interest charge budget of £11.273m.
- 6.5 Whilst the investment counterparty criteria selection approved in the TMSS is currently meeting the requirement of the Treasury Management Function, the regulatory changes outlined in 4.2 require the Council to give consideration to diversifying its investment strategy in order to further reduce credit risk whilst also enabling the Council to maintain sufficient Counterparties.
- 6.6 As defined by the Treasury Management Strategy, there are various types of investments which the Council can use. These are outlined in the following tables.

Specified investments:

All such investments shall be in sterling with a maximum maturity of 1 year with institutions of high credit quality.

	Minimum Credit Criteria
Term Deposits(including bank cancellable deposits) with credit – rated deposit takers (banks and building societies) *	F1 Short Term A+ Long Term
Term Deposits with the UK Government or other Local Authorities	N/A
Money Market Funds	AAA
Debt Management Agency Deposit Facility	N/A

*If forward deposits are made, these will be for a maximum of 1 year from the date of the deal.

Bank cancellable deposits cover a variety of bank deposits where the bank holding the deposit, has the option of repaying at pre-specified times. Such investments normally attract a higher original interest rate.

Non – Specified Investments:

A maximum of 25% (at the time the investments are made) will be held in aggregate in non – specified investments The only types of non-specified investments, with high credit quality, that the Council may use during 2015/16 are:

	Minimum Credit Criteria
Term Deposits exceeding 1 year (including bank cancellable deposits) with credit – rated deposit takers (banks and building societies)	F1 Short Term A+ Long Term
Term Deposits with the UK Government or other Local Authorities exceeding 1 year	N/A
UK nationalised and part nationalised banks (currently Lloyds Banking Group and Royal Bank of Scotland Group) – investments will be limited to a maximum period of 12 months	N/A
The Council's own bankers even if they fail to meet the basic credit criteria.	N/A

- 6.7 Investments of this nature will only be made with the approval of the Director of Finance and in line with our treasury management advisors (Capita) investment recommendations.
- 6.8 Of the above investments, the most commonly used are;
 - Money Market Funds
 - Term Deposits with the UK Government / UK Local Authorities
 - Term Deposits (less than 1 year) with suitably rated banks.
- 6.9 It is recommended that approval be given to expand the Council's Treasury Management investment list to that of the Council's advisors, Capita. This will allow access to an increased range of counterparties and therefore improved levels of diversification and yield.
- 6.10 The Capita Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.
- 6.11 Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still

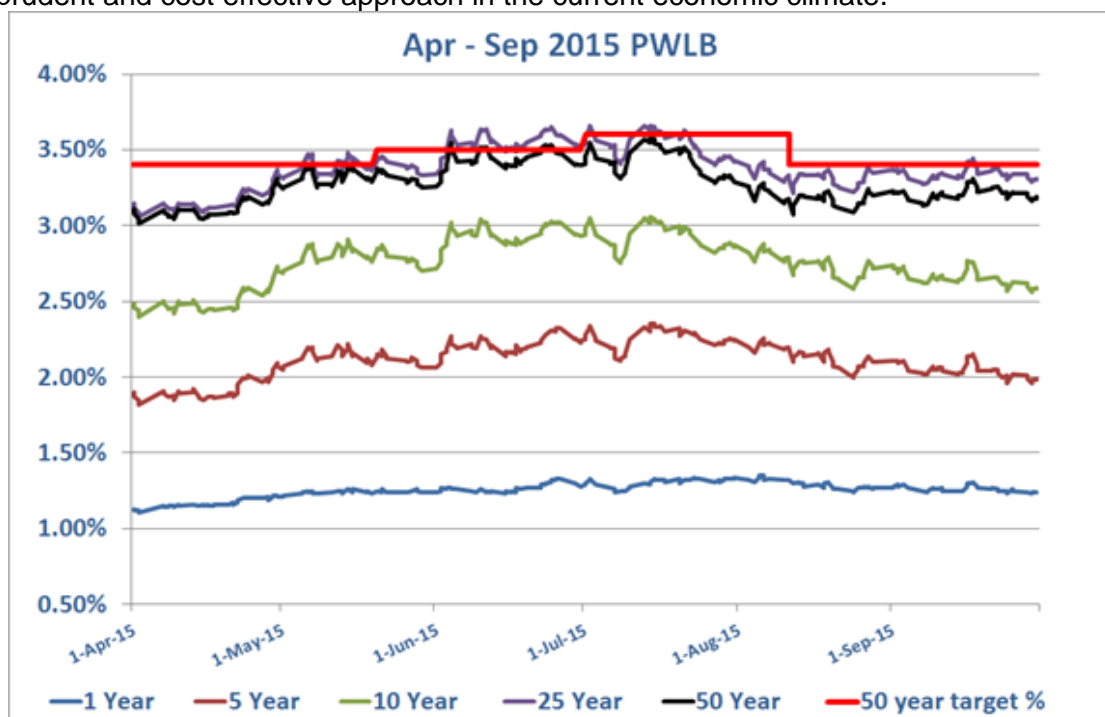
be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

- 6.12 All credit ratings will be monitored regularly. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services' creditworthiness service.
- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
 - in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Capita Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- 6.13 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on any external support for banks to help support its decision making process.

7. BORROWING

7.1 The Council's estimated capital financing requirement (CFR) at 31 March 2015 is £185.215m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the Public Works Loan Board or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.

7.2 The Council had an outstanding borrowing requirement of £54.612m at 31 March 2015 which is estimated to increase to £82.332m at 31 March 2016. This outstanding borrowing requirement has been funded from internal balances on a temporary basis and has the impact of reducing the level of the Council's investment balances. This continues to be a prudent and cost effective approach in the current economic climate.



- 7.3 The table above shows the movement in Public Works Loan Board borrowing rates for the first six months of the financial year. No borrowing has been taken up in the first six months of the year from the Public Works Loan Board or financial institutions.
- 7.4 The Council may take up some of the outstanding borrowing requirement in the second half of the year, should an opportune moment occur. All borrowing decisions will be taken in consultation with the Council's treasury management advisors.

8. MINIMUM REVENUE PROVISION

- 8.1 Local authorities are required to set aside 'prudent' revenue provision for debt repayment (MRP) where they have used borrowing or credit arrangements to finance capital expenditure. Statutory Guidance covering Minimum Revenue Provision (published February 2012 by the Department for Communities and Local Government) sets out various options and boundaries for calculating prudent provision.
- 8.2 The guidance sets out various options for calculating prudent MRP but does not rule out alternative approaches that are not specifically mentioned. One of the options presented in the guidance is 'the regulatory method' which equates to setting aside 4% of the opening balance outstanding on a reducing balance basis. The Council currently uses this method for calculating MRP on General Fund debt previously financed from credit approvals or supported borrowing; namely capital financing costs that were financed as part of the annual local government finance settlement.
- 8.3 Several councils across AGMA are currently reviewing their own MRP policies. Furthermore, there is at least one council (Knowsley MBC) that has already adopted an alternative to the regulatory method of calculating MRP for previously supported General Fund borrowing. The alternative method adopted by Knowsley MBC, which also delivers significant medium term revenue budget savings, simply provides for the outstanding debt over a 50 year period in equal instalments (2% per annum). On a whole life basis, this approach is arguably more prudent than the regulatory method as it results in this debt being fully extinguished within 50 years.
- 8.4 For Tameside Council, adopting the 50 year 'Equal Instalments' approach to calculating MRP for previously supported General Fund borrowing results in an annual MRP charge of circa £3.71m (£185.5m / 50 years). This results in a saving of around £2.5m for 2015/16. Further work is required to calculate the exact figures, at this stage the above figures are provided as an indication.
- 8.5 Under the equal instalments approach to MRP, the current Capital Financing requirement will be fully extinguished by 31 March 2065.
- 8.6 Any new Prudential Borrowing taken up will be provided for within the MRP calculation based upon the expected useful life of the asset or by an alternative approach deemed appropriate to the expenditure in question.
- 8.7 To enable Tameside Council to adopt the 'equal instalments' approach to providing for MRP, it is necessary to revise the Council's MRP policy statement by removing references to the 'Regulatory Method' of calculating MRP. The revised MRP policy has to be approved by Full Council in order for it to be valid.

9. DEBT RESCHEDULING

9.1 Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. No debt rescheduling was undertaken during the first six months of 2015/16.

10. GREATER MANCHESTER METROPOLITAN DEBT ADMINISTRATION FUND (GMMDAF)

10.1 Unlike Tameside the GMMDAF incurs no capital expenditure, and therefore the total debt outstanding reduces annually by the amount of debt repaid by the constituent authorities. However, loans are raised to replace those maturing during the year, and for cashflow purposes.

10.2 At 31 March 2015 the fund had the following outstanding debt.

	£m
Public Works Loan Board	121.926
Other Balances	2.936
Total Debt	<u>124.862</u>

10.3 The fund's borrowing requirement for 2015/16 is estimated to be:-

	£m
Long term debt maturing	
Public Works loan Board	22.000
Other	<u>0.033</u>
	22.033
Less principal repayments	<u>15.183</u>
Deficit in year	<u>(6.850)</u>

10.4 During 2015/16 it is estimated that the total interest payments will be £6.652m at an average interest rate of 5.33%. This compares with 5.73% in 2014/15.

10.5 No borrowing has been taken up in the first six months of 2015/16. However, loans may be taken up for either re-scheduling or borrowing early for future years, if prevailing rates are considered attractive.

11. RECOMMENDATIONS

11.1 As set out on the front of the report.

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- Report to :** EXECUTIVE CABINET
- Date :** 16 December 2015
- Executive Member / Reporting Officer:** Councillor Gerald P Cooney, Executive Member (Learning, Skills and Economic Growth)
Heather Loveridge, Assistant Executive Director, Education
- Subject :** **TRADED AND SUPPORT SERVICES TO SCHOOLS**
- Report Summary :**
- The report provides an update for Members on the delivery of traded and support services to schools and seeks approval to the continuation of the offer of these services from 1 April 2016 to 31 March 2017.
- Following consultation with Headteachers and the Schools Forum last year, it was agreed that all traded services would be procured on the basis of a two year commitment to enable both schools and the Council to plan with greater certainty. The uptake from schools has continued to be high.
- As part of the Local Authority's commitment to schools, quality assurance processes have also been put in place to monitor the delivery of services. A Headteacher Panel was convened in May this year at which all service managers attended to receive feedback and provide responses to issues which were raised. Schools now need to consider which services they will want to procure for 2016/17 based on the offer the Council puts forward.
- There is no doubt that the changing context nationally, regionally and locally (as described in Section 2) will require a fundamental review of the way in which support services are delivered. However, whilst these deliberations have begun, they will nevertheless take some time to work through, particularly where shared services with other authorities are being developed.
- Recommendations :**
- It is recommended that:
1. for the financial year 2016/17, the Council continues to offer the Council services listed in **Appendix A** with the proviso that:
 - HR Support Services are packaged to reflect a more realistic cost of time required on case work;
 - Education Welfare and Educational Psychology Support Services review their capacity to deliver support over and above their statutory functions;
 - The price of all Council Services are inclusive of all associated expenditure as a minimum as per current arrangements;
 2. That work commences supported by the Interim Assistant Executive Director of Finance and appropriate officers to find an alternative solution to current hosted traded services such alternatives need to consider a wholly owned school solution or partnership approach with colleges/Academies, and or arrangements with other neighbouring authorities.

The proposals in the report support those elements of the Community Strategy which relate to a Learning and Supportive Tameside.

Policy Implications :

There are no policy implications arising from this report.

**Financial Implications :
(Authorised by the Section
151 Officer)**

The price of all Council Services for 2016/17 made available to schools will include all associated expenditure as a minimum as per current arrangements.

2016/17 price details will be communicated to schools by 19 December 2015 at the latest. Schools will need to confirm their requirements by 12 February 2016.

The associated implications on 2016/17 and future year service revenue income budgets will be reviewed in line with the service request responses received from schools. Any shortfall in the budgeted levels of income will be financed from within the existing service revenue budget with savings proposals requiring implementation as a matter of urgency.

Appendix A provides details of the existing services provided to schools.

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

It is important that the Council looks for a revised model to reflect changing landscape of the legal structure of schools ensuring it both supplies school improvement and reduces any significant liability for the Council. As well as looking at a shared local authority approach we need to be considering on local school self support and locality based models.

This needs to be overriding approach to all matters relating to schools as the Council no longer has funding to subsidise or pick up liabilities as these lie with schools.

Risk Management :

Whilst the Council has moved to a two year commitment from schools, it would be more prudent to extend the current arrangements for one year (with inflationary uplift) to allow discussions with neighbouring authorities to be developed over shared services in the coming months. It will also enable the Council to reflect on which services should continue to be provided over and above the Council's statutory responsibilities. Whilst some schools have elected to procure some services from other providers, this is not at a level where there is a need to delete services.

Access to Information :

The background papers relating to this report can be inspected by contacting Heather Loveridge



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1 INTRODUCTION

- 1.1 The Local Authority has been delivering services to schools on a traded basis for a number of years. In 2014, schools were required to procure these services on a two year basis in order to provide the Council and schools with greater certainty in the planning and delivery of support. These services include School Improvement Support, Behaviour and Learning needs, Attendance, Ethnic Minority Achievement, Clerking Service for Governors, Reading Recovery, Educational Psychologists, Music Tuition, HR support, Financial Monitoring and Support, School Library Service.
- 1.2 At the Executive Cabinet meeting in June 2014, Members considered a detailed report which set out the costs of, and the income related to, the delivery of services to schools. That detail was used to set out a series of recommendations to inform proposals for the delivery of such services in the future. In particular, Members agreed at the meeting that services should continue to be provided on the basis that:
- services to schools should continue to be provided on a full cost recovery basis
 - That schools would be required to commit to procuring services for a two year period
 - That schools converting to academy status would be required to pay the full year service cost regardless of when they converted
 - That no services should be provided to any academy without a written agreement to pay for services in full
 - That Primary School Catering and IT Support Services should be delivered through the TIP
- 1.3 In 2013/14, detailed work had been undertaken to arrive at a full cost recovery model for each of the services. Previously, the costs charged did not provide for the recovery of management, accommodation and central establishment costs. It was determined that to properly reflect those fixed overheads, an additional element should be added to the direct costs. In 2015/16, an inflationary uplift of 4% has been applied.
- 1.4 However, it has become apparent that there are demands on certain services that exceed the cost recovery e.g. HR support for schools where complex casework requires a commitment that is over and above the notional days' allowance.

2 CONSIDERATIONS

- 2.1 For both budget planning and HR planning purposes, the authority needs to obtain a firm commitment from schools by the end of the autumn term of the services they will want to procure from the start of the following financial year. As has been the case previously, a report is usually presented to Schools Forum in the autumn term identifying traded and Dedicated School Grant (DSG) support services that are available for Schools. A list of the services schools can access is attached as **Appendix A**.
- 2.2 Since 2014, work has been ongoing to transfer the Primary School catering function to the TIP and this has now been completed. In addition, the School Information Management Systems Support has also been transferred to the TIP as a more appropriate vehicle for delivery and a review is currently being undertaken of individual school needs.
- 2.3 Other services have also reviewed whether they have the capacity to deliver traded services over and above their core statutory functions. Two such services include Education Welfare Services and Educational Psychologist support. With reduced capacity, these services will concentrate on their core statutory functions from next April allowing schools to procure additional support from other external providers. For other services, such as HR support, it will be necessary to develop a new Service Level Agreement, which

properly reflects the cost of support to schools particularly in relation to case work which frequently requires intensive support over a number of weeks.

- 2.4 In May 2015, Heads of Service and Service Managers met with a Headteacher Quality Assurance Panel to receive feedback about the quality and responsiveness of services. This proved to be extremely valuable all concerned. In addition to this, Headteachers are also able to provide on-line feedback through the new website but any issues are generally raised with Service Managers themselves who are frequently in schools and have the opportunity to speak to Headteachers directly.
- 2.4 It should be noted that discussions have begun with Oldham and Rochdale Councils about the potential to share certain support services for schools. At this stage, there is a view that HR and Financial Support for schools should remain with each individual authority. However, Directors of Children's Services and Education lead officers are actively considering what scope there may be for other services to be shared in the future given the financial pressures every Council is having to address.
- 2.6 Local Authorities in Greater Manchester will also be considering the wider opportunities presented by devolution. As far as education is concerned, this will inevitably prompt discussion in the next year or so about services which could be coordinated on a Greater Manchester Authority basis. There will unquestionably be economies of scale from a larger delivery model but this will take some time to develop.
- 2.7 It is now a well-established fact that the Government's aim is to see every school convert to an academy within the lifetime of this Parliament with schools having greater control over their budgets, resources and partnership arrangements. Tameside currently has 7 Secondary Academies and 8 Primary Academies out of a total of 94 schools. Nearly all of these academies buy some services together with local authority maintained schools in the Borough. However, if there is any acceleration in the number of schools converting to an academy, this will clearly impact on the viability of some support services.
- 2.8 The Government is also proposing to introduce a national funding formula which is likely to reduce the overall quantum for Tameside schools which will require them to review their spending priorities. Whilst there is no firm date for the introduction of the new funding formula, this could impact on the level of buy back of services in future years.

3. PROPOSED WAY FORWARD

- 3.1 The Council now needs to make a decision about the basis on which it will continue to provide traded services to schools given they will need to consult their Governing Bodies this term and determine by Christmas those services they wish to procure from April 2016 onwards. The indications are that the take up will remain at a significant level and this is due in large part to the positive relationships staff have built with schools and the quality of the services they receive.
- 3.2 There is no doubt that the changing context nationally, regionally and locally (as described in Section 2) will require a fundamental review of the way in which support services are delivered. However, whilst these deliberations have begun, they will nevertheless take some time to work through, particularly where shared services with other authorities are being developed. New arrangements for traded services will need to be in place by April 2017 whether this is in conjunction with other authorities or as a separate organisational structure and this work will need to be undertaken in conjunction with the Interim Director of Finance.

4. RECOMMENDATIONS

- 4.1 As stated on the report cover

Traded and Support Services to schools 2015/16

Directorate/ Service	Service Unit	Funding	Statutory/Traded Service	Annual / Ad Hoc	14/15 Income Received From Schools / DSG	Surplus / Cost Recovered / Cost Under recovered	Comments
					£'m	£'m	
Education	Behaviour Learning and Inclusion Service	De-delegated DSG from Maintained Schools and recovery from Academies by Invoice	Statutory and Traded	Annual	0.544	Cost Recovered	
Education	Equality, Multiculturalism and Access	De-delegated from Maintained Schools and recovery from Academies by Invoice	Traded	Annual	0.128	Cost Recovered	
Education	Trade Union Costs and Special Staff Costs	De-delegated from Maintained Schools and Attempted Recovery from Academies by Invoice	N/A	N/A	0.182	Cost Recovered	
Education	School Organisation, Admissions and Appeals	Partially Central DSG Funded and recovery from Academies by Invoice	Statutory	N/A	0.212	Cost Recovered	Part of the service is funded through DSG but this is a core function of the LA under Fair Access.
Education	Maternity Cover	Schools and Academies buy back	Traded	Annual		Cost Recovered	
Finance	School Insurances - Council buildings and Voluntary Aided schools	Schools buy back but not Academies	Traded - but Mandatory for Council owned Schools	Annual	0.885	Cost Recovered	Annual premium charged to relevant schools
Education	Education Psychology	Council Funded Statutory Duties, Schools and Academies Buy Back Non Statutory Duties	Statutory and Traded	Ad Hoc	0.113	Surplus of 0.011	Statutory assessment work identified as part of core education offer. Traded services only to be provided if there is sufficient take up to make this worthwhile and capacity to do this.
Education	Education Welfare & COLT	Council Funded Statutory Duties, Schools and Academies Buy Back Non Statutory Duties	Statutory and Traded		0.076	Surplus of 0.044	Education Welfare Service has been reprofiled to focus on statutory work. Capacity for traded activity not available after 2014/15.
Education	Licences and Subscriptions	Schools and Academies Buy Back	DfE	Annual		Cost Recovered	Mandatory central retention.
Education	Governor Clerking and Training	Schools and Academies Buy Back	Traded	Annual	0.238	Surplus of 0.071	
Education	School Library Service	Schools and Academies Buy Back	Traded	Annual	0.108	Expected to Recover Expenditure in 15/16	Stockport and Oldham Councils have ceased to deliver service to schools. Tameside providing service on traded basis to Tameside and other authorities.
Education	Music Service	Specific Grant and Income from Parents, Schools and Academies	Part Traded	Annual and Ad Hoc	0.412	Expected to Recover Expenditure in 15/16	Certain activities have to be provided as a consequence of the grant funding.
Education	Communication Language and Autism Support	High Needs Centrally Retained	Statutory and Traded	Fully Retained DSG	0.635	Cost Recovered	Part of Pupil Support Services. Integral to Council's SEN support and 0-25 offer for SEND from 2014 onwards.
Education	Sensory Support	High Needs Centrally Retained	Statutory and Traded	Fully Retained DSG	0.763	Cost Recovered	Part of Pupil Support Services. Integral to Council's SEN support and 0-25 offer for SEND from 2014 onwards.
Education	School Improvement	Council and ESG	Statutory	N/A			Support over and above statutory functions funded from de-delegated 'Schools Causing Concern' Budget .
Education	SEN Assessment and Monitoring	Council and ESG	Statutory	N/A			Core service of the LA.
Education	NQT Training	Schools and Academies Buy Back	Traded	N/A	0.034	Surplus of 0.054	
Education	SEN School Transport	Council and ESG	Statutory and Non Traded	N/A			
Education	Mainstream School Transport	Council and ESG	Statutory and Non Traded	N/A			
EGIS	Energy Development Unit	Schools and Academies Buy Back	Traded	Annual		Cost Recovered	
EGIS	Primary School Catering	Schools and Academies Buy Back	Traded	Annual		Cost Recovered	

Directorate/ Service	Service Unit	Funding	Statutory/Traded Service	Annual / Ad Hoc	14/15 Income Received From Schools / DSG	Surplus / Cost Recovered / Cost Under recovered	Comments
Governance	Human Resources	Schools and Academies Buy Back	Traded	Annual	0.320		It is known that HR support some schools require additional support where there are particularly complex cases beyond normal expectations. However there are other schools which require lower level support which will offset the demands from schools exceeding the higher level of support requirements
Governance	Payroll	Schools and Academies Buy Back	Traded	Annual	0.245	Cost Recovered	
Governance	Legal Services	Schools Buy Back	Traded	Annual	0.025		
EGIS	School Crossing Patrol	Schools Buy back	Traded	Annual	0.263	Cost Recovered	
Governance	School Information Management Services	Schools and Academies Buy Back	Traded	Annual	0.266	Cost Recovered	
Finance	Internal Audit	Council and ESG	N/A	N/A			Continue to deliver in house statutory and traded elements
Finance	Resource Management	Schools and Academies Buy Back	Statutory and Traded	Annual	0.245	Surplus of 0.038	
Finance	Insurance and Risk	Schools Buy Back	N/A	Annual	0.011	Cost Recovered	
Finance	Distribution of mail to schools	Council and ESG	N/A	N/A			Not a traded service

Other Traded Services

Community	CCTV Monitoring	Schools Buy Back	Traded	Annual			
Community	Arts/Events	Schools Buy Back	Traded	Ad Hoc			
Community	Grounds Maintenance	Schools Buy Back	Traded	Annual			
Sports Trust	Sports Development/Coaching	Schools Buy Back	Traded	Annual			
Community	Sweeping	Schools Buy Back	Traded	Ad Hoc			
EGIS	Estates	Schools Buy Back	Traded	Ad Hoc			
EGIS	Health and Safety	Schools Buy Back	Traded	Ad Hoc			
EGIS	Pest Control	Schools Buy Back	Traded	Ad Hoc			
EGIS	Planning	Schools Buy Back	Traded	Ad Hoc			
EGIS	Transport	Schools Buy Back	Traded	Ad Hoc			
EGIS	Refuse Collection	Schools Buy Back	Traded	Annual			
Governance	Broadband	Schools Buy Back	Traded	Ad Hoc			
Governance	Counselling	Schools Buy Back	Traded	Ad Hoc			
Governance	Mobile Telephones	Schools Buy Back	Traded	Ad Hoc			
Governance	Occupational Health	Schools Buy Back	Traded	Ad Hoc			
Various	Training	Schools Buy Back	Traded	Ad Hoc			

Agenda Item 7

Report To:	EXECUTIVE CABINET
Date:	16 December 2015
Executive Member/Reporting Officer:	Councillor Lynn Travis – Executive Member – Health and Neighbourhoods Emma Varnam – Head of Stronger Communities
Subject	NEIGHBOURHOOD SERVICES REDESIGN – PUBLIC CONSULTATION
Report Summary:	<p>Driven by the imperative to find alternative approaches to public service delivery on a smaller budget, Neighbourhood Services proposed a service redesign and asked for support to commence a Public Consultation exercise that was approved through an Executive Decision.</p> <p>The public consultation for Neighbourhood Services ran from the 25 September 2015 to 23 October 2015. In parallel a Young Person specific consultation exercise commenced on the same date and closed on 28 October 2015.</p> <p>This report provides an overview of the Consultation results and recommends the preferred model for the redesign of Neighbourhood Services.</p>
Recommendations:	<ol style="list-style-type: none">1. Executive Cabinet note the results of the public consultation in relation to the redesign of Neighbourhood Services and recommend the results are presented to the Executive Cabinet.2. In light of the results of Public Consultation, that Executive Cabinet support the further development of Option 4, the development of an Integrated Community Hub.
Links to Community Strategy:	<p>Enabling communities through the use of asset based tools compliments all the following links in the Community Strategy:</p> <ul style="list-style-type: none">• Supportive• Prosperous• Learning• Attractive• Safe• Healthy.
Policy Implications:	None
Financial Implications (Authorise by Section 151 Officer)	<p>The report recommends the implementation of option 4 to develop an Integrated Community Hub. Public consultation has shown this to be the preferred option. Phase 1 of the development of an Integrated Community Hub will deliver annual recurrent savings of £0.860 million.</p> <p>However if phase 1 of the model fails to be in place by 1 April 2016, the available budget for 2016/17 will be insufficient to fund the new model in that financial year. Alternative proposals to support any residual balance of savings not delivered should be implemented as a matter of urgency.</p> <p>It should be noted that the Stronger Communities service is</p>

required to reduce expenditure by £3.1m during 2015/2016 and on a recurrent basis thereafter.

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

Appropriate consultation has been carried out and had regard to, and Members should ensure they read and understand the attached Equality Impact Assessment before making their decision.

Risk Management:

The service redesign will achieve financial saving as outlined in this report which will be a significant contribution to the Council's overall funding gap in 2016/17 and thereafter.

Access to information:

The background papers relating to this report can be inspected by contacting the report author Emma Varnam – Head of Stronger Communities.

Telephone: 0161 342 3337

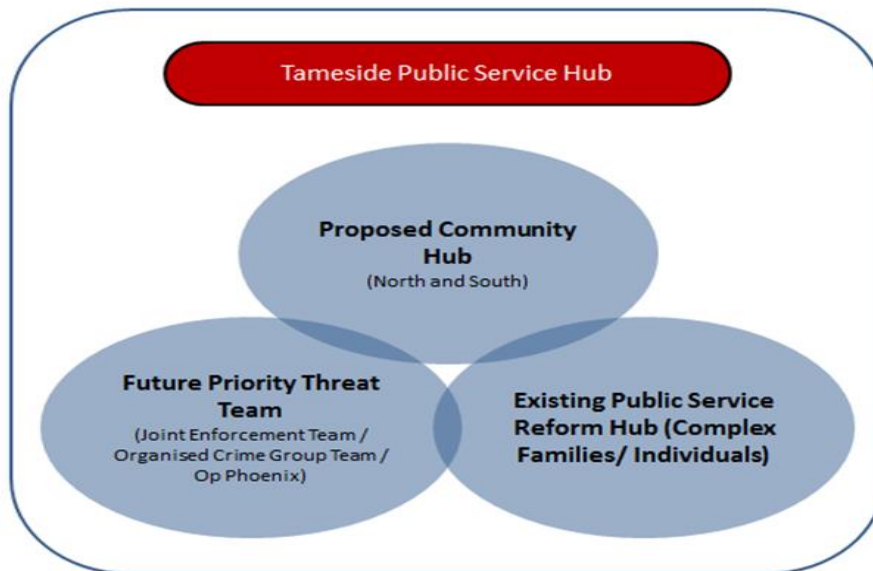
e-mail: emma.varnam@tameside.gov.uk

1. INTRODUCTION

- 1.1 Driven by the imperative to find alternative approaches to public service delivery on a reduced budget of, Neighbourhood Services proposed to consult on four delivery models. An Executive Decision was signed on 23 September 2015 to commence a public consultation exercise.
- 1.2 Public consultation commenced on 25 September 2015, closing on the 23 October 2015. A separate exercise took place in parallel with young people, commencing on the same date and closing on the 28 October 2015.
- 1.3 This report provides an overview of the outcome of the consultation results and suggests a preferred future operational model which will then be proposed to employee consultation group and staff.
- 1.4 To enable the funding reduction to be in place by 1 April 2016 the consultation process must be completed, the outcome considered and the final decision taken by December 2015.
- 1.5 In order to achieve a balanced budget for 2016/17, the options include the development of an Integrated Community Hub, which is based on public service reform principles where staff and other resources are pooled to create an increased capacity through a multi-agency operational team of staff.
- 1.6 As funding within the public sector is reducing, new and innovative ways need to be developed to reduce inefficiency, improve co-operation and communication and galvanise the community to lead on solutions and activity for itself.
- 1.7 Public Service Reform and the breaking down of service silos has been seen as a solution to ongoing budget challenges. This report details how resource efficiencies and joint neighbourhood planning can be achieved through the amalgamation of the Neighbourhood and Youth service and Neighbourhood Policing in Tameside.

2. BACKGROUND

- 2.1 The Executive Decision on 23 September 2015, outlined the need to take first step towards service integration. That 'Integration' agenda could be further progressed through the development of a Tameside Public Service Hub which incorporates the existing Complex families Hub, a proposed Community Hub and the potential to develop a Joint Enforcement capacity with partners.
- 2.2 The diagram below illustrates the proposed model for the Tameside Public Service Hub. The Integrated Community Hub, proposed within this report forms one element. The Priority Threat Team would be subject to future consideration.



3. NEIGHBOURHOOD CONSULTATION - PUBLIC CONSULTATION RESULTS

3.1 The public consultation focussed on the four options under consideration and also asked questions about the types of activities that were important at a community level.

3.2 The options that were proposed in the consultation are outlined below. The consultation background information included a summary of potential impact and risk :

3.3 Option 1 - Discontinue Neighbourhood and Youth service

Current cost of service delivery: £1.800m

Proposed cost of service delivery in Option 1: Nil

Proposed full year savings: £1.800m

3.4 Option 2 - Reduce the service by 50% without integration with partners

Current cost of service delivery: £1.800m

Proposed cost of service delivery in Option 2: £ 0.900m

Proposed full year savings: £ 0.900m

3.5 Option 3 - Discontinue the service and redistribute some of the functions across other council services

Current cost of service delivery: £1.800m

Proposed cost of service delivery in Option 3: Nil

Proposed full year savings: £1.800m

3.6 Option 4 - Development of an Integrated Community Hub that is underpinned by the principles of public service reform

The development of an integrated Community Hub would be underpinned by a Strategic Partnership Agreement that set out the vision, aims, values and objectives of the operational delivery models.

Current cost of service delivery: £1.800m

Proposed cost of service delivery in Option 4: £0.940m

Proposed full year savings: £0.860m

- 3.7 A range of options have been offered for consultation, however, it was felt that the Integration approach would be the most effective for the Tameside community and enable work to continue with communities to tackle the issues that are important to them.
- 3.8 The public consultation also asked questions about the types of activities that are important to the community and whether there was any appetite for a greater degree of community involvement in tackling the issues that are of concern to them. A copy of the consultation questions, together with the consultation responses, can be found at **appendix 1**.
- 3.9 An important aspect of the public consultation was to ensure that a sufficient number of young people had an opportunity to tell us their views about what is important to them and specifically about the youth service activities. The Neighbourhood services consultation included questions about the Youth service, however, it was felt that using a more targeted approach would ensure that a greater number young people took part than might otherwise have done. A copy of the consultation questions can be found at **appendix 2**.

4 CONSULTATION RESULTS

- 4.1 The Neighbourhood consultation was made available through The Big Conversation, and promoted through a direct email to Community groups and organisations. In addition, hard copies of the survey were available in libraries and promoted by library staff who also supported some residents to complete the survey.
- 4.2 Response numbers were monitored weekly by town, age group and ethnicity in order to try to achieve a representative response. Neighbourhood services staff promoted the survey through their attendance at community meetings, District Assemblies and a second email reminder to all community groups and organisations.
- 4.3 Across the Borough, 251 people responded to the questionnaire which is considered to be a strong response. 191 people provided information on where they lived and this is shown in the table below. Not all respondents completed each question in the survey. The full responses to each question are available at **appendix 1** after each question.

Table 1. Respondents – distribution by town

	No. of responses	%
Ashton	60	31.4%
Audenshaw	15	7.8%
Denton	21	11%
Droylsden	28	14.7%
Dukinfield	11	5.8%
Hyde	28	14.7%
Mossley	10	5.2%
Stalybridge	18	9.4%
Total	191	100%

- 4.4 The survey asked respondents to categorise themselves against 4 options. The results are shown below:
- Member of the public – 70
 - Tameside Council employee – 6.2%

- Community or voluntary group – 9%
 - Partner organisation – 1.4%
- 4.5 The survey explained the reasons that the council needed to redesign its Neighbourhood and Youth service, driven by central government budget reductions. The public were given information about the 4 options that were being considered and asked to indicate which options they preferred. Option 4, which involved the pooling of reduced council resources with those of other organisations was the most popular with 84.5% of respondents choosing this option. This was followed by Option 2, reducing the service by half with 10% of respondents preferring this approach.
- 4.6 Respondents were asked to choose the top 3 types of activities, currently provided by the Neighbourhood and Youth service, that mattered to them the most. The top 5 choices are indicated below which demonstrate support for the council working in partnership.
- Working in partnership – 62.7%
 - Reducing ASB – 42.7%
 - Investigating Flytipping and rubbish in the streets – 38.6%
 - Supporting elderly people to stay active – 31.5%
 - Developing the skills of young people to play an active role in their community – 30.7%
- 4.7 Community engagement and participation is an important aspect of the council's future approach. Respondents were asked about whether they would be interested in taking part in work in the future, to tackle the issues where they live, 229 people answered this question with 40% (90) confirming that they would be interested in being involved in the future, however, only 59 of those responding went on to provide follow up contact information.
- 4.8 There was a clear preference when respondents were asked about the types of issues that they would want to be part of tackling. Supporting vulnerable people in the community was the most popular choice with 60.8% choosing "Support to vulnerable people to stay safe and active" as opposed to work to tackle environmental problems or anti-social behaviour.
- 4.9 A range of comments were made when respondents were asked if they wanted to include any additional information. 103 people provided additional information and a summary of comments is outlined below. The individual comments can be made available on request:
- Many people made the point that they already volunteer and do not have the capacity to do any additional volunteering
 - A number of respondents were already aware of the work of Neighbourhood and the Youth service and were concerned about the impact that the redesign would have on what they do best.
 - A number of comments made commended the work that Neighbourhood and the Youth service deliver and stated how important this work was to the area, particularly in relation to the environment and working with young people
 - A small number of comments indicated that there was a decline in environmental cleanliness since the council had started to reduce budgets
 - A small number of comments made the point that we needed to invest in young people as they were our future
 - Some comments questioned the fairness of the cuts to Neighbourhood services and wanted to know if the impact was being applied equally across other parts of the council
 - A number of comments stated that the 4 suggested options were too limited
 - A small number of comments referred to an over emphasis on enforcement and not enough on working with the community.
 - There was 1 comment that related specifically to the potential for being located in a police station and the view that would impede existing links with the community

4.10 Demographic information is available for those responding and this was monitored on a weekly basis with targeted promotion to try to ensure a representative response rate. Headline information about the ethnicity of respondents is summarised below, categories without any responses have been removed but are shown at **appendix 1**:

Table 2: Respondent ethnicity

	Response Percent	Response Count
White - English / Welsh / Scottish / Northern Irish / British	95.7%	200
White - Irish	1.0%	2
Other White background (please specify in the box below)	0.5%	1
White & Black African	0.5%	1
White & Asian	1.0%	2
Asian/Asian British - Indian	1.0%	2
Asian/Asian British - Bangladeshi	0.5%	1

4.11 An important aspect of the consultation was to understand the views of young people in the Borough and what parts of the Youth service were most important to them. In order to ensure that the voice of young people was fairly represented in the process, a consultation activity took place in every evening and weekend activity.

4.12 Staff facilitated 16 separate sessions over the consultation period and spoke to 421 young people across the Borough. Of that number 32 (7.6%) young people have a disability, 6 (1.4%) are young carers and 21 (5%) are Looked after Children.

4.13 The format of the consultation was via a group discussion which, in order to achieve a degree of consistency, was structured through a question guide for staff. A copy of this is available at **appendix 2**.

4.14 Due to the free text design of the consultation it is not possible to provide data in relation to percentage responses, but an overview of young people's views are outlined in the information below.

4.15 Young people were asked about their experiences of the youth service and what the access provided them with. Young people told us that apart from this being somewhere to go and meet new people, they had also improved and developed skills in a safe and welcoming environment where they were not judged in a negative way had opportunities to learn through the sessions and had valued involvement in decision making processes.

4.16 For some young people, accessing some of the more specialist activities such as Lesbian, Gay, Bisexual and Transgender (LGBT) and Disability groups, they describe their attendance as "somewhere I can be myself", "accepting and knowing yourself" and "recognising how everyone is unique". Some young people attending this provision also noted the positive impact this had had on their lives overall and their relationship with their parents. Young People said that they valued the independence of Youth service staff as opposed to other staff who may be working with the wider family.

4.17 Young people were asked for their ideas about 'earlier intervention', to prevent problems developing. The theme within the responses was to ensure that there was access to youth service sessions as just by attending and having staff work with them, had prevented their own problems escalating in a way in which they feel empowered and listened to. The quality of the relationship with the youth worker was a key factor that influenced young people

- 4.18 When young people were asked about the option of 'increased targeting of young people at risk', the responses show that young people valued a universal approach and that any reduction in open sessions would reduce the opportunities for all young people. One comment, from the Youth Council described this as, (if) "local government had taken away young people's right to speak out". The overall response indicated that all young people needed something. "It is important that all kinds of young people have a place to come together, as we learn about each other and not to judge each other."
- 4.19 When young people were asked about youth activities in the community and voluntary sector and working together in partnership there was a feeling that this was positive as long as the partners had similar approaches and views of how to work with young people. There were a small number of comments specifically in relation to the police that would indicate young people's nervousness about the youth service working with the police. Young people wanted to know whether 'other' staff would be trained in youth work and how to work with young people. "Adults have to understand that not everybody is a good youth worker.....they get us to take responsibility for our choices and the consequences to our actions."
- 4.20 Young people were asked about the buildings that youth sessions are delivered from and whether they had any ideas as to how these costs could be reduced through the use of other buildings. Responses were mixed with some young people saying that some of the current facilities such as Cyclops are specific to fixing bikes and couldn't easily be operated out of another building and then everything stored away again. Other young people could see that there was potential in the use of other buildings that had been used in the past.
- 4.21 Young people were asked about 'Outreach work' where youth staff will go out onto the streets in the evening and at weekends to engage with young people who they meet. In the past, this approach has been used to tackle hotspots of anti-social behaviour that is thought to be caused by young people. The purpose of the engagement is try to make young people aware of the risks they are putting themselves in and try to encourage them to attend youth sessions. Responses were generally not in favour of outreach work as a replacement for sessional activities, however, young people did recommend that outreach teams should work in some parks. Young people told us that they prefer to have a space they can identify with and that they feel welcomed and safe.
- 4.22 Young people as volunteers was also discussed and this was an area that young people were supportive of, providing they had the right training and they were old enough. Some young people told us that they wanted to "give back" and recalled their involvement in "Takeover Day" which, "was like volunteering but in a way that we benefited from learning what it was like to be in that job."

5 PROPOSED STRUCTURE FOR THE INTEGRATED COMMUNITY HUB

- 5.1 The overarching aim of the development of an Integrated Community Hub is to reduce demand and improve outcomes for communities, families and individuals. The full year saving for option 4 is £860,000. This is £40,000 less than option 2, however, the pooling of resources significantly reduces the risk of an ineffective future service. It is suggested that there would be a greater resilience in staffing numbers and a commitment to a single focus and single set of priorities at a strategic level, this is further detailed below.
- 5.2 Option 4 - The proposed Integrated Community Hub would work closely with the community through Elected Members to provide a service that aims to:
- Reduce anti-social behaviour and crime,
 - Contribute to the appearance of the environment
 - Improve community health and wellbeing
 - Work with less complex families and individuals to move away from benefits and secure training and employment opportunities

- Be the 'eyes and ears' for early intervention opportunities that include step up and step down approaches.

5.3 The way in which the above are achieved is equally important. There will be an emphasis on asset based engagement tools to 'change the relationship' from demand and expectation of service provision to one which works with the assets and skills that already exist within the community, families and individuals. This will be a challenge given that many members of the community are already involved in some level of volunteering. However, almost one quarter of respondents provided information that would enable their involvement.

5.4 The development of an Integrated Community Hub (North and South) will include several features that demonstrate the integration approach. This will include:

- Job descriptions that include common titles, functions and responsibilities
- Single line of management – with progress towards police or local authority managers being responsible for multiagency teams and operational tasking.
- Co-location of teams
- Working towards a single/ common IT system across organisation
- Joint work priorities and single arrangement for resource allocation against requests for service

5.5 The development of a multi-agency service with a single vision will have the following advantages:

- Remove duplication from similar roles
- Alignment of staff capacity to continue work with communities - reduced budgets would have rendered this impossible
- Single set of priorities across Integrated Community Hub, greater chance of positive outcomes

5.6 The option with the most public support is Option 4 which would be achieved through the development of an Integrated Community Hub. The September 2015 the executive decision outlined a proposed role structure for an initial phase of bringing the police and local authority neighbourhood and youth resources together. This consisted of 8 role types in each Community Hub (North and South), the posts shown in bold would be local authority employed roles:

5.7 **Table 3 – Proposed roles within redesigned structure:**

Local Authority employed posts	Police employed posts
1 x Strategic Public Service Reform Lead	Post to be determined through joint Management review across Stronger Communities and Police Senior Leader team (Local authority or police - Chief Inspector level/ suggested SUM 4)
2 x Community Hub Managers	2 Community Hub managers (Police Inspectors)
	2 x Community Hub Team Leader (Police Sergeant)
16 x Community Engagement and support officers	?? x Police Community Support Officers
4 x Youth Key workers	
1 x Youth Ambassador (external funding)	
	?? x Police Neighbourhood Beat officers (Police Constable)
1 x Hub administrative support	1 x police administrative post
30 sessions of Youth work equates to x 3 FTE staff	

Accommodation

- 5.8 The public consultation has made it clear that location is an important point in terms of access and perception of the public. Earlier discussion suggested the use of partner buildings such as a town hall. A central base could be supported by several neighbourhood touchdown points across the Borough.
- 5.9 Proposed locations for an Integrated Community Hub (North and South) are still subject to further discussion and agreement, however, Ashton and Hyde Police stations have been offered by Greater Manchester Police (GMP).

6. RESOURCES

- 6.1 The redesign of Neighbourhood services will have staffing implications in terms of the establishment number and the role functions. Consultation with staff will be an important aspect of the redesign and will be undertaken at service, team and 1-1 levels.
- 6.2 It is anticipated that the first phase of the redesign, bringing together the local authority and police teams, will be implemented from April 2016. The local authority services represented are still under discussion but it is hoped that these will include roles that are community focussed and already have strong links with the Neighbourhood service.
- 6.2 The Local Authority employees that will be part of the proposed Integrated Community Hub exist within Neighbourhood and Youth Services, however, other local authority functions will also need to be considered for future phases of the Integrated Community Hub models. An example of services which may be considered are outlined below:
- Youth offending team
 - Greenspace development
 - Public Health
- 6.3 The September 2015 Executive Decision to consult proposed the integration of the Youth service with a shift in focus from council led evening and weekend sessions to key worker capacity for the most vulnerable young people. Consultation with young people needs to be considered which indicates the importance they place on the quality of youth work and universal activities.
- 6.4 The current structure for Neighbourhood and Youth services is set out at **appendix 3**.
- 6.5 The development of an Integrated Community Hub will require a number of existing Neighbourhood and Youth roles be disestablished and that where this is the case, staff would be eligible to apply for similar roles within a new structure. Recruitment to new roles would need to be through a competitive process due to the reduced number in some role types. Early indications are that there would be approximately 26 eligible (Local Authority) posts within the proposed structure which will mean a reduction in FTE posts of 20.9.
- 6.6 The recent voluntary severance invitation indicates that 18.7 FTE staff have applied. Going into the service redesign there will be 16 FTE Neighbourhoods staff and 10 FTE youth remaining (include 2.9 FTE sessional staff).
- 6.7 There will also be human resources implications for the Police staff numbers, with reductions in numbers of some posts, managed through competitive recruitment. The staffing implications as they apply to GMP are being dealt with through internal GMP structures and are not included within this report.

7. STAFFING IMPLICATIONS – TERMS AND CONDITIONS

- 7.1 Using the same approach as the Denton Complex Families Hub, an Integrated Community Hub will bring together employees from the police and local authority and in future phases from other organisations.
- 7.2 The first phase of the development does not propose to progress the transfer of staff across to another organisation, however, there will be some working practices that will need to be aligned such as hours of work. In the first phase this will be considered in the development of the local authority job descriptions to ensure that staff have a flexible approach and are available to work with communities for some evenings and weekends across the year.

8. FINANCIAL IMPLICATIONS

- 8.1 An important aspect of integrated delivery models is the ability to pool finance from a number of sources. In the first stage of the development of the Integrated Community Hub this will apply to police and local authority funding and start to quantify the joint investment that is going into an area.
- 8.2 The local authority and police resources that will be allocated to the Community Hub are set out below:

Current Local Authority Neighbourhood services cost - £1.800m	Proposed Local Authority Community Hub service costs - £0.940m	Savings - £ £0.860m
Current Police Neighbourhood services cost - £ to be confirmed	Proposed Police Community Hub service costs – £ to be confirmed	£ to be confirmed

9. CONSIDERATIONS

Police vetting

- 9.1 Should it be the case that an integrated team is located in police buildings there would be a need for all council staff (within the integrated model structure) to undertake enhanced police vetting. In the case that some staff do not pass then they would not be able to work as part of the integrated team alongside other colleagues

Evaluation

- 9.2 The overriding purpose of the Integrated Community Hub development is to deliver improved outcomes that are sustainable in order to reduce demand overall.
- 9.3 Funded through the Office of the Police and Crime and Commissioner (OPCC) as part of the GM Place Integration programme, it is proposed that New Economy will work with Tameside to develop an evaluation model that will demonstrate the impact of the Integrated Community Hub in terms of:
- Cost
 - Community, family, individual outcomes
 - Impact on other services or organisations
 - Learning about what works
- 9.4 The model will need to look at both quantitative and qualitative information.

Community Engagement

- 9.5 Asset based approaches, updates conventional community development with a focus on the community assets and is an approach rather than a prescriptive process. Its place based and citizen led through a 'bottom up' approach that works with communities to identify those issues that are of most concern to them. The community will then develop solutions to tackle the issues identified. The focus is to foster relationships within communities and work with them to ask questions; reflect on what assets (capacity, skills, knowledge, connections, potential, passions, public sector resources, physical and economic resources) are available; and build on what already works to achieve positive outcomes.
- 9.6 The 'Enabling Communities' report, endorsed the importance of building resilient communities in recognition of the need to develop a different relationship with local communities for the future, aiming for demand reduction, ownership of challenges and longer term behaviour change.

10. PROPOSED CONSULTATION PROCESS AND TIMETABLE

- 10.1 It is proposed that a report be taken to Employee Consultation Group (ECG) on the 12 January 2016 where the context of the redesign and implications for employees will be discussed with unions.
- 10.2 The proposed consultation timetable is set out below:

Redesign presented to Executive Board	23 September 2015	Completed
Executive Decision	24 September 2015	Completed
Big Conversation & Youth Consultation commences	25 September 2015 – 23 October 2015	Completed
Redesign proposal considered in light of the consultation results	23 October – 30 October	Completed
Redesign proposal, with Consultation results presented to Executive Board	9 December 2015	
Redesign presented to Cabinet for formal decision	16 December 2015	
Key Decision approval	16 December 2015	
Proposal to Employee Consultation Group (ECG)	12 January 2016	
Presentation of proposal to Neighbourhood Services staff	13 - 15 January 2016, following ECG	Date marks the beginning of the formal consultation period
Neighbourhood and Youth service teams and 1-1 meetings	18 January – 12 February 2016	
Formal consultation closes	12 February 2016	
Feedback to Neighbourhood services staff	Week commencing 22 February 2016	
Recruitment process commences : interview scheduled, interviews take place and appointment to posts	March 2016 interviews & April 2016 appointments	
1-1 discussions with staff who are unsuccessful	End March 2016/ April 2016	Redeployment/ exit offers.
Staff take up post	1 April 2016	

10.3 Whilst this process will be progressing within the local authority, a similar process will take place within the police service for the identification and appointment of police staff to the Integrated Community Hub.

11. FUTURE PHASES

11.1 This report concentrates on the first phase of the development of the Integrated Community Hub. Phase 2 will aim to incorporate a broader range of public, community and voluntary sector organisations in order to reflect the diversity of community problems solving and levels of expertise needed. It is envisaged that phase 2 will commence in June 2016.

11.2 Initial discussions have taken place with some organisations such as Probation NPS and Probation CRC, Fire Service and New Charter Housing Trust. These discussions, whilst they are not yet at a detailed stage, are encouraging in terms of support for the principle of the model of working and the need to reduce demand in a sustainable way.

11.3 The vision for a suggested phase 2 of the Integrated Community Hub would need to reflect those organisations that work with communities on a range of matters. Suggested phase 2 services and organisations are:

- Registered Social Landlords – neighbourhood staff
- Licensing
- Probation CRC
- Green Space Development
- CVAT, Youth Offending Team
- Public Health
- Fire Service
- Primary Care

12. EQUALITY IMPACT ASSESSMENT

12.1 The Equality Impact Assessment (EIA) has been completed and now reflects the results of the public consultation that took place from 25 September 2015 to 23 October 2015 with the community.

12.2 This is included at **appendix 4**.

13. CONCLUSION

13.1 Tackling the financial challenges across the public sector necessitates the need to implement new models of working that challenge existing organisational boundaries. The proposal for the development of an Integrated Community Hub demonstrates how aligned structures have the potential to offer value for money when compared to single organisational models with reduced resources. The public consultation shows support for this approach.

13.2 The Integrated Community Hub is another step forward in Tameside's reform agenda. Working alongside the Complex Families Hub, but with a focus on communities and providing early identification and an ongoing support to communities, families and individuals.

13.3 The development of an Integrated Community Hub will make full year savings of £860,000. There would be greater resilience in staffing numbers and a commitment to a single focus and single priorities and is felt to be the option that offers best value for money.

13.4 Failing to develop an innovative approach to service redesign will make for an ineffective service that cannot work with communities, creating an increase in demand overall. It is proposed that the Integrated Community Hub provides the innovative service redesign for the council and partners.

14. RECOMMENDATIONS

14.1 As set out on the front of this report



NEIGHBOURHOOD SERVICES CONSULTATION

Neighbourhood Services Consultation

Consultation period – 25th September 2015 – 23rd October 2015

Neighbourhood Services responds to concerns from local residents about a range of issues that affect their day to day lives. Examples of the types of issues Neighbourhood Services address include:

- Anti-social behaviour
- Neighbour disputes
- Dog fouling reports
- Environmental problems such as overhanging vegetation on the pavement
- Fly tipping and rubbish in the streets
- Untidy gardens
- Working with the police and other organisations to reduce crime and disorder and offending
- Supporting elderly people to stay active and safe
- Supporting victims of crime by helping them to better secure their properties

The Youth Service is also an important part of Neighbourhood Services which:

- Delivers Citizenship work with young people across the Borough
- Provides a range of evening and weekend activities for young people to get involved in
- Develops the skills of young people to play an active and positive role in the communities they live in and about the issues that matter to them
- Works closely with schools and youth groups to deliver Duke of Edinburgh awards
- Provides activities for young people who have additional needs such as physical or learning disabilities, or those young people who are struggling with the pressures of the lives they have.

The Neighbourhoods Service works closely with the local community so that solutions are developed together. Working in partnership means there is a much better chance of the solutions working so problems are resolved.

Background

The cost to run Neighbourhood services is currently £1.8 million and this pays for our teams to carry out the work described above.

Since 2010 the Council has had £104 million less to spend on services due to funding cuts from the Government. Over the next 5 years we know the Government will continue to make further cuts to our funding. We expect that will mean another £90 million less to spend on services. That's nearly £200 million over the 10 year period.

Cuts in funding from Government have a significant impact on how much the Council has to spend on services as Government funding provides the greater proportion of the Council's finance. In fact, the money raised from Council Tax paid by local residents makes up only one third of the Council's funding.

As a result of these cuts, Neighbourhood Services needs to reduce its budget by nearly 50%. We want you to help us make decisions about the future of the service by taking part in our

consultation. We don't have a choice about the budget reductions but we want to consider your views to help shape a new, smaller service.

1. We want to hear your views. This information will only be used as part of the consultation and will not be used or processed for any other purpose. Thank you for joining in our Big Conversation.

- 251 people completed the survey
- 223 people answered the question
- 191 people gave information about the town they lived in:

Ashton	60	31.4%
Audenshaw	15	7.8%
Denton	21	11%
Droylsden	28	14.7%
Dukinfield	11	5.8%
Hyde	28	14.7%
Mossley	10	5.2%
Stalybridge	18	9.4%

QUESTIONS

2. Please select from the four options below, your preferred option for how we should deliver Neighbourhood Services in the future? (Please tick one box only)

200 people answered this question, the percentage results are shown below

- Stop the service completely – this will save £1.8 million pounds – **1%**
- Reduce the number of staff and costs by 50% - this will save £900,000 but will mean very long response times to community concerns and we will still have to reduce the number of activities we are able to deliver – **10.5%**
- Stop the service completely and identify one function that we can redistribute to other services within the council. This would save the service £1.8 million but may cause costs in other parts of the council to increase. – **4%**
- Pool our staff with staff from other organisations such as the Police, who are also working with communities – this could save £860,000 but may mean a smaller range of activities can be delivered. – **84.5%**

3. Many of the issues that we are contacted about are problems involving local residents e.g. people who let their dogs foul on the streets or in parks, people who dispose of their rubbish or items of furniture on the streets or in our open spaces. How strongly do you agree that these residents should be involved in developing the solutions to tackle these problems? (Please tick one box only)

232 people answered this question

93.5 % of either agreed or strongly agreed that the people who cause problems should be made to contribute to solutions

Strongly agree Agree Disagree Strongly disagree

4. The following are examples of activities which our Neighbourhood Teams provide. Please indicate which 3 of these activities are the most important to you. (Please tick three boxes only)

241 people answered this question - % responses are shown below. The top 5 responses were:

- **Working in partnership – 62.7%**
- **Reducing ASB – 42.7%**
- **Investigating Flytipping and rubbish in the streets – 38.6%**
- **Supporting elderly people to stay active – 31.5%**
- **Developing the skills of young people to play an active role in their community – 30.7%**

Tackling Crime and Disorder

- Reducing anti-social behaviour e.g. loud parties, young people causing a nuisance, adults intimidating neighbours. – 42.7%
- Working in partnership with the police and other organisations to: - 62.7%
 - Reduce vehicle crime
 - Tackle Hate crime (such as race, gender and disability hate)
 - Support vulnerable people to stay safe in their homes by visiting victims of crime
 - Working with partners such as probation to help people rehabilitate and stop offending
 - Supporting victims of crime by helping them to better secure their properties

Improving the appearance of the Environment that we live in:

- Dealing with Environmental problems such as overhanging vegetation on the pavement – 9.1%
- Investigating fly tipping and rubbish in the streets – 38.6%
- Working with residents to tackle untidy gardens – 4.6%
- Investigating and prosecuting people who let their dogs foul on the streets and don't clean up. – 26.1%

Community Support

- Helping to resolve Neighbour disputes – 7.1%
- Supporting elderly people to stay active – 31.5%

Work with young people in our communities:

- Citizenship work with young people across the Borough – 7.5%
- Evening and weekend activities for young people to get involved in – 22%

Developing the skills of young people so that they can play an active and positive role in the communities that they live in, and learn about the issues that matter to them – 30.7%

Working closely with schools and youth groups to deliver Duke of Edinburgh awards 2.5%

Providing activities for young people who have additional needs such as physical or learning disabilities, or those young people who are struggling with the pressures of their lives. - 14.9%

**5. Would you be interested in taking part in work to improve the area that you live?
(Please tick one box only)**

229 people answered this question

- **Yes – 39.3%**
- **No – 60.7%**

Yes (Go to Q6)

No (Go to Q8)

6. Please indicate which areas of work you would be most interested in getting involved with. (Please tick all that apply)

79 people answered this question. The responses to each are shown below

Anti-social behaviour – 30.4%

Environmental problems e.g. fly tipping, lack of recycling, rubbish in the streets, dog fouling – 54.4%

Supporting vulnerable people to stay safe and active – 60.8%

7. If you have indicated at Q5 you are interested in taking part in work to improve the area that you live, please provide your name, address and contact telephone number and email so we can contact you.

59 people answered this question and gave information that could be used to follow up.

Name:

Address:

Contact Number:

Email:

8. Do you have any other comments you would like to make? (Please include these in the box below)

103 people gave additional comments.

It isn't possible to include every comment that was made for Q8, however, these are available to view should they be needed. A summary of comments is outlined below:

- Many people made the point that they already volunteer and do not have the capacity to do any additional volunteering
- A significant number of respondents were already aware of the work of Neighbourhood and Youth service and were concerned about the impact that the redesign would have on what they do best.
- A significant number of comments made commended the work that Neighbourhood and youth service deliver and stated how important this work was to the area, particularly in relation to the environment and working with young people
- A small number of comments indicated that there was a decline in environmental cleanliness since the council had started to reduce budgets
- A small number of comments made the point that we needed to invest in young people as they were our future
- Some comments questioned the fairness of the cuts to Neighbourhood services and wanted to know if the impact was being applied equally across other parts of the council
- A significant number of comments stated that the 4 suggested options were too limited
- A small number of comments referred to an over emphasis on enforcement and not enough on working with the community.
- There was 1 comment that related specifically to the potential for being located in a police station and the view that would sever existing links

ABOUT YOU

9. Please tick the box that best describes your interest in this issue? (Please tick one box only)

210 people answered this question. % responses are shown below.

- A member of the public – 70%
- A Tameside Council employee – 6.2%
- A community or voluntary group (please specify below) – 9%
- A partner organisation (please specify below) – 1.4%
- A business /private organisation (please specify below) – 0.5%
- Other (please specify below) – 12.9%

10. Are you.....?

217 people answered this question

Male – 45.6%

Female – 54.4%

- Male Female

11. What is your age? (Please state)

195 people answered this question. % responses are shown below.

age range	Number responding	% response
20-29	16	8.25
30 - 39	17	8.76
40 - 49	33	17.01
50 - 59	47	24.23
60 - 69	40	20.62
70 - 79	29	14.95
80 - 89	11	5.67
90+	1	0.52
	194	
Middle	1	

12. What is your postcode? (Please state)

13. What is your ethnic group? (Please tick one box only)

White

- English / Welsh / Scottish / Northern Irish / British
- Irish
- Gypsy or Irish Traveller
- Any other White background (Please specify)

Mixed / Multiple Ethnic Groups

- White and Black Caribbean
- White and Black African
- White and Asian
- Any other Mixed / Multiple ethnic backgrounds (Please specify)

Answer Options	Response Percent	Response Count
White - English / Welsh / Scottish / Northern Irish / British	95.7%	200
White - Irish	1.0%	2
White - Gypsy or Irish Traveller	0.0%	0
Other White background (please specify in the box below)	0.5%	1
White & Black Caribbean	0.0%	0
White & Black African	0.5%	1
White & Asian	1.0%	2
Other Mixed background (please specify in the box below)	0.0%	0
Asian/Asian British - Indian	1.0%	2
Asian/Asian British - Pakistani	0.0%	0
Asian/Asian British - Bangladeshi	0.5%	1
Asian/Asian British - Chinese	0.0%	0
Other Asian background (please specify in the box below)	0.0%	0
Black/Black British - African	0.0%	0
Black/Black British - Caribbean	0.0%	0
Other Black / African / Caribbean background (please specify in the box below)	0.0%	0
Arab	0.0%	0
Any other Ethnic group (please specify in the box below)	0.0%	0
Please specify below		1

Black / African / Caribbean / Black British

- African

- Caribbean
- Any other Black / African / Caribbean background (Please specify)

Asian / Asian British

- Indian
- Pakistani
- Bangladeshi
- Chinese
- Any other Asian background (Please specify)

Other ethnic group

- Arab
- Any other ethnic group (Please specify)

14. Are your day-to day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months? This may include problems related to old age. (Please tick one box only)

- Yes, limited a lot
- Yes, limited a little
- No

197 people answered this question

Answer Options	Response %	Response %
Yes, limited a lot	10.2%	20
Yes, limited a little	20.3%	40
No	69.5%	137

15. Do you look after, or give any help or support to family members, friends, neighbours or others because of either: (Please tick one box only)

- Long term physical or mental ill-health / disability?
- Problems due to old age?

- No
- Yes, 1-19 hours a week
- Yes, 20-49 hours a week
- Yes, 50 or more a week

200 people answered this question

Answer Options	Response Percent	Response Count
No	69.5%	139
Yes, 1-19 hours a week	20.5%	41
Yes, 20-49 hours a week	4.0%	8
Yes, 50 or more a week	6.0%	12

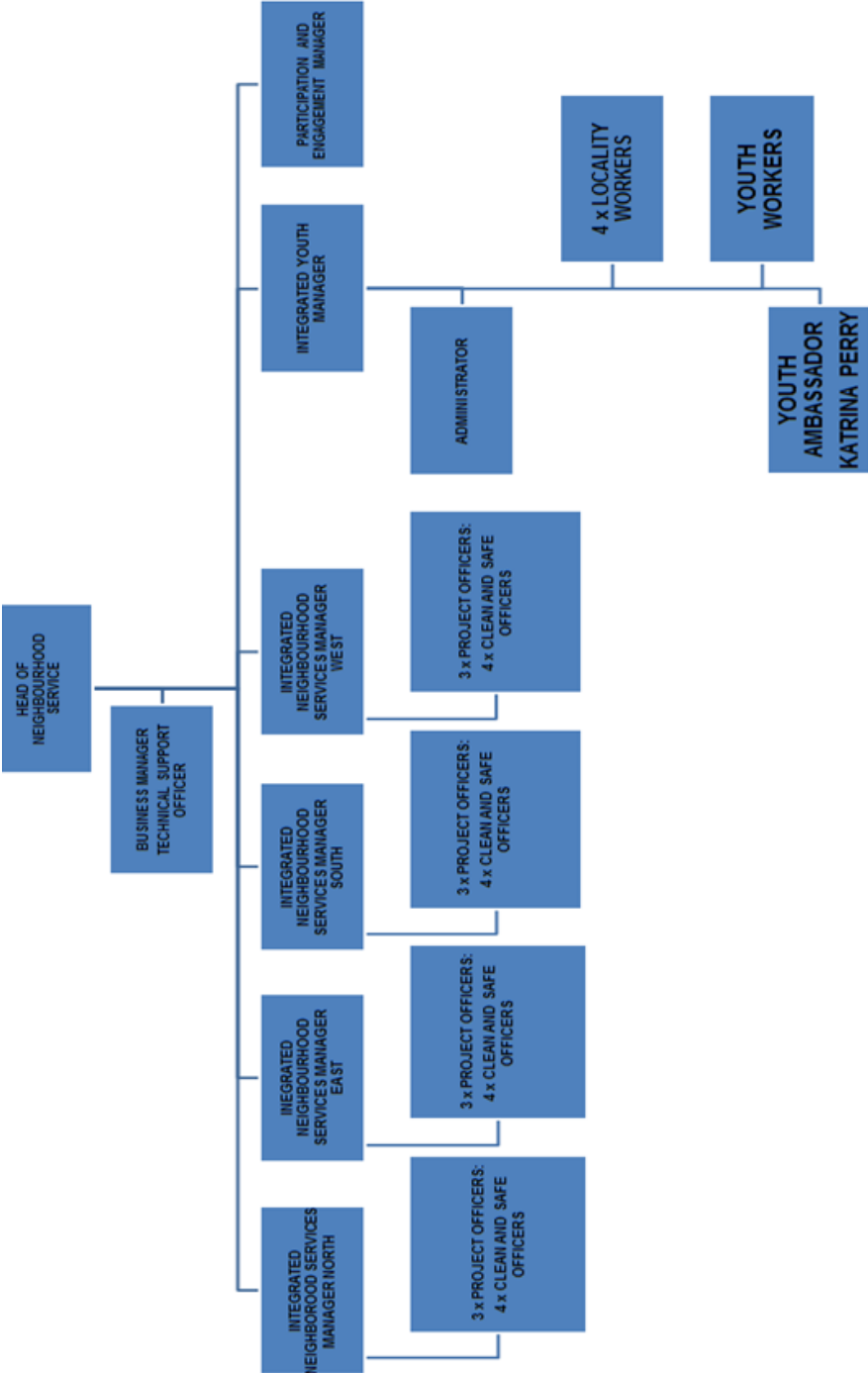
APPENDIX 2

Youth Consultation Questions September/ October 2015

	QUESTIONS	Guidance
1	What is your experience of the Youth Service?	<ul style="list-style-type: none"> This would be to gather young peoples opinions on having access to a youth club gives them, what is the added value? Could we split this down into the types of work that is delivered by the youth service eg: <ol style="list-style-type: none"> Evening activities Weekend activities Outreach Specialist groups Etc Can we be clear what their view are of the different elements and what they feel the value is to young people.
2	How can we best meet the needs of young people before difficulties develop?	<ul style="list-style-type: none"> This is for young people to identify ways in which youth workers help them and how that style of help differs from other interventions.
3	What do you think about improved targeting?	<ul style="list-style-type: none"> If we are to look at a decrease in provision this is to gain young peoples opinions on how they would allocate their resources. Can we link this into question 1 and ask young people to rate those activities that are the most important to them and of those that might have to stop – what do young people think would be the impact and whether this impact could be reduced by doing something different.
4	What do you think about collaborative working as a way to deliver Youth Club sessions?	<ul style="list-style-type: none"> To gather young peoples opinions on partnership work and to have an opportunity to discuss other delivery models. Can we define collaborative working by using some examples of sessions we already deliver collaboratively, such as PRIME, CEDAR Park Friday night.
5	Are you aware of any buildings in your community that could be used to hold a youth club in?	<ul style="list-style-type: none"> Have we overlooked any opportunities to use space differently, where would young people like us to target our delivery to, are some places not appropriate for young people. Can we also ask young people to think about the costs of buildings too.
6	Where do you think we should focus outreach work?	<ul style="list-style-type: none"> Gather young peoples ideas on where we should work and identify areas of concern for them within their neighbourhoods. Could we give some examples – such as Geographical or by need or both
7	Would you be willing to volunteer in your local centre/ project?	<ul style="list-style-type: none"> Try to increase opportunities for young people to contribute to the running of their session Could we extend this question about adults in the community volunteering and the development of junior and senior leaders
8	Questions, further discussions, recommendations.	<ul style="list-style-type: none"> This space is to capture any other ideas young people would like to share.

APPENDIX 3

Current structure - Neighbourhood and Youth Service



APPENDIX 4

EQUALITY IMPACT ASSESSMENT

Subject	NEIGHBOURHOOD SERVICES REDESIGN – DRAFT EIA	
Service / Business Unit	Service Area	Directorate
Neighbourhood Services	Neighbourhood service	Directorate of People
EIA Start Date (Actual)	EIA Completion Date (Expected)	Completion Date (Actual)
25 September 2015	23 October 2015	11 November 2015

Lead Contact / Officer Responsible	Emma Varnam
Service Unit Manager Responsible	Lisa Lees

EIA Group (lead contact first)	Job title	Service
Emma Varnam	Head of Stronger Communities	Stronger Communities
Lisa Lees	Head of Neighbourhoods	Stronger Communities

SUMMARY BOX

Neighbourhood services, developed in 2013, brought together specialist functions into a smaller number of generic roles that focussed on reducing crime, anti-social behaviour and environmental enforcement. Neighbourhood teams co-located in community and partner buildings and the Council's Youth service became part of the neighbourhood service delivery.

The term 'integration' is used to describe public service providers working together with shared and agreed aims and objectives. It might be the case that some council and partner staff will be tasked and managed by staff from another organisation. However outcomes and services for the public will be unified under one purpose within an integrated model.

As funding within the public sector is reducing, new and innovative ways need to be developed to reduce inefficiency, improve co-operation and communication and galvanise the community to lead on solutions and activity for itself.

Motivated by the imperative to find alternative approaches to service delivery on a smaller budget, the Greater Manchester Public Service Reform programme has highlighted the need to highlighted this work as a way of reducing the demand on public services, achieving sustainable behaviour change for complex families and individuals and exploring the potential for organisations to redesign roles and organisational structures. The new models are challenging traditional organisational approaches and structures.

The Council has to make a cut of £50 million in spending over the 2 year period of 2015/16 and 2016/17. This will bring the cumulative reductions since 2010/11 to £150.4m. It is incumbent on all services, including Neighbourhood services, to continually review and refine the models of delivery to ensure that it is affordable in the current financial climate whilst trying to minimise the impact of reduced levels of service.

Reducing demand for public services in the future will need to shape the approach of future models of delivery, to build strong communities that can tackle the issues that affect them the most.

Four possible options for delivery of Neighbourhood services in the future have been considered through Public Consultation which has also included young people to ensure that all users and potential users' views are taken into account.

This EIA focusses on the principles of Public Service reform in the design of a future operational model of working as opposed to only reducing capacity of the current service. The EIA will serve to inform the option that minimises the impact on communities and staff.

The consultation was undertaken through the channels that are set out below:

- Online questionnaire that was available through the Council's 'Big Conversation' and Survey Monkey
- Standard questionnaire to be used with Community groups and libraries – sent electronically
- Focus groups with young people
- Staff consultation for those employed within the service area (scheduled for February 2016)

The questionnaire and focus groups gave an initial introduction to explain the reason for the proposed changes followed by the options and a series of questions to seek relevant views which have been used to choose the most suitable option as well as shape the future provision how the council works with communities. Additionally there was a free format text box which allowed for people to provide any comments, views and suggestions they wish to be taken into account.

As outlined above, the survey forms part of the Council's Big Conversation consultation process to enable the results to be evaluated in a consistent manner and was available for a 4 week period from Friday 25 September 2015 until Friday 23 October 2015. Neighbourhood services, including youth service staff and Library staff actively promoted the survey and encouraged people to complete it to have their say.

The EIA highlighted a possible issue around ensuring consultation responses are representative of the community/customers who use customer service centres. To try to ensure that respondent were representative of the Tameside demographic, weekly monitoring of responses took place throughout the consultation period. The monitoring considered town, age and ethnicity. Neighbourhood service staff were informed on a weekly basis and every effort was made to try to encourage a representative response. It was not felt to be the case that additional support was needed through CVAT.

At the end of the consultation period there were 251 combined responses from the Big Conversation, Survey Monkey and Libraries.

In addition youth service staff facilitated 16 separate sessions over the consultation period and spoke to 421 young people across the Borough. Of that number 32 (7.6%) young people have a disability, 6 (1.4%) are young carers and 21 (5%) are Looked after Children

Section 1 - Background

BACKGROUND

Neighbourhood teams (including the Youth service) work with communities and other public and voluntary sector partners to tackle the issues that affect community life the most. The approach used empowers local people to reduce overall demand for themselves in the longer term.

Key work areas are:

- Tackling anti-social behaviour and reducing acquisitive crime
- Supporting community groups to tackle environmental anti-social behaviour such as fly tipping

- Helping families to access services that they need at an early point to minimise the need for more expensive services in the future
- Assisting individuals who are struggling to access services that will improve their quality of life and at the same time reduce the impact on the wider community
- Enforcement of the councils environmental legislation as it relates to fly tipping and anti-social behaviour
- Helping to develop cohesive communities that get on well together regardless of age, ethnic group, sexual orientation and gender
- Empowering young people to engage in their community through youth forums – efforts are targeted at the most disadvantaged young people and used as a springboard for developing aspiration and improving future employability

With reducing budgets across the public, community and voluntary sectors it is important that future delivery models make the most of the money that is available to them. The Greater Manchester Public Service Reform agenda has already seen significant changes in the way organisations work with complex families and individuals to achieve better outcome and improve family and individual problems solving approaches that support sustainable outcomes.

The developing good practice from the newly named 'complex families' approach, spurred the aspiration to test this out on a community focus, leading to the Greater Manchester Place Integration pilot where Tameside and Wigan are cited as pilot programmes to develop the blue print for a GM wide roll out. The question being asked is whether this model, working for complex families, can be used to work with less complex families and communities with the aim of sustainable behaviour change and a reduced demand for services over time.

In Tameside, discussions to implement a second phase of integration have commenced with Tameside Police leaders who are committed to developing an Integrated Community Hub that aligns with its Neighbourhood Policing teams.

Neighbourhood policing allows the police, its partners and the public to work closely together to solve the problems of crime and disorder and make local communities feel safer.

Neighbourhood policing means there are dedicated teams of officers accountable for dealing with issues that matter most to local people. The team already works closely with partner agencies, including the local authority, Fire Service, housing, health, businesses in order to improve the quality of life within our neighbourhoods.

The overarching aims of the neighbourhood policing teams aren't dissimilar to the aims of the council's Neighbourhood service which has facilitated the integration discussions.

The local discussions have developed a vision for the 'Tameside public service model', which includes the Denton Complex families Hub as well as the potential for a joint enforcement function.

Following a pilot scheme which further aligned staff from the North Neighbourhood Team with Neighbourhood Police staff, it is proposed that Neighbourhood Services is redesigned to further integrate with public service partners, providing an opportunity to remove organisational duplication and develop a multi-agency Community Hub (North and South) with a single vision, single line of management and staff with integrated functions.

It is recognised that whilst this report focusses on a new model of working that is rooted in the principles of public service reform, it is important, that due to council budgetary pressures that members consider alternative options that will deliver the most effective service for the future.

A summary of the options that have been considered are outlined below:

Option 1 - Discontinue Neighbourhood and Youth service

This would make savings to the council of £ 1.800m

Impact and risks

- No operational capacity to respond to crime and disorder issues such as anti-social behaviour and acquisitive crime. This may create an over emphasis on an enforcement approach rather than an approach that balances enforcement with early intervention and prevention
- Council's community engagement capacity would be dependent on the whole workforce approach, this would affect the way communities work with the council on the issues that create demand for service
- Opportunities for the council to work with vulnerable young people with a citizenship and empowerment focus would not exist.
- There would be limited expertise and no capacity to continue on the Youth Council (15 for 15 pledge). Whilst this work could continue from another service there is a risk that the youth council will only involve young people who are already able to engage in such forums and would exclude young people who are harder to work with.
- Demand would increase across other public service organisations such as the police and fire service.

Option 2 - Reduce the service by 50% without integration with partners

This would make savings to the council of £ 0.900m

Impact and risks

- Reduced level of capacity within the service to the point that the service would be ineffective due to the limited response possible.
- Reactive capacity would exist, however, there is the strong chance that there would be an increasing 'wait' for staff to be able to respond.
- Youth service capacity would be such that evening and weekend sessions would have to discontinue completely and only the most troubled young people could be worked with on a limited caseload basis.
- The risks outlined as at option 1, specifically in relation to tackling anti-social behaviour would also apply in this case as the capacity would not be available
- Increased demand to other public service organisations

Option 3 - Discontinue the service and redistribute some of the functions across other council services

Some functions, could become the responsibility of other services, funded from within their existing budgets, for example Environmental Services could take responsibility for environmental enforcement, Early Help taking responsibility for engaging young people who are harder to work with.

This would make savings to the council of £ 1.800m

The need to redesign services is taking place across the whole council. This option would need to consider whether service redesign models in other parts of the council are realistically able to accommodate an increase in work and responsibility.

Option 4 - Development of an Integrated Community Hub that is underpinned by the principles of public service reform

This would make savings to the council of £0.860m

Impact and risks

- Alignment of resources with other public service organisations would mitigate against reduced council capacity, however, the level of flexibility and responsiveness that is currently the case could be compromised. This could affect the ability of the service to respond quickly to requests.
- The difference in cultures between public service organisations and the staff that work for them would need to be carefully managed. Failing to do this would result in dysfunctional teams that have different priorities and lack respect for each other's competencies. This would affect output

- Managers might not have the necessary expertise and qualifications for the management of youth work staff which could result in unsafe practice and unsupported staff

It is important that a range of options were considered, however, it is felt that the **Integration** approach would be the most effective for the Tameside community and enable work to continue with communities to tackle the issues that are important to them.

Specific public consultation has been undertaken on the 4 proposals to seek views of those using the service and others who may wish to in the future before any decision is made on the future of this service.

The consultation took the form of a standard questionnaire with an introduction to explain the reason for the proposed changes followed by the options and a series of questions to seek relevant views which would be used to shape the future provision of face to face customer service.

Additionally there was a free format text box to allow for people to provide any comments, views and suggestions they wish to be taken into account. The survey formed part of the Council's Big Conversation consultation process which enabled the results to be evaluated in a consistent manner.

Alongside the on-line consultation, paper format questionnaires were also available at any library where staff could assist people in completion if required. Library staff, Neighbourhood Services and Youth service staff actively promoted the survey and encouraged individuals, community groups and organisations to complete it.

Section 2 – Issues to consider & evidence base

ISSUES TO CONSIDER

Every effort was made to ensure that the responses were representative of the makeup of the Tameside community. To this end, weekly monitoring took place against Town, age and ethnicity with targeted promotion in those areas to boost responses where needed.

It was also recognised that there was a need to ensure that sufficient numbers of young people were involved in the consultation using the Youth Forum and existing groups. Staff facilitated 16 separate sessions over the consultation period and spoke to 421 young people across the Borough. Of that number 32 (7.6%) young people have a disability, 6 (1.4%) are young carers and 21 (5%) are Looked after Children.

LIST OF EVIDENCE SOURCES

Demographic data of residents of the Borough
Results of the public consultation on the 4 proposed options for future service provision will be used for this EIA.

Section 3 – Impact

IMPACT

CONSULTATION RESULTS

The Neighbourhood consultation was made available through The Big Conversation, and promoted through a direct email to Community groups and organisations. In addition, hard copies of the survey were available in libraries and promoted by library staff who also supported some residents to complete the survey.

Response numbers were monitored weekly by town, age group and ethnicity in order to try to achieve a representative response. Neighbourhood services staff promoted the survey through their attendance at community meetings, District Assemblies and a second email reminder to all community groups and organisations.

Across the Borough, 251 people responded to the questionnaire which is considered to be a strong response. 191 people provided information on where they lived and this is shown in the table below. Not all respondents completed each question in the survey. The full responses to each question are available at **appendix 1** after each question.

Table 1.

	No. of responses	%
Ashton	60	31.4%
Audenshaw	15	7.8%
Denton	21	11%
Droylsden	28	14.7%
Dukinfield	11	5.8%
Hyde	28	14.7%
Mossley	10	5.2%
Stalybridge	18	9.4%
Total	191	100%

The survey asked respondents to categorise themselves against 4 options. The results are shown below:

- Member of the public – 70%
- Tameside Council employee – 6.2%
- Community or voluntary group – 9%
- Partner organisation – 1.4%

The survey explained the reasons that the council needed to redesign its Neighbourhood and Youth service, driven by central government budget reductions. The public were given information about the 4 options that were being considered and asked to indicate which options they preferred. Option 4, which involved the pooling of reduced council resources with those of other organisations was the most popular with 84.5% of respondents choosing this option. This was followed by Option 2, reducing the service by half with 10% of respondents preferring this approach.

Respondents were asked to choose the top 3 types of activities, currently provided by the Neighbourhood and Youth service, that mattered to them the most. The top 5 choices are indicated below which demonstrate support for the council working in partnership.

- Working in partnership – 62.7%
- Reducing ASB – 42.7%
- Investigating Flytipping and rubbish in the streets – 38.6%
- Supporting elderly people to stay active – 31.5%
- Developing the skills of young people to play an active role in their community – 30.7%

Community engagement and participation is an important aspect of the council's future approach. Respondents were asked about whether they would be interested in taking part in work in the future, to tackle the issues where they live, 229 people answered this question with 40% (90) confirming that they would be interested in being involved in the future, however, only 59 of those responding went on to provide follow up contact information.

There was a clear preference when respondents were asked about the types of issues that they

would want to be part of tackling. Supporting vulnerable people in the community was the most popular choice with 60.8% choosing “Support to vulnerable people to stay safe and active” as opposed to work to tackle environmental problems or anti-social behaviour.

A range of comments were made when respondents were asked if they wanted to include any additional information. 103 people provided additional information and a summary of comments is outlined below. The individual comments can be made available on request:

- Many people made the point that they already volunteer and do not have the capacity to do any additional volunteering
- A number of respondents were already aware of the work of Neighbourhood and the Youth service and were concerned about the impact that the redesign would have on what they do best.
- A number of comments made commended the work that Neighbourhood and the Youth service deliver and stated how important this work was to the area, particularly in relation to the environment and working with young people
- A small number of comments indicated that there was a decline in environmental cleanliness since the council had started to reduce budgets
- A small number of comments made the point that we needed to invest in young people as they were our future
- Some comments questioned the fairness of the cuts to Neighbourhood services and wanted to know if the impact was being applied equally across other parts of the council
- A number of comments stated that the 4 suggested options were too limited
- A small number of comments referred to an over emphasis on enforcement and not enough on working with the community.
- There was 1 comment that related specifically to the potential for being located in a police station and the view that would impede existing links with the community

Demographic information is available for those responding and this was monitored on a weekly basis with targeted promotion to try to ensure a representative response rate. Headline information about the ethnicity of respondents is summarised below, categories without any responses have been removed but are shown at **appendix 1**:

Table 2:

	Response Percent	Response Count
White - English / Welsh / Scottish / Northern Irish / British	95.7%	200
White - Irish	1.0%	2
Other White background (please specify in the box below)	0.5%	1
White & Black African	0.5%	1
White & Asian	1.0%	2
Asian/Asian British - Indian	1.0%	2
Asian/Asian British - Bangladeshi	0.5%	1

An important aspect of the consultation was to understand the views of young people in the Borough and what parts of the Youth service were most important to them. In order to ensure that the voice of young people was fairly represented in the process, a consultation activity took place in every evening and weekend activity.

Staff facilitated 16 separate sessions over the consultation period and spoke to 421 young people across the Borough. Of that number 32 (7.6%) young people have a disability, 6 (1.4%) are young carers and 21 (5%) are Looked after Children.

The format of the consultation was via a group discussion which, in order to achieve a degree of

consistency, was structured through a question guide for staff. A copy of this is available at **appendix 2**.

Due to the design of the consultation it is not possible to provide data in relation to percentage responses but an overview of young people's views is outlined in the information below.

Young people were asked about their experiences of the youth service and what the access provided them with. Young people told us that apart from this being somewhere to go and meet new people, they had also improved and developed skills in a safe and welcoming environment where they were not judged in a negative way had opportunities to learn through the sessions and had valued involvement in decision making processes.

For some young people, accessing some of the more specialist activities such as Lesbian, Gay, Bisexual and Transgender (LGBT) and Disability groups, they describe their attendance as "somewhere I can be myself", "accepting and knowing yourself" and "recognising how everyone is unique". Some young people attending this provision also noted the positive impact this had had on their lives overall and their relationship with their parents. Young People said that they valued the independence of Youth service staff as opposed to other staff who may be working with the wider family.

Young people were asked for their ideas about 'earlier intervention', to prevent problems developing. The theme within the responses was to ensure that there was access to youth service sessions as just by attending and having staff work with them, had prevented their own problems escalating in a way in which they feel empowered and listened to. The quality of the relationship with the youth worker was a key factor that influenced young people

When young people were asked about the option of 'increased targeting of young people at risk', the responses show that young people valued a universal approach and that any reduction in open sessions would reduce the opportunities for all young people. One comment, from the Youth Council described this as, (if) "local government had taken away young people's right to speak out". The overall response indicated that all young people needed something. "It is important that all kinds of young people have a place to come together, as we learn about each other and not to judge each other."

When young people were asked about youth activities in the community and voluntary sector and working together in partnership there was a feeling that this was positive as long as the partners had similar approaches and views of how to work with young people. There were a small number of comments specifically in relation to the police that would indicate young people's nervousness about the youth service working with the police. Young people wanted to know whether 'other' staff would be trained in youth work and how to work with young people. "Adults have to understand that not everybody is a good youth worker.....they get us to take responsibility for our choices and the consequences to our actions."

Young people were asked about the buildings that youth sessions are delivered from and whether they had any ideas as to how these costs could be reduced through the use of other buildings. Responses were mixed with some young people saying that some of the current facilities such as Cyclops are specific to fixing bikes and couldn't easily be operated out of another building and then everything stored away again. Other young people could see that there was potential in the use of other buildings that had been used in the past.

Young people were asked about 'Outreach work' where youth staff will go out onto the streets in the evening and at weekends to engage with young people who they meet. In the past, this approach has been used to tackle hotspots of anti-social behaviour that is thought to be caused by young people. The purpose of the engagement is try to make young people aware of the risks they are putting themselves in and try to encourage them to attend youth sessions. Responses were generally not in favour of outreach work as a replacement for sessional activities, however, young people did recommend that outreach teams should work in some parks. Young people told us that

they prefer to have a space they can identify with, that they feel welcomed and feel safe.

Young people as volunteers was also discussed and this was an area that young people were supportive of, providing they had the right training and they were old enough. Some young people told us that they wanted to “give back” and recalled their involvement in “Takeover Day” which, “was like volunteering but in a way that we benefited from learning what it was like to be in that job.”

Section 4 – Proposals & Mitigation

PROPOSALS & MITIGATION

Assistance will be provided to ensure that all residents can take part in the public consultation and have their views heard. If people are unable to complete the on-line questionnaire, paper copies will be available in libraries and customer services. Staff at these venues will be on hand to assist in completion of the survey either on-line or in paper format and ensure relevant views are captured and entered on the Big Conversation so that they can be analysed and taken into account.

Section 5 – Monitoring

MONITORING PROGRESS

Lisa Lees – Head of Neighbourhood services



Issue / Action	Lead officer	Timescale
Identify if consultation returns are representative of the community that Neighbourhood services work with	Lisa Lees	Throughout the consultation period
Identify if consultation returns are representative of the Young People that Neighbourhood services work with and would work with in the future	Lisa Lees	Throughout the consultation period
If groups within the community are under-represented consult with CVAT to enlist their help in cascading the consultation to all groups	Lisa Lees	Throughout the consultation period

Sign off

Signature of Service Unit Manager	Date
Signature of Assistant Executive Director / Assistant Chief Executive	Date

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Agenda Item 8

Report To:	EXECUTIVE CABINET
Date:	16 December 2015
Executive Member / Reporting Officer:	Councillor Peter Robinson - Executive Member (Transport and Land Use) Ian Saxon, Assistant Executive Director, Environmental Services
Subject:	PLEDGES 2015 – GREENING TAMESIDE LED LIGHTING ROLL-OUT
Report Summary:	This report provides an update of the work undertaken in the first two quarters (April to Sept) as part of the Council's 15 for 15 Pledges to invest £5m in a wholesale replacement programme of 17,000 LED lanterns on residential streets. Reducing the energy costs by approximately £451K/year.
Recommendations:	<ol style="list-style-type: none">1. That the report is noted.2. That the installation programme in Appendix 1 is approved.
Links to Community Strategy:	Prosperous Tameside Attractive Tameside. Supportive Tameside
Policy Implications:	All works are undertaken within the Council's current policies and strategies relating to procurement and managing the street lighting asset.
Financial Implications: (Authorised by Section 151 Officer)	The LED lighting roll out scheme must be delivered within the capital budget of £5m. It is anticipated that £530k of this budget will be spent in 2015/16 and as a result the remaining budget has been re-phased into 2016/17. It is anticipated that of this amount £2.27 will be rephased into 2017/18. The installation of LED street lighting will reduce ongoing energy costs by approximately £451k.
Legal Implications: (Authorised by the Borough Solicitor)	It is not clear from the report other than referred to in Appendix 1 if the order of LED replacement and investment is to follow the order of the binswap trials reflecting the savings achieved through this scheme. If this is the rationale needs to be clearly stated.
Risk Management:	Managing and maintaining the street lighting asset is a key factor in reducing the risks and liability to the Council
Access to Information:	The background papers relating to this report can be inspected by contacting the report writer Lee Holland, Head of Environmental Services (Design & Delivery), by:  Telephone:0161 342 3978  e-mail: lee.holland@tameside.gov.uk

1. INTRODUCTION

- 1.1 A report was provided at Strategic Planning and Capital Monitoring Panel on 1 December 2014 to assess the viability of the investment in LED technology and the financial options available. This report recommended a wholesale LED lantern replacement programme starting initially with the residential streets (circa 17,400 units over three years) and then undertaking the main traffic routes (circa 9,000 units over two years) when the higher output LED lanterns have sufficiently reduced in price to make the proposal as financially attractive as possible.
- 1.2 The Leader of the Council's 15 for 15 Pledges includes a pledge of £5m for the installation of circa 17,400 LED lanterns on residential streets across the borough.

2. PROGRESS OF WORKS (APRIL 2015 TO SEPT 2015)

- 2.1 We have undertaken an extensive tendering exercise for the procurement of the LED lanterns. The tenders (Chest ref 9VSD-H80PE4) were assessed and the tender evaluation signed off on 15 September 2015. The successful tenderer is Marwood Electrical Co. Ltd.
- 2.2 Now that the lantern supplier has been appointed, the design of each street will be based on the specific output and specification of the lanterns to achieve British Standards requirements. The design process will run in parallel with the installation programme to ensure we meet the timescales for complete installation by the end of March 2018.

3. INSTALLATION PROGRAMME

- 3.1 Tameside currently carries out a planned six year maintenance programme (i.e. every lamp is changed on a six year cycle), after six years the failure rate increases significantly. In order to minimise the number of failed lights it is proposed that the existing maintenance regime is maintained and runs alongside the LED roll-out programme.
- 3.2 The Council has made a commitment to prioritise the installation of the LED lanterns in the areas that undertook the bin swap trials throughout the borough, as shown in **Appendix 1**.
- 3.3 Meetings with the manufacturer have ascertained that the earliest we can take delivery of the first lanterns will be December 2015, therefore the programme has been constructed over a 28 month period, starting in December 2015 with a completion date of March 2018.

4. SPEND PROFILE

- 4.1 As a result of the lantern delivery date the spend profile for this project will need to be adjusted as follows:

	2015/16	2016/17	2017/18
Capital Expenditure	£ 0.53M	£ 2.20M	£ 2.27M
Number of Lanterns Installed	1,992	7,534	7,925

5. RECOMMENDATIONS

- 5.1 Detailed on the front page of the report.

APPENDIX 1

Bin Swap Trial / LED Roll-out Programme

TRIAL 1 (Bin Round)	REGION	WARD	COLUMNS
Ashton	13	Ashton Hurst	345
	14	Ashton Hurst	237
Dukinfield	112	Dukinfield	387
Houghton Green	71	Denton South	79
	72	Denton South	358
	73	Denton South	438
Stalybridge	183	Stalybridge North	554

TRIAL 2 (Bin Round)	REGION	WARD	
57,62	42	Ashton Waterloo	512
63, 64	41	Ashton Waterloo	306
16,17	144	Hyde Newton	331
	145	Hyde Newton	19
	143	Hyde Newton	140
18,19	141	Hyde Newton	131
20,68	142	Hyde Newton	252
67	128	Dukinfield/Stalybridge	148
	184	Stalybridge North	18
7, 66	182	Stalybridge North	407
3	197	Stalybridge South	100
4	191	Stalybridge South	116
5	192	Stalybridge South	217
	195	Stalybridge South	324
6	194	Stalybridge South	119
8	172	Mossley	318
9	173	Mossley	125
	175	Mossley	97
10	174	Mossley	236
12	181	Stalybridge North	50
Total Columns:			6,364

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Report To:	EXECUTIVE CABINET
Date:	16 December 2015
Executive Member /Reporting Officer:	Councillor J. Fitzpatrick - First Deputy (Performance & Finance); Councillor Travis – Executive Member (Neighbourhoods and Health) Angela Hardman – Director of Public Health
Subject:	ACTIVE TAMESIDE
Report Summary:	<p>Following previous reports to Executive Cabinet on 4 February 2015 and Executive Board on 15 July 2015 it was agreed that a planned reduction in the Active Tameside management fee would be deferred until 2016/17 to enable a strategic review to be undertaken to determine opportunities and options for the development of a financially and operationally sustainable long-term business model.</p> <p>Alongside this, transformational work has been ongoing to enhance the contribution of Active Tameside to improving health outcomes and reducing health inequalities within Tameside.</p> <p>This report details specific proposed next steps in relation to Active Tameside and the Tameside Sports and Leisure estate.</p> <p>These proposals explored include:</p> <ul style="list-style-type: none">• Rationalisation of the existing estate• A programme of Capital investment• Increased commercially profitable activity• Growth in inward investment• Partnering arrangements <p>The proposals identified within this report, could potentially enable the Tameside Council Revenue Investment in Active Tameside to be reduced from £1.865million to £0.720 million by 2019/20. It should be noted however that this remains dependent on the final outcome of consultation and the final Key Decision to be taken on 23 March 2016.</p>
Recommendations:	<p>That the Executive Cabinet consider the issues and options within this report and agree the following:</p> <ol style="list-style-type: none">1. To consult from 17 December 2015 until 11 February 2016 (8 weeks) on the closure of Active Dukinfield, subject to a final key decision on 23 March 2016;2. To consult from 17 December 2015 until 11 February 2016 (8 weeks) on the closure of Active Denton, subject to a final key decision on 23 March 2016;3. To consult from 17 December 2015 until 11 February 2016 (8 weeks) on the closure of Active Ashton, subject to a final key decision on 23 March 2016;4. To consult on the proposed development of a new Tameside Wellness Centre, the feasibility and desirability of potential sites, and the principles upon which the Council should make

- a final key decision on 23 March 2016;
5. To consult on the addition of a second swimming pool at Active Hyde subject to a final key decision on 23 March 2016;
 6. To note the proposal for a programme of capital investment as per Table 3 (section 14.11);
 7. To approve the award of a contract for 2016/17 to Active Tameside at a value of £1.775 million;
 8. To note the proposals for a longer term contract award for a period of time commensurate to the remaining lease, subject to the outcomes of the consultations under (1), (2) (3), (4) and (5) and a final key decision on 23 March 2016;
 9. To agree proposals to increase the annual Council revenue budget for maintenance and repairs by £ 0.050 million on a recurrent basis from 2016/17 (to a total of £ 0.100 million) as detailed in paragraph 13.10.2.
 10. To note proposals to undertake a programme of repairs totalling £0.357 million during 2016/17 as detailed in paragraph 13.10.1
 11. To agree to support Active Tameside to develop an Active Play Centre at the existing Active Longdendale site.

Links to Community Strategy:

Active Tameside positively contributes to the following themes of the Community Strategy:

Healthy Tameside – Increasing the number of people participating in sport and physical activity and encouraging lifelong participation.

Safe Tameside - Provide a welcoming and safe environment for people to participate in sport and physical activity.

Supporting Tameside – Supporting the work of voluntary clubs and volunteers.

Attractive Tameside - High quality sport and leisure facilities.

Learning Tameside - Coach education and sports specific development programmes.

Prosperity – Attracting inward investment.

Policy Implications:

It is essential that any proposals relating to Active Tameside demonstrate value for money and makes a clear contribution to Council priorities.

**Financial Implications:
(Authorised by the Section 151 Officer)**

Section 9 of the report provides details of the existing debt and lease guarantor liabilities of Active Tameside with the Council.

Section 14 provides details of proposals to deliver a reduced revenue annual investment for the Council by 31 March 2020 and residual years thereafter.

Section 14 also provides details of proposed capital investment in the Tameside leisure estate.

Executive Members should note the following summary financial implications for the Council of this report and which are subject to the outcome of the recommended consultation.

1. The Council will retain a responsibility for the existing outstanding debt liability of £4.826 million. The report recommends that Active Tameside continue to repay this liability to the Council for the duration of existing agreements. The debt will be wholly repaid by 31 March 2025.
2. Sections 12.4 and 12.5 of the report provide proposed investment details for Active Longdendale. Active Tameside will require initial investment from the Council to an estimated value of £ 0.500 million to progress the proposal. It should be noted however that the associated business plan will need to include full repayment of this investment to the Council. The Council will determine the appropriate financing option for the investment should the proposal be approved.
3. Section 13 of the report proposes an increase to the existing annual revenue repair and maintenance budget for Active Tameside centres. The report proposes an increase of £0.050 million from 2016/17 and on a recurrent basis thereafter. Executive Members should note that this will need to be financed from the existing Public Health revenue budget
4. Delivery of a £ 0.350 million reduction in the Active Tameside revenue investment in 2016/2017 was approved in the 2015/2016 Budget report. Section 14 of this report provides details of options to deliver savings of £0.090 million in 2016/17. This leaves a residual sum of £ 0.260 million to identify. This will need to be financed from the existing Public Health revenue budget and on a recurrent basis thereafter.
5. The report requests consideration of phased capital investment in the Tameside leisure estate. The current capital programme includes a sum of £8.410 million for a new Tameside centre, based on an assumption that the investment will be wholly financed Active Tameside. The revised total estimated capital investment requested is £16.811 million (section 14 table 3) for which some partner or match funding may be available. Any balance of investment is proposed to be financed by the Council. The appropriate financing option will be determined once the outcome of the relevant consultation is known.

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

Whilst Active Tameside has a lease of a number of sports centres, the terms of that lease are fairly onerous in putting ultimate responsibility for repair of the centres on the Council. The terms of the lease need to be considered when deciding on the future sports offering and it should be noted that the Council can terminate the lease on 6 months' notice (at any time) if to do so would be in the best interests of citizens.

The Council needs to ensure that where it invests in the provision for sport and health and wellbeing across the borough it is both sustainable and that it will have a significant impact on addressing health inequalities. There is a statutory duty to address health inequalities and powers to provide sports facilities.

To do this it will be necessary to look at the complex existing infrastructure that needs to be balanced financially in light of significant budget cuts taking into account that the Council owns valuable assets but neither the Council or Active Tameside (a

charity), which operate those facilities under leases with less than 25 years has the revenue to maintain them to deliver the increased levels of activity required to have a sustained impact on health.

The recommendations within the report have been designed to take into account complex legal and financial issues such as public law, procurement, state aid and charity law.

The proposals involve the commencement of a consultation exercise which may ultimately result in the closure of facilities. The report proposes a strategy of mitigation measures in consideration of this. It will be necessary to undertake a full equality impact assessment alongside the consultation exercise. This demonstrates the need to proceed in a careful and measured way, taking account of everything relevant and with proper consultation before a decision is made. Following the consultation exercise a Key Decision will be required to consider the results of the consultation, to have regard to the equality impacts of the proposal, and to agree the way forward, taking all things into consideration.

The report seeks to award a 12 month contract to Active Tameside and to note the aspiration to grant a longer term contract coterminous with the lease arrangements. The current arrangements amount to a service concession contract which is a contract under which the consideration given consists of or includes the right to exploit the service or services to be provided under the contract. Regulation 117 of the Public Contracts Regulations 2015 excludes Service Concession Contracts from the application of the normal public contract requirements involving an OJEU notice and a competitive exercise. Where the Council wishes to let a concession contract which affects cross border activity, it is required to comply with its obligations under the EC Treaty and let the public services concession contract in an open transparent and fair manner. As the current arrangement with Active Tameside does not involve a cross border activity no such obligation arises. To exercise an option for a longer terms contract, the Council would need to act promptly as the Government is currently undertaking consultation on a new Concession Contract Regulations which are to come into force from April 2016. Following the coming into force of the Regulations, a procurement exercise will be required involving an open transparent procurement advertised through OJEU.

Any proposals to invest in Active Longdendale referred to in paragraph 12.4 will require further governance to approve the investment. This will need to consider the proposed business case and the risks which may arise as a result in changes to procurement legislation.


Risk Management:

Active Tameside is currently facing significant financial, operational and reputational risks and the proposals within this report aim to mitigate against these.

Proposals identified in this report will be progressed via a Transformation Board with robust governance.

Access to Information:

The background papers relating to this report can be inspected by contacting Angela Hardman, by:

 Telephone: 0161 342 2519

 E-mail: angela.hardman@tameside.gov.uk

1. INTRODUCTION

- 1.1 If exercise were a pill, it would be one of the most cost-effective drugs ever invented.
- 1.2 However, the level of physical inactivity in Tameside (32.81%) is significantly worse than the national average (28.95%) and amongst the worst in the country, contributing to poor health and early deaths.
- 1.3 Active Tameside are a key partner in responding to this challenge and moving increasing numbers of people from being inactive, to being active.
- 1.4 However, as a result of reducing revenue, increasing overhead and maintenance costs, and a changing marketplace, they have become financially unsustainable, and some of the existing asset portfolio is in an increasing state of disrepair.
- 1.5 On 4 February 2015, at a joint meeting of the Executive Cabinet and the Overview (Audit) Panel, it was agreed that a planned reduction in the Active Tameside management fee for 2015/16 would be deferred until 2016/17 to enable a full strategic review to be undertaken to determine opportunities and options for the development of a financially and operationally sustainable long-term business model. In addition, other options available to the Council for the operation of sport and leisure facilities were to be explored as part of the strategic review.
- 1.6 A copy of the Executive Cabinet Report from 4 February 2015 is available via <http://www.tameside.gov.uk/executive/cabinet/04feb15/agenda>
- 1.7 An independent report produced by DTZ in August 2015 has underpinned some of the proposals within this report.
- 1.8 A Health Needs Assessment has been completed by the Tameside Council Public Health Team during 2015 and has underpinned some of the proposals within this report.
- 1.9 An independent report produced by V4 Consultants in August 2014 has underpinned some of the proposals within this report.
- 1.10 At the heart of the course of action endorsed previously by the Council was a genuine desire for Active Tameside to succeed and fulfil its undoubted potential, and a recognition that increasing the level of physical activity amongst our local population was fundamental in improving overall health and wellbeing, enabling economic growth, and reducing demand for health and social care services.
- 1.11 Over recent years Active Tameside has proven itself to be a meaningful and positive partner who has displayed a willingness to transform as an organisation whilst maintaining high quality services in a context of a reduced Council contribution, an ageing estate, and an increasingly competitive market. Examples to support this can be found in paragraph 7.9
- 1.12 Alongside this, Active Tameside has been embarking on a transformational journey with the Tameside Council Public Health Team to enhance the contribution they make to improving health outcomes and reducing health inequalities within Tameside. This has been underpinned by increased recurrent and non-recurrent investment from the Tameside Council Public Health Grant, and through a successful funding bid to the Sport England 'Get Healthy, Get Active' Fund.
- 1.13 This report builds upon the previous report and makes a series of proposals, a number of which will be subject to stakeholder and public consultation.

1.14 The proposals could reduce the annual Council revenue investment from £1.865 million to £0.720 million per annum by 2019/20. It should be noted however, that this projected reduction is predicated upon a range of variables which remain subject to the final Key Decision on 23 March 2016.

2. THE CASE FOR CONTINUED INVESTMENT IN SPORT AND PHYSICAL ACTIVITY AND COMBATING INACTIVITY IN TAMESIDE

2.1 Investment in Sports and Physical Activity is an ‘invest to save’ opportunity which directly impacts upon the health and wellbeing of the local population and reduces the demand for more costly health and social care services.

2.2 The case for continued investment in sport and physical activity to combat inactivity was made and accepted in the report to Executive Cabinet on the 4 February 2015.

2.3 Physical inactivity is the fourth leading cause of many of the most significant health problems in the UK today.

2.4 The National Institute for Health and Clinical Excellence (NICE) have assessed brief interventions for physical activity as costing between £20 and £440 per Quality Adjusted Life Year which is significantly below the £30,000 per intervention threshold applied by NICE to determine cost effectiveness and led to physical inactivity being assessed by the Department of Health as providing “exceptional value for money”.

2.5 A wide body of research from within the UK and internationally unequivocally identifies that investment in encouraging and enabling participation in physical activity is a cost effective method of increasing population health and reducing avoidable demand and expenditure.

2.6 Sport England also provide a wide range of evidence of the positive economic, social, cultural and health impact of Sports and Physical Activity:

<https://www.sportengland.org/research/benefits-of-sport/>

2.7 The estimated cost of physical inactivity in Tameside is at least £21.5million per year in terms of avoidable health, social care and economic productivity costs.

2.9 A 1% reduction in physical inactivity would generate savings of approximately £0.65 million per year and if Tameside were to shift from its current level (32.81%) to the national average (28.95%), this would result in annual savings of approximately £2.6 million per year, or £52 million over a 20 year period.

2.10 Only 50.7% of adults in Tameside undertake 150 minutes of physical activity per week, compared to a national average of 57%.

2.11 It is estimated that in Tameside:

- Physical inactivity is directly responsible for 1 in 6 premature deaths each year – a total of 172 people in Tameside in 2014.
- If every adult in Tameside participated in 150 minutes of physical activity per week, we could annually prevent:
 - 1,344 new diabetes cases;
 - 60 new cases of breast cancer;
 - 21 new colorectal cancer cases;

- 73 new case of Coronary Heart disease.

2.12 Physical Inactivity is directly correlated to deprivation levels, meaning that it is a significant factor in creating and maintaining health inequalities. Increasing participation amongst the most deprived is a vehicle for closing the health inequalities gap.

2.13 The impact of increasing physical activity in Tameside would be significant in terms of the health of the population, the demand and cost associated with ill health, and the contribution to economic growth within the Borough.

2.14 The presence of a high quality leisure estate, ran by a competent provider is a key prerequisite to realising this ambition.

3 CURRENT RISKS

3.1 As a result of a reduction in revenue funding, increasing overheads, a deteriorating estate and a changing marketplace, Active Tameside is financial unsustainable and operationally vulnerable.

3.2 A full overview of Active Tameside's financial position is set out in the report to Executive Cabinet on 4 February 2015.

3.3 Active Tameside is currently operating with a c.£0.200 million annual budget deficit, has no reserves, and is at acute risk of being financially unviable if there were to be only a minor deterioration in its market position.

3.4 The Tameside Leisure Estate has elements which are at catastrophic risk of failure, and has a significant and unsustainable maintenance backlog.

3.5 In addition to the above, a further risk has arisen due to a change in procurement legislation in February 2015. The options and the associated risks are outlined in paragraph 8.

3.6 The proposals within this report seek to identify a number of areas where action can be taken to mitigate against these risks.

4 AREAS FOR CONSIDERATION FOR A FINANCIALLY AND OPERATIONALLY SUSTAINABLE LONG-TERM BUSINESS MODEL

4.1 A range of options have been considered against their potential to contribute towards the achievement of the following outcomes:

- Significantly reduce or eliminate the subsidy provided for the operation of the Council's leisure facilities;
- Reduce or eliminate the Council's short and medium term liabilities associated with the maintenance of the leisure centre estate;
- Reduce or eliminate the risks associated with the sustainability of the operator;
- Transform the Tameside physical activity 'offer' to deliver significant sustained health outcomes for the borough where it is most needed;
- Continue to offer a safe, high quality and high impact sports and leisure provision.

4.2 The key areas that have been explored are:

- Review of the Leisure estate;
- Review of existing debt liabilities;
- Asset Transfer / Lease arrangements;
- Public Health revenue investment;
- Match funding opportunities / inward investment;
- Opportunities for Partnering
- Investment in Commercial Ventures

4.3 The primary vehicle for achieving the stated outcome is the rationalisation of facilities, and the development of a Tameside Wellness Centre.

4.4 As is set out in section 5.11, this potentially contributes a significant amount to the proposals to reduce the subsidy considerably by 2019/20.

4.5 The remaining considerations identified in 4.2 cumulatively allow for a gradual reduction in the subsidy but are marginal compared to the impact of the rationalisation proposals.

5 CAPITAL INVESTMENT PROGRAMME / FACILITIES RATIONALISATION

5.1 Based upon the DTZ report and discussions with Active Tameside, the key to successfully reducing the current subsidy, whilst continuing to improve the health of the local population, is to rationalise the existing facilities portfolio, whilst investing in a new range of facilities.

5.2 An assessment of the current condition of the estate identifies Dukinfield, Denton and Ashton as being the 3 sites which have the greatest operational challenges and which between them generate a subsidy cost of £0.578 million, allied to a backlog maintenance liability of c.£2.4million (which is 58% of the estate-wide liability)

5.3 All 3 sites are no longer fit for purpose and have either surpassed or are approaching their operational lifespan.

5.4 DTZ assessed that the most financially sustainable approach would be the closure of all 3 sites, and an investment in a single new iconic multi-purpose site, supported by a range of mitigation measures to minimise adverse local impact.

5.5 Active Ashton

5.5.1 According to DTZ, the current Ashton site generates an overall annual subsidy cost of £ 0.268 million.

5.5.2 The current Ashton site has backlog maintenance liabilities totalling £ 0.571 million.

5.5.3 The current facility is no longer fit for purpose and has no meaningful future.

5.5.4 V4 consultancy, in 2014, assessed that the Ashton site had a realistic life expectancy of 10 years.

5.5.5 DTZ report that refurbishing this building would be costly (approx. £2.15million), would only give limited future life to the buildings and facilities, would not meet the future expectations of members and would not facilitate the development and delivery of a transformational approach focussed upon 'wellness' and improving the health of the local population.

- 5.5.6 Active Tameside report that the gradual decline of the building has underpinned a reduction in membership, a lack of market competitiveness and an emergence of this as a loss making facility.
- 5.5.7 Active Tameside report that a failure to remedy the situation with a degree of urgency, will ultimately lead to the permanent loss of members and a deteriorating financial situation.
- 5.5.8 The closure will enable the subsidy to be reduced by £0.011 million per year from the point of closure.
- 5.5.9 It is proposed that this site is considered for closure subject to consultation with key stakeholders and members of the public
- 5.5.10 It is proposed that this Centre remains open until the launch of a new Tameside Wellness Centre.

5.6 Active Dukinfield:

- 5.6.1 The current Dukinfield site generates an overall annual subsidy cost of £ 0.142 million.
- 5.6.2 The current backlog maintenance liabilities for this site total £0.923 million.
- 5.6.3 Both DTZ and V4 Consultancy assessed that the current facility is no longer fit for purpose and has no meaningful future.
- 5.6.4 V4 consultancy, in 2014, assessed that the Dukinfield site had a realistic life expectancy of 2 years.
- 5.6.5 V4 consultancy also assessed that refurbishment of this site would not provide value for money and was not a viable option to progress.
- 5.6.6 DTZ assessed that this site was in very poor condition throughout, did not fully comply with a range of statutory requirements, and was at ongoing high risk of failure at a building, mechanical and electrical level.
- 5.6.7 DTZ report that refurbishing this building would be costly (approx. £2.76million), would only give limited future life to the buildings and facilities, would not meet the future expectations of members and would not facilitate the development and delivery of a transformational approach focussed upon 'wellness' and improving the health of the local population.
- 5.6.8 It is the assessment of Active Tameside and the Council, that this site is at an ongoing risk of catastrophic failure which could render this building and / or the facilities unusable either for a significant period of time or permanently.
- 5.6.9 It is proposed that this site is considered for closure subject to consultation with key stakeholders and members of the public.
- 5.6.10 The closure will enable the subsidy to be reduced by £0.092 million per year from the point of closure.
- 5.6.11 The closure will also remove the backlog maintenance liability of £ 0.923 million.
- 5.6.12 It is proposed that this Centre remains open until the launch of a new Tameside Wellness Centre.

5.7 Active Denton:

- 5.7.1 According to DTZ, the current Denton site generates an overall annual subsidy cost of £ 0.168 million.
- 5.7.2 The current site has backlog maintenance liabilities totalling £ 0.887 million.
- 5.7.3 Both DTZ and V4 Consultancy assessed that the current facility is no longer fit for purpose has no meaningful future, and is reaching the end of its design life.
- 5.7.4 V4 consultancy, in 2014, assessed that the Denton site had a realistic life expectancy of 5 years
- 5.7.5 V4 consultancy also concluded that:
- Active Denton is constrained by its location and any future refurbishment would not deal with infrastructure and building footprint issues.
 - The cost of refurbishment would be approximately £2.8million and would not provide value for money as it would not increase participation significantly due to the constraints identified above.
- 5.7.6 DTZ assessed that this site was in very poor condition throughout, did not fully comply with a range of statutory requirements, and was at ongoing high risk of failure at a building, mechanical and electrical level.
- 5.7.7 DTZ report that refurbishing this building would be costly (approx. £2.67million), would only give limited future life to the buildings and facilities, would not meet the future expectations of members and would not facilitate the development and delivery of a transformational approach focussed upon 'wellness' and improving the health of the local population.
- 5.7.8 It is the assessment of Active Tameside and the Council that this site is also at an ongoing risk of catastrophic failure which could render this building and / or the facilities unusable either for a significant period of time or permanently.
- 5.7.9 It is proposed that this site is considered for closure subject to consultation with key stakeholders and members of the public.
- 5.7.10 The closure will enable the subsidy to be reduced by £ 0.118 million per year from the point of closure.
- 5.7.11 The closure will also remove the backlog maintenance liability of £0.887 million.
- 5.7.12 It is proposed that this Centre remains open until the launch of a new Tameside Wellness Centre.

5.8 Development of a multi-purpose Tameside Wellness Centre:

- 5.8.1 It is our local ambition to support a 'sea change' in the local attitude towards Sports and Physical Activity and to mobilise the entire Tameside community.
- 5.8.2 This builds upon the Greater Manchester Public Service Reform aspirations embedded within the GM Moving ambition for a social movement, and the GM Physical Activity Blueprint:

<http://www.greatersport.co.uk/get-active/greater-manchester-moving>

- 5.8.3 The development of an iconic new Wellness Centre which combines a traditional sports centre offer with a wider range of services to encourage local residents to lead healthier lifestyles is viewed as a cornerstone of such an approach.
- 5.8.4 Such a facility could potentially incorporate:
- A conventional sports and leisure offer including swimming, gym, court and studio facilities;
 - New and emerging sports and fitness facilities;
 - Services to support wider lifestyle changes such as smoking cessation, weight loss and alcohol reduction;
 - Health and Social Care services;
 - Early Years provision and Children's Activities;
 - A 'hub' for the borough-wide sports and leisure 'offer';
 - Functional spaces for community groups and voluntary and community sector partners.
- 5.8.5 There is no consensus views at this stage on the likely cost of such a facility as it steps outside the traditional approaches, such as those identified in the Sport England Affordable Sports Centre guidance:
- <http://www.sportengland.org/media/178920/affordable-sports-centres-2013.pdf>
- However, in terms of scale, the aspiration is for a centre which builds upon the core footprint of an Option 4 facility as identified in the above guidance. Sport England provide an estimated cost of £7.897million.
- The V4 consultancy report suggested an indicative budget of £10.954 million. It is proposed that this higher figure is earmarked.
- 5.8.6 Active Tameside have undertaken indicative modelling which projects that such a facility could generate an annual surplus of £0.562 million, allowing the Council revenue commitment to be reduced by a commensurate amount from 2019/20.
- 5.8.7 The figure of £0.562 million is based upon an optimal site selection in terms of commercial viability and high levels of displacement of existing demand.
- 5.8.8 The Council have also assessed that such a facility, if situated in the right location, could serve as a stimulus for wider regeneration and the creation of 300 new jobs.
- 5.8.9 Identifying the most appropriate site for the Tameside Wellness Centre is of paramount importance to ensuring maximum health and deprivation impact, maximum revenue generation, and maximum wider economic benefit.
- 5.8.10 The assessment of sites should include sites under Council ownership, and sites that are not, if they provide a more compelling business case.
- 5.8.11 It is proposed that stakeholders and members of the public are consulted on proposals to develop a Tameside Wellness Centre, upon potentially suitable locations, and upon the principles on which to base a final decision.

5.9 Ensuring sufficient swimming and leisure capacity in Tameside

- 5.9.1 The proposals to rationalise 3 sites into 1 would reduce the overall availability of water space within Tameside which would have a detrimental impact upon school swimming and swimming lessons for children and young people.
- 5.9.2 V4 consultancy assessed that such a proposal alone would leave pockets of unmet demand.
- 5.9.3 A number of options were assessed to mitigate against this risk and the most operationally and economically viable proposal is to extend the current swimming facilities at Active Hyde to incorporate a 6 lane x 25 metre swimming pool.
- 5.9.4 This has been project to cost £2 million to implement.
- 5.9.5 The proposals to reduce from 3 to 1 would also reduce the availability of gym and sport hall facilities in the non-Wellness Centre areas.
- 5.9.6 Whilst establishing a full new leisure offer in all of the affected areas is not affordable, it is suggested that £3.5 million be earmarked for the implementation of appropriate mitigation measures in the non-Wellness Centre areas.
- 5.10 The closure of the identified sites will undoubtedly generate significant concern amongst stakeholders, including the Public, but represent a key tenet of developing a sustainable leisure facilities portfolio and increasing local participation, whilst reducing the current subsidy.
- 5.11 The proposals identified above will lead to a net financial shift of up to £0.783 million per year from 2019/20 (£0.221million through the closure of loss making facilities and £0.562million through the projected profitability of the Tameside Wellness Centre).
- 5.12 This is predicated on securing an optimal site, with reduced levels of profitability associated with a sub-optimal choice of site, thus affecting the overall revenue impact of the proposals.
- 5.13 These proposals also allow for the avoidance of £2.4 million in backlog maintenance.
- 5.14 As is evidenced in 5.11, the proposals relating to facilities rationalisation and the development of a Wellness Centre are fundamental to the future of Active Tameside and the financial modelling of future Tameside Council investment.
- 5.15 In summary, the core proposal in relation to the Leisure Estate is:
- Closure of Active Ashton, Active Denton and Active Dukinfield
 - Building a Tameside Wellness Centre to service the needs of residents of Ashton, Denton and Dukinfield, as well as the wider Tameside population.
 - Installation of a second swimming pool at Active Hyde
 - Implementation of mitigation in at least one of the non-Wellness Centre sites.

6 TRANSFER OF ASSETS

- 6.1 Active Tameside currently holds a 25 year lease of the properties within the sports and leisure portfolio. The lease expires on 31 March 2024, however the Council or Active Tameside can terminate the whole or part of the lease at any time on 6 months' notice in writing.

- 6.2 The limited remaining term of the lease arrangements restricts Active Tameside's ability to undertake borrowing against the assets although this must also be seen in the context of its current financial standing.
- 6.3 The term also hinders their ability to enter meaningful long term negotiations with utilities providers. This limits the potential for reducing running costs, but there are further options to explore around this including potential utilisation of the AGMA framework contracts for energy, and investing in more energy efficient facilities and equipment.
- 6.4 During the review, the potential to transfer the assets to Active Tameside has been explored as a means of increasing their attractiveness as an investment proposition and reducing the Council maintenance liabilities. However, the transfer of assets is not proposed at this stage due to the considerable complexities that would surround such an activity.
- 6.5 The Council has a statutory duty to obtain the best consideration that can reasonably be achieved. A disposal at an undervalue is permissible in circumstances where the General Disposal Consent is applicable, the undervalue is less than £2m and a business case is established which confirms that the proposal benefits the economic, social or environmental wellbeing of the area. Any undervalue will also be subject to the state aid regime which prevents aid which favours undertakings which have the potential to affect trade.
- 6.6 This should remain a future aspiration, which should be subject to further detailed exploration.
- 6.7 Consideration has been given to extend the term of the current leases. However this alone will not overcome the difficulties faced in securing finance and could increase procurement risk as the lease is the grounds of exclusivity under which Active Tameside are the sole provider.

7 PUBLIC HEALTH REVENUE INVESTMENT

- 7.1 At present, in addition to the subsidy, the Council through the Public Health Grant invests £400,000 per year towards Active Tameside to enable a transformational shift towards utilising sports and physical activity as a means of improving population wide health and reducing health inequalities. £ 0.100 million of this investment is recurrent and £ 0.300 million of this is non-recurrent on a 3 year basis commencing in 2015/16 and also committed for 2016/17 and 2017/18.
- 7.2 It is proposed that from 2016/17, the current set of agreements is replaced with an outcome based agreement with an overarching set of measures tied to the improvement of population wide health through the provision of sports and leisure services via the local leisure estate.
- 7.3 Key elements of such a contract would relate to:
- Improvements in the levels of activity amongst the Tameside population;
 - Reductions in the levels of inactivity amongst the Tameside population;
 - Impact on the activity levels and health of the most deprived Tameside communities;
 - Impact relating to early years, long term conditions and older adults.
- 7.4 The Council has power under s19 (1) of the Local Government (Miscellaneous Provisions) Act 1976 to provide recreational and leisure facilities and under s19(3) to contribute by way of grant or loan towards the expenses incurred or to be incurred by any voluntary

organisation in providing those facilities. Active Tameside constitute a voluntary organisation for the purposes of the act.

- 7.5 Services linked to the current leisure estate paid under powers of s19 will amount to a services concession contract, the letting of which is detailed in paragraph 8 below.
- 7.6 It is also proposed that this Public Health investment in Sports and Physical Activity be incorporated into the pooled budget arrangements underpinning the emergent Integrated Care Organisation with a view to enabling the future maintenance or increase of investment through the sharing of the investment across Tameside and Glossop Clinical Commissioning Group and Tameside Foundation Trust. This will be subject to separate governance.
- 7.7 Such a step would represent a fundamental progression towards the transformation of Active Tameside and the role it plays as an enabler of positive health and preventer of ill health across the Tameside community.
- 7.8 It is assessed that Active Tameside are in a strong position to work with the Council to deliver this transformational agenda.
- 7.9 Since the inception of a new Management Team and Board in 2011, Active Tameside have undertaken large scale organisational reconfiguration and development to optimise levels of impact, efficiency and effectiveness. Examples to support this include:
- Tameside Council commissioned consultants (V4) assessed Active Tameside as being in the top quartile, compared with other single contract Trusts, in terms of effectiveness and efficiency.
 - Since 2011, Active Tameside have recovered an operating deficit of £1.2 million, whilst also delivering an accumulated net management fee reduction of £ 0.600 million.
 - Active Tameside have already begun to develop and deliver services that go beyond the scope of conventional leisure facility operators, including services targeting the inactive and those with long term health conditions, services for adults with disabilities and people in need of day care (which have delivered a saving of £0.240 million per year to the Council) and services to schools and special schools which engage over 7000 children per week.
 - Active Tameside have twice been national finalists in the UK Active Leisure Industry Awards for 'innovation in service development' and 'impact'.
 - Significant income and service growth has been achieved to maintain reductions to the management fee and simultaneously manage increasing budget pressures. This growth includes doubling fitness members from 3500 to over 7000, 30% growth in community learn to swim from 2800 to 4000 participants per week, and the management of school sports facilities.
 - Active Tameside has drawn inward investment, including £350K from the Sport England 'Get Healthy Get Active' fund for which Active Tameside is one of only 16 organisations nationally to be awarded the grant and the only organisation in Greater Manchester.
 - Active Tameside have designed and delivered capital developments to improve facilities and drive income and efficiency including Copley Cycle Studio, disestablishment of Active Longdendale and the seamless transfer of gymnastics to Active Ken Ward, the Oxford Park gym extension and Sky High at Active Medlock

which is a contemporary package of attractions made possible by bespoke innovative design solutions which are unique to Tameside.

- They have cultivated strong relationships with other key Tameside provider organisations including New Charter, Pennine and CVAT and are a well-regarded part of the wider Tameside Partnership, and are also have strong relationships with regional and national strategy and funding bodies.

7.10 Active Tameside have also worked closely with the Council on the outline development of these proposals even though they pose some significant challenges for them as an organisation.

8 PROCUREMENT OPTIONS

8.1 When Tameside Sports Trust was created in 1999 the Council granted a 25 year lease of various leisure facilities. In addition to the leases the Council provided a subsidy in reliance of sections 19(1) and 19(3) of the Local Government (Miscellaneous Provisions) Act 1976. This enabled a local authority to provide recreational and leisure facilities and to contribute by way of grant or loan towards the expenses incurred or to be incurred by any voluntary organisation in providing those facilities. The Council recognised that the funding arrangements equated to the provision of services for VAT purposes.

8.2 At the time the Trust was created, the Council was subject to minimal procurement requirements. The Public Services Contracts Regulations 1993 which were replaced in 2006 by the Public Contracts Regulations 2006 both classified leisure services as Part B Services meaning they were not subject to the full EU procurement regime. The Council could therefore make a direct award by way of annual funding agreement. On 26 February 2015 the Public Contracts Regulations 2015 came into force. The 2015 regulations introduced a light touch regime in place of part B services which requires any contract for Social or Other Services, a definition which includes leisure services, to be let following an advert in the Official Journal of the European Union and for there to be an award process which accords with the principles of transparency and equal treatment of economic operators.

8.3 Retain the relationship with Active Tameside and develop a financially and operationally sustainable long-term business model.

8.3.1 The Council has a longstanding relationship with Active Tameside which has developed over many years. The relationship with Active Tameside is well developed with performance being good despite financial difficulties as a result of the financial climate, the fact that the Active Tameside only holds one local authority contract preventing it from reducing overheads and despite an aging leisure estate.

8.3.2 The nature of the current arrangements involve in part a service concession which is a contract under which the consideration given consists of or includes the right to exploit the service or services to be provided under the contract. In this case that is members of the public paying to attend the leisure centres. Regulation 117 of the Public Contracts Regulations 2015 specifically excludes Public Services concessions from the application of the regulations. Whilst the contract is not subject to the 2015 rules, the Council must act in accordance with its obligations under the EC Treaty and let the public services concession contract in an open transparent and fair manner. The Council can argue that the arrangements for its leisure estate do not involve cross border activity and therefore the EC treaty obligations do not arise. To exercise this option the Council would need to act promptly as the Government is currently undertaking consultation on a new Concession Contract Regulations which are to come into force from April 2016. This will require a procurement exercise to be undertaken.

8.4 Procure a leisure and/or provider of wellbeing services

- 8.4.1 In accordance with the requirements of the light touch regime under the Public Contracts Regulations 2015 the Council could undertake a procurement exercise or exercises to procure a service provider to provide the services. Active Tameside would be entitled to participate in the procurement exercise, and being the incumbent supplier would be a strong contender however its current financial standing, and position as a smaller voluntary sector operator, may be detrimental to its chances of success. The Council would need to exercise the break clause in the lease which requires either party to give the other 6 months notice.
- 8.4.2 Discussions have been had with another AGMA authority that has recently undertaken such a procurement exercise following rationalisation of its leisure estate. The lessons learnt are that such a procurement exercise was both time consuming and resource intensive. The local trust was the successful tenderer and resulted in limited investment and a better contractual arrangement.

8.5 Conclusion of procurement options

- 8.5.1 Based upon the above options, it is recommended that the Council rely on the fact that the current arrangements comprise a service concession contract and award an interim 12 month contract for 2016/17 to ensure continuity of the services.
- 8.5.2 There is a further aspiration to award a long term contract to Active Tameside for a period co-terminus with the leases upon completion of the stakeholder consultation and the final Key Decision in March 2016.
- 8.5.3 Whilst the eventual term of the contract would be long term it would be subject to an annual review of the subsidy payable, performance obligations and the usual termination provisions.
- 8.5.4 Whilst 8.5.1 and 8.5.2 are the preferred options of the Council, if the terms or value of the contract are not acceptable to Active Tameside then the Council, in accordance with the requirements of the light touch regime under the Public Contracts Regulations 2015, could undertake a procurement exercise or exercises to procure a service provider to provide the services.

9 EXISTING DEBT LIABILITIES

- 9.1 Active Tameside currently has outstanding debt liabilities (including interest) to the Council of £4.826 million (prior year facility and equipment investment). This liability is scheduled to be fully repaid by 31 March 2025.
- 9.2 Consideration has been given to the treatment of these debt liabilities and whether they could be absorbed by the Council to assist Active Tameside's financial status.
- 9.3 One option would be for the Council to write off the existing debt owed. Given the Council utilised prudential borrowing to fund investment, it would need to fund the repayment itself. This is not sustainable given the significant efficiency savings which the Council has to deliver over the immediate future. It is likely there would also be an additional premium levied for any early repayment of debt. As such, this option will not be progressed.
- 9.4 The Council could look to offset the debt repayment from the subsidy paid to Active Tameside and remove the anomaly of the Council providing a subsidy from which it then repays itself. This may result in small administrative savings. However it would remove a

significant amount of gross income recorded within Active Tameside's accounts and would not wholly repay the actual outstanding debt liability itself. The debt would remain a liability of Active Tameside under the existing repayment terms. As such, this option will not be progressed

- 9.5 Elected Members should note that the failure of Active Tameside as a going concern would render the Council liable for any outstanding debt payments. As such, it is in the interests of the Council to ensure that Active Tameside remains a financially viable organisation.
- 9.6 Elected Members should also note that the Council acts as a guarantor to an outstanding equipment lease repayment (total value of £ 0.848 million). The annual repayments (£0.170 million) are scheduled to be completed by Active Tameside by 31 March 2020. The Council would be liable for any repayments during this period on default by Active Tameside.
- 9.7 It is therefore proposed that the existing debt liabilities continue to be repaid to the Council by Active Tameside and that the end of these arrangements on a gradual basis from 2023/24 is factored into the long term reduction in subsidy and the overall long term financial modelling.

10 MATCH FUNDING OPPORTUNITIES / INWARD INVESTMENT

- 10.1 Until a Key Decision is taken, it is not feasible to formally secure match funding, but there is an aspiration to diversify the sources of investment into Active Tameside, thus further reducing the long term Council revenue commitment.
- 10.2 There would be an increased expectation that Active Tameside, supported by the Council, takes responsibility for increasing inward investment from other sources.
- 10.3 This could be capital investment from Sport England or other national funding bodies and this will be actively pursued following the final decisions outlined in this report.
- 10.4 There is also a growing evidence base nationally of Clinical Commissioning Group investment in Sports and Physical Activity given the clear impact upon both popular wide health and specific conditions – particularly Long Term Conditions, Mental Health and Falls Prevention. It should be our aspiration to pursue this opportunity through the new Tameside Integrated Care Organisation as part of a system wide strategic response to maximising the role of Sports and Physical Activity in preventing ill health as detailed in paragraph 2 of this report.
- 10.5 Within another AGMA authority, a new Sports Facility is being developed by a housebuilder as part of a large housing development, and at no cost to the Council. The facility once developed will transfer to the local Sports and leisure provider. Given the ambitions that Tameside have in relation to housing growth, this is an option that could be further explored in the future.
- 10.6 As a registered charity, Active Tameside should be more ambitious in its approach to attracting inward investment from a wider range of sources and this is reflected within the proposed subsidy reduction plan detailed in paragraph 14.3 (Table 2).
- 10.7 It is unlikely once the costs associated with demolition and disposal are met, that the closed sites at Denton, Dukinfield and Ashton will generate a significant residual capital receipt for the Council.

11 PARTNERING ARRANGEMENTS

- 11.1 A key feature of this report was the exploration of the proposed future business model for Active Tameside with a particularly focus on the options of partnering and procurement.

- 11.2 It is not within the 'gift' of the Council to 'procure' a partner for Active Tameside and, as such, Active Tameside has taken steps to assess the feasibility of this approach.
- 11.3 Whilst potential partners do exist, there is a reluctance to commit to revenue or capital investment at this stage given the lack of certainty around the estate and the short and medium term financial standing of the organisation. As such, there are limitations to the attractiveness of this option at this point in time.
- 11.4 However, there should be a continued ambition for Active Tameside to proactively seek partnering opportunities, although this is no longer seen as a pre-requisite for Active Tameside becoming financially sustainable under the proposals identified within this report.
- 11.5 As such, any future partnering arrangement would remain within the 'gift' of Active Tameside, would be more about 'added value' than about 'survival' of the organisation, and would be against the backdrop of a more financially sustainable organisation running an attractive sports and leisure estate with capacity for future growth, thus enabling Active Tameside to secure the best possible terms.

12 COMMERCIAL OPPORTUNITIES

- 12.1 The recent Sky High Development at Active Medlock has highlighted the opportunity to promote sustainability through the investment in new developments which can generate a commercial return on investment.
- 12.2 Such opportunities require a good understanding of the current marketplace, an awareness of emerging trends and the use of the Active Tameside infrastructure to deliver new developments.
- 12.3 The Council should retain a position whereby it supports such growth as an enabler of both financial sustainability and wider health improvement.
- 12.4 Active Tameside have identified a possible early implementer project in the form of an Active Adventure Play Centre at the closed Active Longdendale site which would cost c £0.500 million to mobilise, but would generate an estimated cumulative profit of £0.670million over the remaining lease period, thus providing a return on investment which would be removed from the subsidy as detailed in paragraph 14.2 (Table 1).
- 12.5 The cost of mobilisation at Active Longdendale would be met via financing provided by the Council to Active Tameside. It should be noted that this investment will be wholly repaid to the Council by Active Tameside and will be included within the business plan for the proposal
- 12.6 In addition, it is proposed that Active Tameside take more proactive steps to increase their school and college portfolio although this has not been factored into the future revenue reduction proposals due to this type of activity being more about health impact and profile, than about income generation.

13 MAINTENANCE OF THE REMAINING ESTATE

- 13.1 Under the terms of the existing lease, the Council's only covenants are to allow Active Tameside quiet enjoyment of the properties and not to elect to waive the exemption in respect of VAT. The onerous aspect of the lease is that although the tenant occupies the entirety of the property they are only required to repair internal parts. Active Tameside is not responsible for the structure of the buildings and whilst there is a covenant to repair plant and machinery this does not extend to replacing those items.

- 13.2 During 2016/17, 2017/18, and 2018/19 there will be a requirement to continue to undertake routine maintenance at Active Denton, Active Dukinfield and Active Ashton. It has been assessed that £0.111 million should be earmarked towards this. This is already within the maintenance budget. This figure will enable essential maintenance and backlog repairs to take place, but will not resolve the outstanding maintenance and repair issues that could lead to catastrophic failure. It is therefore important to note that, without additional significant investment these sites may experience such failure at any time during this transformation project leading to their enforced closure ahead of schedule.
- 13.3 Whilst the proposals detailed in this report provide opportunities to reduce the subsidy provided by the Council to Active Tameside, there is also a need to ensure adequate continued investment to enable the maintenance of the remaining estate which, whilst leased to Active Tameside, remains a Tameside Council asset and with the Council continuing to exercise landlord responsibilities as set out within the lease arrangements.
- 13.4 The remaining estate is in significantly better condition than Dukinfield, Denton and Ashton, and has a significantly long life expectancy.
- 13.5 However, the lack of reserves within Active Tameside, and the financial challenges facing Tameside Council, have generated a cumulative backlog of repairs and maintenance for the remaining sites totalling an estimated £1.589 million.
- 13.6 The current annual revenue budget allocated for ongoing maintenance and repairs of the leisure estate is £0.050 million which is insufficient to meet the most basic routine maintenance activity, and does not enable responsiveness to new repairs or larger scale challenges.
- 13.7 Without an increase in the annual revenue budget, the backlog maintenance will continue to escalate, and the risk of failure at the remaining sites will increase.
- 13.8 Some of the backlog maintenance requirements reflect routine maintenance and refurbishment, but some is for more significant repairs which, if not undertaken, jeopardise the future functionality and profitability of the remaining facilities. Examples of this include the Wave Machine at Active Hyde, the synthetic pitch surfaces at Active Copley, and the need for a replacement roof at Active Medlock.
- 13.9 Failure to invest at this stage would be counter-productive as it will store up more significant and potentially catastrophic problems for the future, and jeopardise the future of these remaining facilities.
- 13.10As such, two steps are being proposed:
- 13.10.1 A 2016/17 programme of initial capital investment totalling £0.357 million is proposed to enable:
- The replacement of the synthetic pitch surfaces, repairs to pitch drainage and upgrading the astroturf fence panels at Active Copley (£0.177 million)
 - The replacement of the roof at Active Medlock (£0.120 million)
 - The replacement of the wave machine at Active Hyde (£0.060 million)
- 13.10.2 The current annual revenue repair and maintenance budget managed by the Council is proposed to increase to £0.100 million (from £ 0.050 million) from 2016/17 on a recurrent basis.

13.11 It should be noted that the additional proposed budget as stated in section 13.10.2 of £0.050 million from 2016/17 will need to be financed from the existing Public Health revenue budget and on a recurrent basis thereafter.

14 FINANCIAL MODELLING

14.1 The proposals identified within this report, if implemented on a phased basis, would enable the Tameside Council Revenue Investment to be reduced from £1.865million to £0.720 million by 2019/20, although this remains dependent on the final outcome of the consultation and the final Key Decision to be taken on 23 March 2016.

14.2 Table 1 provides details of the proposed reducing level of revenue investment over the 8 year period of the proposed contract.

Table 1

Year	Estimated Revenue Investment To Active Tameside (£ million)	Reduction to existing revenue investment baseline : £1.865 million (£ million)
2016/17	1.775	0.090
2017/18	1.675	0.190
2018/19	1.212	0.653
2019/20	0.720	1.145
2020/21	0.720	1.145
2021/22	0.670	1.195
2022/23	0.670	1.195
2023/24	0.463	1.402

14.3 Table 2 provides details of the means of delivering the reducing revenue investment over the 8 year proposed lifetime of the contract.

Table 2

Revenue Investment Reduction – Delivery Proposals	16-17 £ m	17-18 £ m	18-19 £ m	19-20 £ m	20-21 £ m	21-22 £ m	22-23 £ m	23-24 £ m
Reduction of Council investment by value of lapsed debt liabilities.	-	-	-	-	-	-	-	0.207
Active Play Centre (Active Longdendale) – Projected Surplus	0.040	0.090	0.090	0.090	0.090	0.090	0.090	0.090
Denton Site – Savings on Closure	-	-	0.059	0.118	0.118	0.118	0.118	0.118
Dukinfield Site – Savings on Closure	-	-	0.046	0.092	0.092	0.092	0.092	0.092
Ashton Site – Savings on Closure	-	-	0.005	0.011	0.011	0.011	0.011	0.011
Tameside Wellness Centre – Projected Surplus	-	-	0.281	0.562	0.562	0.562	0.562	0.562
Extension to Active Hyde	-	-	0.072	0.072	0.072	0.072	0.072	0.072

Inward Investment	0.050	0.100	0.100	0.200	0.200	0.250	0.250	0.250
Total Reduction	0.090	0.190	0.653	1.145	1.145	1.195	1.195	1.402
Approved Council Efficiency Savings Required	0.350	-	-	-	-	-	-	-
Balance of Recurrent Efficiency Savings Required via Public Health Revenue Budget	0.260	-	-	-	-	-	-	-

14.4 The assumptions underpinning this financial modelling are predicated upon a number of variables which will be subject to a final Key Decision on 23 March 2016. As such, this modelling remains subject to change.

14.5 The proposed capital investment programme (excluding the Wellness Centre) is projected to total £5.857 million.

14.6 Consideration should be given to potential recovery of this liability from Active Tameside over the longer term as the organisation delivers a sustainable business model. This will require careful monitoring during the proposed initial 8 year contract period.

14.7 The current projected cost of a new Wellness Centre is £10.954 million (it should be noted that this cost is at current price projections and is subject to change due to inflationary market conditions).

14.8 Elected Members are reminded that the 2015/2016 Council budget approved on 24 February 2015 included a capital programme investment of £ 8.410 million for a new Active Tameside Centre. However this investment was approved on the basis that this would be wholly recovered from Active Tameside. Agreement is now being sought on the basis that this is unlikely to be recovered from Active Tameside and that the investment should instead be considered as a Council liability aimed at reducing physical inactivity and reducing health and social care demand through physical activity both now and in the longer term.

14.9 Additional resources towards the cost of a new Tameside Wellness Centre together with the investments detailed in paragraph 14.11 (table 3) should be considered from a variety of sources to reduce the proposed Council liability. These include Sport England, Clinical Commissioning Group, GM Devolution etc.

14.10 The total proposed capital investment figure is £16.811 million.

14.11 Table 3 provides a summary of the capital investment proposals :

Table 3

	New Tameside Centre	Maintenance and Repairs Programme	Extension to Active Hyde	Mitigation in non-Wellness Centre Areas	Total
	£ m	£ m	£m	£m	£m
Estimated Cost	10.954	0.357	2.000	3.500	16.811
Council Approved Capital Programme Investment	8.410	0	0	0	0
Active Tameside Repayment	(8.410)	0	0	0	0
Additional Investment via external sources	tbc	tbc	tbc	tbc	tbc
Capital Investment To	10.954	0.357	2.000	3.500	16.811

Be Approved					
-------------	--	--	--	--	--

14.12 In summary, the core proposal in relation to the Leisure Estate, and upon which much of the future revenue reduction is predicated is:

- Closure of Active Ashton, Active Denton and Active Dukinfield
- Building a Tameside Wellness Centre to service the needs of residents of Ashton, Denton and Dukinfield, as well as the wider Tameside population.
- Installation of a second swimming pool at Active Hyde
- Implementation of mitigation in at least one of the non-Wellness Centre sites.

14.13 The appropriate financing option of the capital investment will be determined once the outcome of the relevant consultation is known.

14.14 In addition, it is worth reiterating that physical inactivity in Tameside costs at least £21.5million per year in terms of ill health, avoidable social care need, and a loss of economic productivity. Utilising an improved estate to enhance the local physical activity 'offer' and move Tameside to the national average for physical activity would generate estimated savings of £2.6 million per year, £20.8 million during the 8 year contract duration, or £59.8 million over the extended 23 year borrowing period.

14.15 It is also worth noting that these proposals will enable the avoidance of £2.4million in backlog maintenance.

15 RECOMMENDATIONS

15.1 As detailed on the report cover.

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Report to :	EXECUTIVE CABINET
Date :	16 December 2015
Executive Member / Reporting Officer:	Councillor Gerald P Cooney, Executive Member (Learning, Skills and Economic Growth) Damien Bourke – Assistant Executive Director (Sustainable Growth and Assets)
Subject :	ASTLEY SPORTS COLLEGE – FOOTBALL FOUNDATION GRANT – NEW 3G FLOODLIT PITCH
Report Summary :	<p>Astley Sports College (Dukinfield) has been awarded a capital grant from the Football Foundation for the installation of a new floodlit 3G football pitch. The maximum sum awarded is £ 487,227 which is 83% of the total project cost (£587,227).</p> <p>The Council is required to accept the Football Foundation grant conditions (Appendix A) on behalf of Astley Sports College. The request was presented within a report (Investment in Education Buildings) to the Strategic Planning and Capital Monitoring Panel on 30 November 2015. There were a number of assurances required by the Council prior to acceptance of the associated grant terms to ensure the Council is indemnified in the event of any pre or post project completion liabilities (21 year term grant clawback period from date of grant acceptance).</p> <p>This report provides Elected Members with the details of these assurances to support the recommendation.</p>
Recommendations :	Executive Cabinet is recommended to accept the Football Foundation Capital Grant Conditions (Appendix A) relating to the installation of a floodlit 3G football pitch at Astley Sports College, Dukinfield. The Council have received assurances from the College to ensure that the Council will not be subject to any pre or post project completion liabilities (21 year term grant clawback period from date of grant acceptance). The assurances are detailed within the report. The Sports College Governing Body will be required to provide a legally binding agreement to support the indemnification of any project related liabilities to the Council (section 5 refers). This will be required in advance of acceptance of the grant conditions by the Council and will also bind any successors in title to cover the event of academisation.
Links to Sustainable Community Strategy :	The proposals in the report support those elements of the Community Strategy which relate to a Learning and Supportive Tameside.
Policy Implications :	The proposals contained in this report will support the delivery of the community strategy.
Financial Implications : (Authorised by the Section 151 Officer)	The report recommends that the Council accepts the Football Foundation grant conditions (Appendix A) relating to the new 3G floodlit pitch project at Astley Sports College. The Council has received assurance from the Sports College governing body that any associated liabilities that may arise during the subsequent 21 year term grant clawback period (from date of grant acceptance) will be recoverable from the Astley Sports College governing

body. The Sports College Governing Body will be required to accept a legally binding agreement to support the indemnification of any project related liabilities to the Council in advance of acceptance of the grant conditions by the Council (section 5 refers).

There Sports College have provided evidence that the residual £100,000 project capital balance not supported by the Football Foundation grant will be financed via Astley Sports College (£85,000), Cromwell Special School (£10,000) and Yew Tree Primary School (£5,000).

Astley Sports College have provided a revised three year revenue budget plan which demonstrates a cumulative surplus position for the college during this period (section 4.2 table 3 refers). The revised plan includes the annual expenditure and income associated with this new facility.

It is essential that this revised plan is stringently monitored to ensure the actions taken are implemented since the original projected cumulative deficit budget plan was submitted in April 2015. (section 1.5, table 1).

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

Executive Cabinet is recommended to accept the Football Foundation Capital Grant Conditions (**Appendix A**) relating to the installation of a floodlit 3G football pitch at Astley Sports College, Dukinfield. The Council have received assurances from the College to ensure that the Council will not be subject to any pre or post project completion liabilities (21 year term grant clawback period from date of grant acceptance). The assurances are detailed within the report. The Sports College Governing Body will be required to accept a legally binding agreement to support the indemnification of any project related liabilities to the Council (section 5 refers). This will be required in advance of acceptance of the grant conditions by the Council and will also be expected to bind any successors in title such as an Academy.

Risk Management :

The Council has received various assurances from Astley Sports College to ensure that the Council is not subject to any pre or post project completion liabilities (21 year term grant clawback period from date of grant acceptance). The assurances are detailed within the report. The Sports College Governing Body will be required to authorise a legally binding agreement to support the indemnification of any project related liabilities to the Council. This will be required in advance of acceptance of the grant conditions by the Council (section 5 refers).

Access to Information :

The background papers relating to this report can be inspected by contacting Stephen Wilde



Telephone:0161 342 3726



e-mail: stephen.wilde@tameside.gov.uk

1 INTRODUCTION

- 1.1 A capital grant has been applied for by Astley Sports College to fund the development of a floodlit 3G football pitch on its grounds. The Football foundation grant comes with a number of conditions (**Appendix A**) which the Council needs to be satisfied have been addressed in advance of accepting the associated grant condition terms.
- 1.2 The Football Foundation has provisionally allocated £487,227 of capital grant towards the project which is 83% of the estimated costs of the project. The remaining balance of the capital funding required is £100,000.
- 1.3 A report (Investment in Education Buildings) was presented to the Strategic Planning and Capital Monitoring Panel on 30 November 2015. This report included a request for the Council to accept the associated grant conditions. However, there were a number of assurances required by the Council prior to acceptance of the grant terms to ensure the Council is not subject to any pre or post project completion liabilities (21 year term grant clawback period from date of grant acceptance).
- 1.4 The School brought forward a deficit revenue balance of £ 82,000 from 2014/15. The three year budget plan received from the school in April 2015 projected the following cumulative revenue balances.

Table 1

Financial Year	Projected Cumulative Revenue Balance () = Deficit £
2015/2016 (Adjusted for correct 2014/15 balance brought forward)	(77,466)
2016/2017	(33,834)
2017/2018	201,476

- 1.5 There was an additional risk identified that the school were unable to finance the ongoing maintenance costs of the pitch for the duration of the grant conditions. The above balances excluded related expenditure and income details associated with the ongoing management of the project.
- 1.6 The Sports College Governing Body were requested to provide an updated and balanced budget plan together with reassurance that the grant conditions (**Appendix A**) will be adhered to for the duration of the grant clawback term (21 years) and that all associated project liabilities will be financed from the Sports College budget.
- 1.7 The new pitch is expected to be completed by September 2016 for use from the commencement of the 2016/17 academic year.

2 CAPITAL GRANT BALANCE (£100,000)

- 2.1 The Football Foundation has provisionally allocated £487,227 of capital grant towards the project which is 83% of the estimated costs of the project. The remaining balance of the capital funding required is £100,000.

- 2.2 Astley Sports College have confirmed £85,000 towards the residual funding required to finance the total project expenditure. £20,000 will be financed in 2015/16 with £ 65,000 financed in 2016/17.
- 2.3 Cromwell Special School have confirmed £10,000 towards the residual project funding required.
- 2.4 Yew Tree Primary School has confirmed £5,000 towards the residual project funding required.
- 2.5 The relevant school contributions are included within the associated school three year approved budget plan.
- 2.6 The financing of any capital related expenditure in excess of the £100,000 balance will be the liability of Astley Sports College.
- 2.7 The Football Foundation has appointed Robinson Low Francis as the organisation who will manage the project. The organisation will manage the associated tender procedures for the construction of the facility once the relevant site planning permission is obtained. The Council in conjunction with the Sports College will ensure that approved Procurement Standing Order thresholds and procedures are adhered to when awarding the associated contract(s) to deliver the project alongside Football Foundation grant conditions.
- 2.8 Astley Sports College will manage the project capital expenditure cashflow. The Sports College will issue a grant claim form to the Football Foundation in advance of any project capital expenditure (with supporting evidence). The Football Foundation will pay the Sports College 83% of the claim/ invoice total within 21 days of receipt. The Sports College we will then pay the total value of invoices received on receipt of the grant together with the 17% contribution balance (identified within the school budget together with contributions received from Cromwell Special School and Yew Tree Primary School as detailed in sections 2.3 and 2.4).

3. REVENUE EXPENDITURE AND INCOME

- 3.1 The Sports College have provided supporting business plan details to the Council associated with the ongoing revenue expenditure and income of the new pitch. The five year summary detailed in table 2 below demonstrates that the facility is projected to deliver excess income compared to expenditure on an annual basis during the initial five years.

Table 2

Financial Year	Projected Expenditure £	Projected Income £	Projected Annual Surplus £
2016/17	19,140	25,270	6,130
2017/18	35,590	45,320	9,730
2018/19	39,680	48,850	9,170
2019/20	41,160	52,550	11,390
2020/21	42,410	56,430	14,020

- 3.2 The expenditure includes an annual sinking fund contribution of £25,000 (part year 2016/17) to finance a replacement pitch which is estimated to have a useable duration between 10 and 15 years. It is essential that the school maintain this accumulated sum as an identified reserve within the school's annual accounts. It must not be used for any

alternative purpose during the accumulation duration period and should be appropriately monitored and reported to the Governing Body together with the Football Foundation.

- 3.3 The Sports College will be liable for any deficit balance that may arise on an annual basis relating to the facility in the initial five year term and subsequent years should the projected levels of income not materialise

4. SCHOOL BUDGET PLAN

- 4.1 The school have provided a revised budget plan to the Council which incorporates the related expenditure and income for the 3G pitch together with the schools contribution towards the balance of construction expenditure.
- 4.2 Table 3 provides a summary of the revised cumulative estimated revenue balances for the three year period as stated. The school have presented a three year budget which now demonstrates a surplus position during this period. This will require stringent monitoring to ensure the actions taken are implemented since the original projected cumulative deficit budget plan was submitted in April 2015. (section 1.5, table 1)

Table 3

Financial Year	Projected Cumulative Revenue Balance () = Deficit £
2015/2016	34,562
2016/2017	258,919
2017/2018	778,493

5. INDEMNIFICATION OF POTENTIAL LIABILITES

- 5.1 The Sports College Governing Body will be required to accept a legally binding agreement to support the indemnification of any project related liabilities to the Council. This will be required in advance of acceptance of the grant conditions by the Council. The potential liabilities for indemnification include :
- Residual balance of capital project funding not supported by the Football Foundation Grant
 - Annual sinking fund contribution for future pitch replacement (£25,000 as recommended by the Football Foundation)
 - Annual deficit balance which may arise where the related annual pitch hire income is not sufficient to finance associated annual expenditure.
 - Football Foundation legal costs as stated in section 3 (page 12) of the Football Foundation grant conditions (**Appendix A**)

6. RECOMMENDATION

- 6.1 As stated on the front of the report.

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Mrs Tracey Marshall
Astley Sports College
Yew Tree Lane
Dukinfield
Cheshire
SK16 5BL

Ref: G82487

Ms Elaine Todd
Tameside Metropolitan Borough Council
Ashton Market Hall
Market Street
Ashton-under-Lyne
OL6 7JU

01 October 2015

Dear Mrs Marshall and Ms Todd

ASTLEY SPORTS COLLEGE AND TAMESIDE METROPOLITAN BOROUGH COUNCIL: NEW 106M X 70M FLOODLIT 3G FTP

The Foundation has approved a capital grant offer of **83%** of a total project cost of £587,227 subject to a **maximum payment of £487,227**; and to **Astley Sports College and Tameside Metropolitan Borough Council** towards a new 106m x 70m floodlit 3G FTP and delivery of the aims and objectives detailed in the Application and the Football Development Plan submitted as part of your application, (which is available at your Grantshot portal) in accordance with the General Terms and Conditions enclosed with and set out in this letter. The definitions in the General Terms and Conditions attached also apply in this letter.

This grant is offered jointly to Astley Sports College and Tameside Metropolitan Borough Council (together the "Organisations" or "Applicant").

1. Additional Conditions

1.1 The Grant is subject to satisfaction of the following additional conditions:

Pre-construction conditions

- That the tender evaluation report and tenders are agreed in writing by the Foundation, prior to the contractor being appointed.
- That a copy of the planning permission/amendment approval is provided to the Foundation prior to the commencement of any works.
- That the School provides evidence of partnership funding from Sport England as soon as any award has been made.
- That Astley Sports College provide a written undertaking before the commencement of works, which confirms that they will underwrite any deficit generated by the 3G FTP.
- That all key community clubs sign an agreement to confirm their intended level of usage before the commencement of works.
- That the 3G FTP meets the standards for full-size pitches contained within the FA Guide to 3G FTP Design Principles and Layouts.
- The Organisation shall at its own cost enter (or permit the Foundation to enter) a restriction on the registered title to the property on which the Facility is being developed ("the Property") as detailed in clause 21 of the General Terms and Conditions or a caution against first registration in the case of unregistered land and, if requested to do so by the Foundation, enter into a deed of dedication in relation to the Property. Further:
 - The Organisation's solicitors must provide a solicitor's undertaking that the Organisation will pay the Foundation's legal costs of putting the restriction or caution and deed of dedication in place as set out in the guidance note provided.

Please Note: No grant will be payable if construction of the Facility starts without written permission to proceed from the Football Foundation.

Pre-claim capital conditions

- That the applicant produces a cashflow forecast which illustrates when the Foundation grant will be drawdown.
- That the Club provides evidence for the bank account that the grant will be paid into before any funds are released. This must be in the form of a copy of a bank statement or paying-in slip.

Pre-opening conditions

- That prior to the facility opening, the programme of use and pricing policy is forwarded to the Foundation, FA and CFA for approval.
- That a steering group is established to monitor and review delivery of the plan once/twice a year, and that Cheshire FA are invited to be part of this. A copy of the Terms of Reference and minutes of this group are to be submitted to the Foundation.
- That a Terms of Reference is drawn up for the Steering Group and forwarded and that the Pitch Supervisor is recruited and appointed to the group, ensuring strong club links to support the FDP.

2. **Acceptance**

- 2.1 The Organisations have **two months from the date of the Grant Offer Letter** to accept the terms and requirements of this Grant. If the Organisations do not accept the terms and requirements of this Grant within two months from the date of this letter, the offer will lapse unless reasons are given for the delay, which are accepted by the Football Foundation. If the offer lapses, your application will be regarded as having been withdrawn. You are bound by this Grant Offer Letter or the General Terms and Conditions attached until such time as you make a claim for payment of the Grant or any payment of Grant is made to you.
- 2.2 No Grant Agreement comes into existence between the Football Foundation and the Organisations, and accordingly the Football Foundation is not bound to make payment of the Grant, unless and until a signed Grant acceptance form has been received by the Football Foundation from both organisations and where applicable the specific requirements set out in paragraph 1.1 above have been fulfilled to the Football Foundation's satisfaction.
- 2.3 If you wish to accept this Grant on the terms stated herein **please return one copy of each of the attached form of acceptance**, duly signed and dated by two authorised signatories to our Technical Project Manager. You should retain the other copy, which, together with this letter, will constitute the Grant Agreement between the Football Foundation and the Organisations.

3. **Payment of the grant**

- 3.1 **Capital Grants.** On compliance with the pre-construction conditions and pre-claim capital conditions set out in paragraph 1.1 and on receipt of appropriately completed claim forms and relevant supporting documents, the Foundation will pay claims at the same percentage rate that the Grant bears to the Project cost. This will continue until 95% of the Grant has been released. The remaining 5% of the Grant will be paid on receipt of written evidence of completion of the Project in accordance with clause 8 or clause 9 of the General Terms and Conditions and any other specific final 5% claim conditions referred to in clause 1.1, if any.
- 3.2 **Revenue Grants.** On compliance with the pre-claim revenue conditions set out in paragraph 1.1 above and on receipt of satisfactory completed revenue claim forms and relevant supporting documents, the Foundation will pay claims six monthly in arrears at the percentage rate detailed in Schedule 1.
- 3.3 The Organisations must ensure that sufficient funds are retained to meet the balance of any costs and to cover the period between the penultimate payment and completion of the work to be funded by the Grant.

- 3.4 Claim forms can be downloaded from the Football Foundation website and completed and returned as the work progresses. Each form must include a completed statement of expenditure and details of the net value of the work completed at each claim stage (excluding voluntary labour, other contributions in kind, contractual retention fees and other non-allowable costs). The form must be counter-signed by an appropriately qualified and authorised person and must be accompanied by appropriate supporting documentation.
- 3.5 Payments will be made by Bankers Automated Clearing Services (BACS) directly into a valid bank account, but you will be sent a remittance advice telling you exactly how much is being transferred into your account and the date.

4. Signage and Publicity

- 4.1 Please note that you have been awarded the grant from the Premier League & The FA Facilities Fund (PL/FA:FF), and not the Football Foundation (which is the delivery organisation of this Fund). Accordingly, please ensure that you describe this funding as coming from the PL/FA:FF in all public communications, such as websites, press releases and newsletters.
- 4.2 Your attention is drawn to the provisions of clause 10 of the General Terms and Conditions. The Foundation will provide official signs to give recognition to the financial support provided by the PL/FA:FF. Your Technical Project Manager will be liaising with you to begin the process of ordering and installing this signage.
- 4.3 Please be aware that the Foundation will be communicating the award of your grant, alongside all grants that have been awarded in this funding window, in the form of one main press release. Additionally, we will be writing to your local MP to inform them of your grant award.
- 4.4 You are asked to contact the Foundation's Communication Team a minimum of six weeks prior to the provisional date of any event you hold to officially open your new facility. The Communications Team can be contacted on 0345 345 4555 or at events@footballfoundation.org.uk.

5. Project Monitoring

Further payments of the Grant are dependent on the satisfactory fulfilment of the Foundation's monitoring requirements, for the duration of the Grant Agreement (see clause 11 of the General Terms and Conditions for more details). The current evaluation requirements can be found on the Foundation's website.

6. Increased Costs and VAT

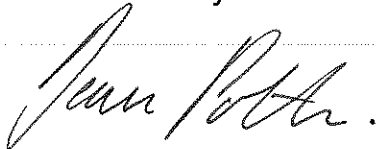
- 6.1 If at any time the total expenditure for the Project exceeds the estimated amount stated in the Grant Offer Letter there will be no corresponding increase in the Grant even if additional costs arise that were previously unforeseen and in particular the Foundation will not increase its Grant if VAT becomes payable. You should seek specific advice about your Organisation's VAT status and the Project's liability to VAT.
- 6.2 The Foundation also reserves the right, if the final total allowable expenditure is less than the estimated expenditure to review the amount of the Grant and, where it considers appropriate, to reduce the Grant payable or to demand a refund of part of the Grant. The amount of such reduction or refund shall be determined by the Foundation at its discretion but shall not exceed the amount of the under-spend.
- 6.3 The Foundation pays its Grant as a percentage of Project costs subject to a maximum sum. The amount of the Grant payable by the Foundation will therefore be less than the maximum stated if your Project is delivered under budget.

7. Privacy and Data Protection Statement

- 7.1 Please ensure that you are familiar with the Football Foundation's Privacy and Data Protection statement which explains how information about you will be processed and stored. By applying for a grant from the Football Foundation you are agreeing to us being able to record and process relevant information about you. A link to the statement can be found here: <http://www.footballfoundation.org.uk/privacy-statement>.

If you have any questions about this letter, please contact your Technical Project Manager, Lee Davies, on 0345 345 4555 Ext 4254. **All correspondence regarding your project should also be addressed to your Technical Project Manager.**

Yours sincerely



Dean Potter
Head of Grant Management

cc: Chris Smith, Regional Facilities and Investment Manager, The FA
Mark Hardcastle, Regional National Game Manager, The FA
Alex Bedford, Development Manager, Cheshire County FA

Schedule 1
Schedule of payments for Revenue Grant

Not applicable

ACCEPTANCE OF GRANT CONTRACT

ASTLEY SPORTS COLLEGE: NEW 106M X 70M FLOODLIT 3G FTP

First signature:

I am pleased to accept the Grant offer on the terms of the Grant Offer Letter and the General Terms and Conditions attached to it. I understand that no legal obligations to the Football Foundation exist until such time as we make a claim to draw down the Grant. I am empowered to sign this acceptance form on behalf of the Organisation.

Name (BLOCK CAPITALS) _____

Position _____

Signature _____ Date _____

Second signature:

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Name (BLOCK CAPITALS) _____

Position _____

Signature _____ Date _____

Ref: G82487

Astley Sports College and Tameside
Metropolitan Borough Council

ACCEPTANCE OF GRANT CONTRACT

ASTLEY SPORTS COLLEGE: NEW 106M X 70M FLOODLIT 3G FTP

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Name (BLOCK CAPITALS) _____

Position _____

Signature _____ Date _____

Ref: G82487

Astley Sports College and Tameside
Metropolitan Borough Council

ACCEPTANCE OF GRANT CONTRACT

TAMESIDE METROPOLITAN BOROUGH COUNCIL: NEW 106M X 70M FLOODLIT 3G FTP

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Name (BLOCK CAPITALS) _____

Position _____

Signature _____ Date _____

Ref: G82487

Astley Sports College and Tameside
Metropolitan Borough Council

ACCEPTANCE OF GRANT CONTRACT

TAMESIDE METROPOLITAN BOROUGH COUNCIL: NEW 106M X 70M FLOODLIT 3G FTP

First signature:

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Name (BLOCK CAPITALS) _____

Position _____

Signature _____ Date _____

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Name (BLOCK CAPITALS) _____

Position _____

Signature _____ Date _____

Ref: G82487

Astley Sports College and Tameside
Metropolitan Borough Council

FOOTBALL FOUNDATION

Guidance note for Applicant's Solicitors

1. The Football Foundation's solicitors will need the information and documents set out below:
 - 1.1 Where the Football Foundation will be taking a charge over the Applicant's property:
 - 1.1.1 Details of any existing charges over the property.
 - 1.1.2 Details of other funders requiring a charge in connection with the project.
 - 1.1.3 The Applicant's solicitors will need to provide a certificate of title in the Football Foundation's standard form, a copy of which is attached.
 - 1.2 In the case of land owned by a public authority (e.g. Parish Council or Local Authority), where a charge cannot be taken, a restriction must be entered on the title to the Applicant's property. The Applicant will need to provide the full address and postcode and the Land Registry title number of the property.
 - 1.3 Where, in the case of land owned by a public authority, a restriction cannot be entered because the land is unregistered, a caution against first registration must be lodged at the Land Registry and the Applicant may be required to enter into a deed of dedication in the Football Foundation's standard required form. The Applicant will need to provide the full address and postcode and the title deeds or an epitome of title for the property.
2. The solicitors acting for the Football Foundation are:

Bates Wells & Braithwaite London LLP
2-6 Cannon Street, London EC4M 6YH
DX 42609 (Cheapside 1)
Reference: Jane Lougher
Tel: 0207 551 7683
Email: j.lougher@bwblp.com
3. Under the general terms and conditions of grant, the Applicant is responsible for its own legal fees and will also be required to pay the Football Foundation's legal fees as follows:
 - 3.1 For a legal charge – £1,000 plus VAT and disbursements.
 - 3.2 For a restriction – £500 plus VAT and disbursements.
 - 3.3 For a caution against first registration and deed of dedication – £750 plus VAT and disbursements.

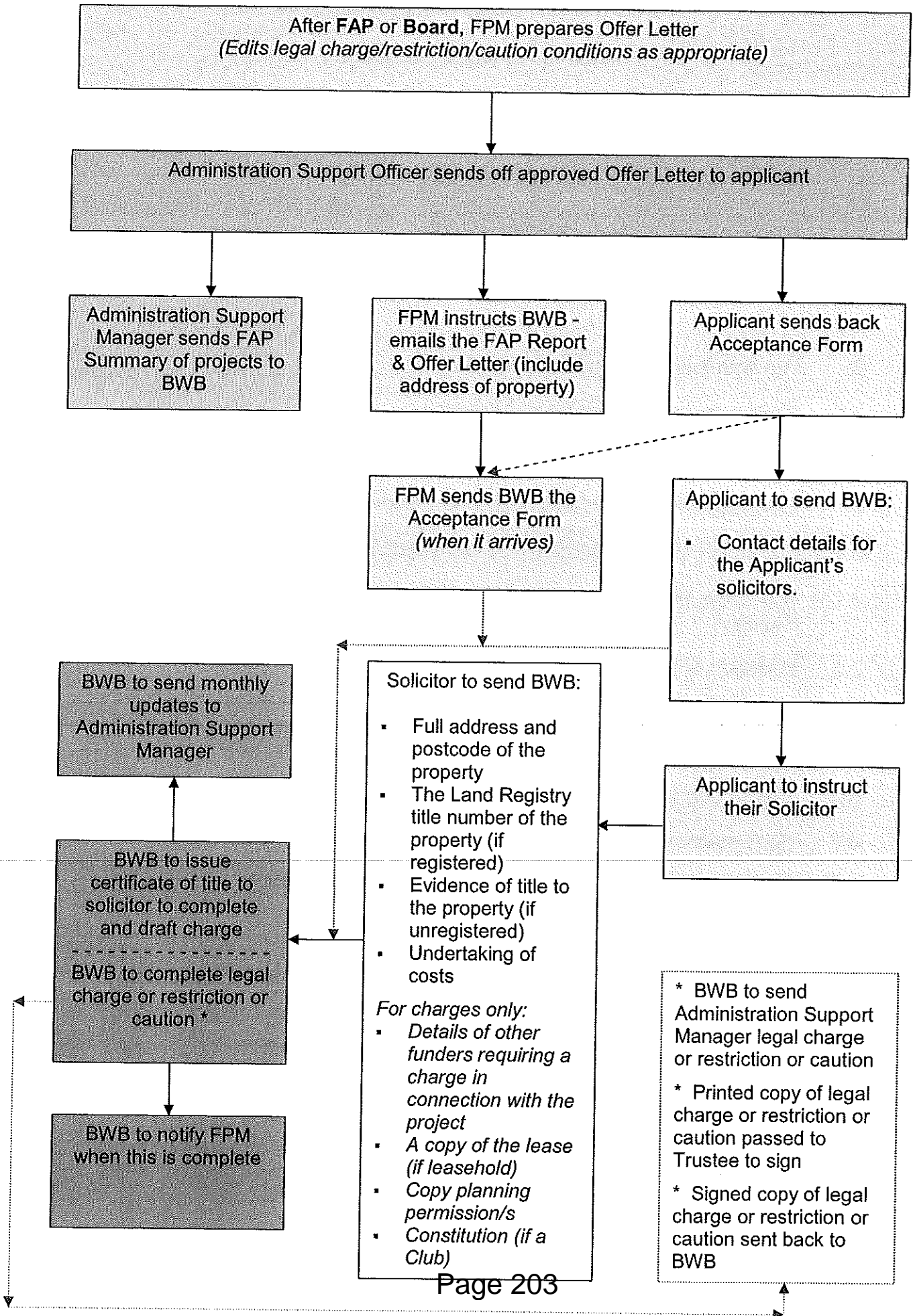
The Applicant's solicitors will need to provide an undertaking to be responsible for fees up to the limits set out above before legal work is commenced by the Football Foundation's solicitors.

The Football Foundation's solicitors will require further undertakings for payment of fees should the fees exceed the amount for which the initial undertaking was given.

4. Up to £2,000 is allowed out of the grant for the payment of legal fees, so the Applicant would be entitled to reclaim the fees paid to its solicitors and to the Football Foundation's solicitors up to this limit. If the legal fees exceed £2,000 the Applicant will be responsible for paying the fees and cannot reclaim any additional amount for fees from the Football Foundation.
5. Work cannot start on the project site until the charge, restriction or caution is in place. It is therefore important to progress matters quickly to avoid delays in the project timetable.

Bates Wells & Braithwaite London LLP
23 March 2012

Legal Charge or Restriction or Caution Process with applicant and BWB



FOOTBALL FOUNDATION CHARGES

Note for Football Foundation

Property Information to be provided to BWB

1. The Football Foundation will need to provided:

- 1.1 The offer letter and the acceptance form
- 1.2 The Grass Roots Project Assessment Executive Summary

2. The Applicant will need to provide:

- 2.1 Contact details for the Club's solicitors.

3. The Applicant's solicitors have been asked to provide:

- 3.1 Full address and postcode of the property to be charged
- 3.2 The Land Registry title number of the property (if registered at the Land Registry)
- 3.3 Evidence of title to the property (if unregistered)
- 3.4 Undertaking of costs

For charges only

- 3.5 *If the property is leasehold, a copy of the lease*
- 3.6 *Copy planning permission for the project*
- 3.7 *The Club's constitution documents*
- 3.8 *Details of any existing charges over the property*
- 3.9 *Details of other funders requiring a charge in connection with the project*

Bates Wells & Braithwaite London LLP
12 January 2010

CLAIM FOR GRANT AID – PREMIER LEAGUE & THE FA FACILITIES FUND

Please note that within your Grantshot portal, under the Delivery and Payment tab, you will be able to manage and monitor the progress of your claim. This will provide you with details of your claim including the received date, your estimated payment date and the amount approved.

SECTION A

Foundation Reference:	G	Your Name:	
Organisation:			
Email Address:			
Claim Number (If final, please insert "F"):		Telephone:	

BANK ACCOUNT DETAILS (A PAYMENT CANNOT BE MADE WITHOUT THESE DETAILS PRESENT)

Account Name:			
Account Number:		Sort Code:	

DECLARATION (TO BE SIGNED IN ACCORDANCE WITH YOUR ACCEPTANCE)

On behalf of.....we wish to claim grant aid from the Foundation in respect to the expenditure described in the Claim Summary. The Organisation will notify the Foundation immediately should any subsequent discounts or rebates be obtained relating to the expenditure described in the Claim Summary. The information given to support this claim is accurate and complete.

PLEASE NOTE

- a) Original signed forms are required and must be sent to us in hard copy by post (photocopies are not accepted).
- b) Please ensure that the form is signed by two authorised signatories before submission.

Signed

Name:	
Date:	

Signed

Name:	
Date:	

Football Foundation use only
Date Received

SECTION B**CLAIM SUMMARY**

Please tell us about the expenditure you want to claim for. You **MUST** send us supporting documentation, such as invoices, receipts or interim certificates, for each item you want to claim for (use a continuation sheet if necessary).

Please assign each invoice with a number.

	Supplier	Invoice No.	Description	£-p
1				
2				
3				
4				
5				
6				
7				
8				
VAT (If applicable*)				£
Total Expenditure				£
Grant % (as shown within offer letter)				%
Total Claim Amount				£

*If VAT was included within the total project cost identified within the grant offer letter, then please indicate the non-recoverable VAT relative to the expenditure detailed in this claim here. If there is no non-recoverable VAT on your project, then please leave this blank.

SECTION C

Please Note:

- The completed form and enclosures should be returned to:
The Football Foundation
Finance Department
Whittington House
19-30 Alfred Place
London
WC1E 7EA
- Claim forms downloaded from the Football Foundation website should not be altered in any way.
- All sections of the claim form must be completed and signed by the signatories (unless otherwise agreed) to the grant acceptance form (unless otherwise agreed).
- Only original claim forms supported with copies of supporting documentation or invoices will be accepted.
- Failure to comply with the above instructions may delay the payment of your claim.
- Keep copies of your claims and supporting documentation for your records.
- Please note that payments are made by the BACS TRANSFER within 28 working days of receipt of your claim form, providing all the relevant paperwork is received.
- You must request the first payment of your grant within six months of the date of your offer letter.
- You must request the last payment of the grant within 12 months of the date that the first claim is paid by the Foundation.
- Should you require assistance filling out this form, please visit the 'conversations' link within your Grantshot portal.
- Upon receipt of a claim form and supporting documents or invoices, the Foundation will make payment based upon the percentage given in the offer letter. This will continue until 95% of the grant has been released. The final 5% will be withheld until we have completed a site visit and received all completion information appropriate to the project



Football Foundation

PL/FA:FF Grants

General Terms and Conditions of Grant

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1. Definitions

1.1 For the purposes of the Grant and the Grant Agreement (as defined below) the following expressions shall have the meanings respectively ascribed to them:

"Organisation Application"	means the application submitted by or for the Organisation for a Grant in respect of the Project and shall include all written and oral representations made by the Organisation to the Foundation regarding the Organisation, the Project and the Facilities
"Business Plan"	means a plan prepared by the Organisation relating to the financial and operational management and marketing of the Project and the Facilities
"Capital Funding"	means the Grant (or part of Grant) referred to in the Grant Offer Letter that relates to funding which is to be used for the purchase, construction or development of Facilities and/or Grant Assets
"Clawback Period"	means the period of 21 years from the date of acceptance of the Grant
"Facilities"	means any facility, capital equipment (including Grant Assets), buildings (including fixtures and fittings) and/or land in respect of which the Grant is made as specified in the Grant Agreement and shall include, without limitation, any facility, equipment, buildings and/or land proposed to be acquired or improved as a result of the Grant
"Football Development Plan"	means a plan prepared by the Organisation setting out the aims, objectives, responsibility and timescales relating to the development of football in the area in which the Facilities are situated
"Foundation"	means the Football Foundation (registered company number 3876305; registered charity number 1079309) whose registered office is at 30 Gloucester Place, London W1V 8FF and references to the Foundation shall include the Foundation, its staff and any other person representing the Foundation
"Funders"	means the Big Lottery Fund, the Exchequer, Sport England, the Football Association Limited and the Football Association Premier League Limited, as applicable
"General Terms and Conditions"	means these terms and conditions

"Grant"	means the sum referred to in the Grant Offer Letter awarded to assist in financing the Project which may consist of Capital Funding and/or Revenue Funding
"Grant Assets"	means any property (i) whose acquisition, creation or improvement is funded in total or in part by the Grant; and (ii) that has an acquisition cost or value (whichever is higher) of £1,000 or above; and (iii) that has an economic life of three years or more (based on normal accounting practice)
"Grant Agreement"	means the agreement entered into between the Organisation and the Football Foundation in the form of a Grant Offer Letter, which incorporates these General Terms and Conditions
"Grant Offer Letter"	means the grant offer letter sent to the Organisation confirming the Grant
"Organisation"	means the organisation or organisations to which the Grant is made
"Practical Completion"	means, where the Facilities are land or buildings to be constructed or improved as a result of the Grant, the date specified in any certificate issued by the supervising architect, surveyor, engineer or other competent professional as the date on which work on the Facilities was practically completed under the terms of the relevant building contract
"Project"	means the project or projects described in the Application, the Football Development Plan and/or the Grant Offer Letter
"Project Specification"	means the most recent specification for the Project supplied by the Organisation and approved by the Foundation
"Revenue Funding"	means the Grant (or part of Grant) referred to in the Grant Offer letter that relates to funding which is to be used for management or development of projects and/or the purchase of equipment that does not constitute Grant Assets
"Sign Contractor"	means the person named in the Grant Agreement as the Foundation's authorised supplier of signs, or such other person as may from time to time be notified by the Foundation to the Organisation; and
"Sport England"	means The English Sports Council.

- 1.2 References in the Grant Agreement to any clause, sub-clause or Schedule without further designation shall be construed as a reference to the clause, sub-clause or Schedule to the Grant Agreement so numbered.

2. Use of Grant (All Grants)

- 2.1 The Grant will be used solely towards the Project in accordance with the Grant Agreement, and only by the Organisation, and under no circumstances shall it be used for any other purpose.
- 2.2 The Organisation will use its best endeavours to deliver the aims and objectives detailed in the Football Development Plan and in accordance with the Business Plan.
- 2.3 Delivery of the Project will comply with any Project Specifications agreed with the Foundation.

3. Construction of Facilities (Capital Funding Only)

Where land or buildings are to be acquired, constructed or improved as a result of the Grant: -

- 3.1 the highest standard of Facilities must be aimed for;
- 3.2 the Organisation must have security of tenure of the Facilities and/or the land on which the Facilities are built for the Clawback Period by means of a freehold or uninterruptible leasehold. A copy of any relevant lease must be sent to the Foundation on request;
- 3.3 the construction, improvement and/or development of the Facilities must be supervised throughout by a qualified architect, surveyor or engineer or other competent professional;
-
- 3.4 the Organisation must take into account and make appropriate provision for use and enjoyment of the Facilities by people with disabilities; and
- 3.5 the Organisation will notify the Foundation immediately following Practical Completion.

4. Construction/Development of the Facilities (Capital Funding Only)

In respect of the costs of construction and/or development of the Facilities:

- 4.1 at least three competitive tenders for the provision of the Facilities shall be obtained by the Organisation in accordance with normal tender and contract procedures;
- 4.2 an explanation of the tender accepted shall be submitted to the Foundation prior to works being commenced. The explanation must be satisfactory to the Foundation, failing which the Grant may be withdrawn by the Foundation at its sole discretion and any Grant monies already paid shall immediately become repayable to the Foundation;

- 4.3 a copy of the original "form of tender" from the appointed contractor for the construction works shall be submitted, together with a list of the unsuccessful tenders. On Facilities where a "tender report" is prepared by a consultant quantity surveyor, architect, or other professional, a copy of this report shall also be submitted; and
- 4.4 the Organisation shall ensure that the Foundation has the right, in its absolute discretion, to inspect and copy the relevant documents and records of all persons from whom tenders have been obtained in relation to the Project.
- 5. Management & Use of Project and Facilities (Capital Funding Only)**
- 5.1 The purpose of the Project, the arrangements for management and community use of the Facilities and the purpose for which the Facilities are used shall be as set out in the Application and the Grant Agreement and shall not be changed throughout the Clawback Period without the prior written consent of the Foundation.
- 5.2 The Organisation undertakes, warrants and agrees to use its best endeavours to manage and operate the Project and the Facilities in accordance with the aims, objectives, targets, and timescales set out in the Football Development Plan and the Business Plan.
- 5.3 The Organisation shall at all times throughout the Project and the development of the Facilities and until the expiry of the Clawback Period:
- 5.3.1 ensure that, unless the Foundation has given its prior written consent, the fees and charges for use of the Project and the Facilities by members of the public do not increase beyond any increase in the Retail Price Index from the date on which the Application was approved by the board of the Foundation;
- 5.3.2 keep the Facilities, and all facilities, fittings or equipment used in connection with them in good repair and condition and undertake all things as may be necessary to ensure their proper maintenance;
- 5.3.3 decorate all internal and external parts of the Facilities following their construction as often as may be necessary in the opinion of the Foundation;
- 5.3.4 take out and keep in force a comprehensive policy of insurance with reputable insurers to cover the Project, the Facilities, the Grant Assets, their use and any activities carried out thereon against and in respect of all usual risks (including third party, public, employee and occupier's liability) to their full replacement value (where relevant), and a copy of the current policy and evidence of premium payment shall be provided to the Foundation upon request;
- 5.3.5 make and operate satisfactory arrangements for the storage and safekeeping of any equipment, or Grant Assets, acquired or improved as a result of the Grant. If any such equipment is lost or

otherwise unavailable for use the Organisation shall replace it as soon as reasonably practicable at no cost to the Foundation;

- 5.3.6 take into account and make appropriate provision for use and enjoyment of the Project and the Facilities by people with disabilities;
 - 5.3.7 ensure that no-one will be denied access to use the Project or the Facilities on grounds of disability, race, creed, colour, sex, occupation, sexual orientation, religion or political persuasion;
 - 5.3.8 comply with all statutory requirements and other laws and regulations relating to the Project and the Facilities and the development and operation thereof, including without limitation employers' liability insurance, the national minimum wage, the "Working Time" Directive, health and safety, child protection, data protection, intellectual property, and religious, political, race, sex and disability discrimination requirements, laws and regulations.
- 5.4 The Organisation must inform the Foundation in writing of anything that materially threatens, makes unlikely, or delays the completion or success of the Project and the Facilities.

6. Management of the Project (Revenue Funding Only)

- 6.1 The purpose and the duration of the Project shall be as set out in the Application and the Grant Agreement and shall not be changed without the prior written consent of the Foundation.
- 6.2 The Organisation undertakes, warrants and agrees to use its best endeavours to manage and operate the Project in accordance with the Football Development Plan and the Business Plan.
- 6.3 The Organisation shall at all times throughout the Project:
 - 6.3.1 ensure that, unless the Foundation has given its prior written consent, the fees and charges for the use or participation in the Project by members of the public do not increase beyond any increase in the Retail Price Index from the date on which the Application was approved by the board of the Foundation;
 - 6.3.2 take out and keep in force a comprehensive policy of insurance with reputable insurers to cover the Project in respect of all the usual risks and provide a copy of the current policy and evidence of premium payment to the Foundation upon request; and
 - 6.3.3 comply with the provisions of 5.3.5 to 5.3.8 and 5.4 in relation to the Revenue Funding.
- 6.4 Where Revenue Funding is to be used for the employment of staff or consultants the Organisation shall:

- 6.4.1 advertise for the post and supply details of the post, the recruitment process and any recruitment advertisements to the Foundation; and
- 6.4.2 obtain the prior written consent of the Foundation to the matters in clause 6.4.1; and
- 6.4.3 throughout the selection, recruitment and appointment process apply equal opportunity policies; and
- 6.4.4 supply to the Foundation details of the terms of employment if requested by the Foundation.

7. Payment

- 7.1 Payments of Grant will only be paid into an ordinary business bank account in the name of the Organisation. Cheques from the account must be signed by at least two individuals.
- 7.2 The Organisation shall not deposit any part of the Grant outside ordinary business accounts within the clearing bank system, without the prior written consent of the Foundation.
- 7.3 The Foundation reserves the right to call for proof of payment.
- 7.5 No Grant will be paid until the Foundation is satisfied (acting reasonably) that such payment will be in relation to proper expenditure for the Project.
- 7.6 The Organisation must promptly repay to the Foundation any Grant incorrectly paid to it as a result of any administrative error. This includes (without limitation) situations where either an incorrect value of Grant has been released or where Grant has been released in error before all applicable General Terms and Conditions of Grant have been complied with by the Organisation.
- 7.7 The Organisation must request the first payment of Grant within six (6) months of the date of the Grant Offer Letter, unless otherwise agreed in writing by the Foundation. If this date cannot be met, the Organisation must promptly send the Foundation a written explanation as to the reasons for the delay in requesting payment. If the first payment of Grant is not requested by the Organisation within six (6) months of the date of the Grant Offer Letter, the Grant will automatically lapse without the Foundation providing any additional warning or other form of notification to the Organisation. Thereafter, the Foundation will not be liable for making any future Grant payments and the Grant Agreement shall terminate immediately provided always that termination of the Grant Agreement for whatever cause shall not prejudice or affect the rights of one party against the other in respect of any breach of the Grant Agreement.
- 7.8 The Organisation must request the last payment of the Grant within twelve (12) months of the date that the first claim is paid by the Foundation, unless otherwise agreed in writing by the Foundation. If not requested within such

twelve (12) month period the Foundation will have no obligation to make any further payment(s) pursuant to the Grant Agreement.

8. Claiming Capital Funding

8.1 Capital Funding to purchase, construct or develop Facilities shall be paid as follows:

8.1.1 on compliance with any pre-construction conditions and pre-claim capital conditions set out in paragraph 1.1 of the Offer Letter and on receipt of appropriately completed claim forms and accompanying invoices the Foundation will pay claims at the same percentage rate that the Grant bears to the Project cost as set out in the Grant Offer Letter. This will continue until 95% of the Capital Funding has been released. The remaining 5% of the Capital Funding will only be paid:-

- (a) on receipt of an independent auditors certificate (or, where previously agreed with the Foundation, a statement confirming the relevant accounts have been independently examined);
- (b) on receipt of a certificate of practical completion;
- (c) on receipt of a certificate confirming all relevant Building Control Regulations have been complied with and any mechanical and electrical test certificates;
- (d) on receipt of written confirmation from the planning department confirming the discharge of any conditions attached to the planning approval; and
- (e) on completion of a site visit by the Foundation or its agent; and
- (f) on satisfaction any other condition that remains outstanding specified in the Grant Offer Letter.

8.1.2 the Organisation must ensure that sufficient funds are retained to meet the balance of any costs and to cover the period between the penultimate payment and completion of the work to be funded by the Capital Funding; and

8.1.3 claim forms will be provided by the Foundation and should be completed and returned as the work progresses. Each form must include a completed statement of expenditure and details of the net value of the work completed at each claim stage (excluding voluntary labour, other contributions in kind, contractual retention fees and other non-allowable costs). The form must be counter-signed by an appropriately qualified and authorised person and must be accompanied by appropriate supporting documentation.

9. Claiming Revenue Funding

- 9.1 On compliance with the pre-claim revenue conditions set out in paragraph 1.1 of the Offer Letter and on receipt of satisfactory completed revenue claim form and relevant supporting documents, the Foundation will pay claims six monthly in arrears in accordance with and at the same percentage rate detailed in Schedule One to the Grant Offer Letter.
- 9.2 Where Capital Funding is being provided then notwithstanding clause 9.1, no Revenue Funding will be paid unless the first claim under the Capital Funding element has been paid.

10. Project publicity

10.1 Where Capital Funding has been received:

- 10.1.1 throughout the Project and during the Clawback Period the Organisation will be asked to erect at the site of the Project and/or at the Facilities such internal and/or external signs reflecting the Grant as may be supplied to it by the Sign Contractor on behalf of the Foundation;
- 10.1.2 the Organisation shall be responsible for obtaining all approvals or consents for installation of the sign as may be required by statute, contract, landlord permission or otherwise;
- 10.1.3 on delivery of any sign to the Organisation the sign will become the property of the Organisation, which will maintain all signs to a satisfactory and safe condition. The Organisation will notify the Foundation and the Sign Contractor immediately if there are any defects in the sign or its installation;
- 10.1.4 the Organisation shall for the Clawback Period officially acknowledge the support of the Foundation in all materials which refer to the Project, and all spoken public presentations about the Project; and shall include (where appropriate or where requested by the Foundation) the Foundation's logo and, if asked by the Foundation, the names and/or logos of such of the Funders as the Foundation shall specify, provided always that the Foundation's logo may only be used with the prior written consent of the Foundation.;
- 10.1.5 the Organisation will co-operate with the Foundation in respect of publicity for the Grant. The Foundation will co-ordinate media activity in respect of the Grant. The Organisation shall not issue any public release nor hold any press conference about the Grant or the Facilities without the prior written consent of the Foundation; and
- 10.1.6 the Organisation shall arrange an official opening ceremony for the Project and/or the Facilities (in the latter case within a reasonable period after completion of the Facilities), which the Foundation may

attend. The Organisation shall liaise with the Foundation to agree a date of and the arrangements for the opening ceremony.

- 10.2 The Organisation will keep the Foundation informed of any sponsorship relating to an event, programme or facility wholly or substantially funded by the Grant, will use its best endeavours to include in any such sponsorship agreement(s) entered into after the date of this Agreement a clause prohibiting the sponsor ambushing the Foundation's Grant or by taking credit due to the Foundation or its Funders for that funding and will use all reasonable endeavours to prevent ambush marketing tactics by the sponsor and ensure the Foundation and its Funders receive appropriate credit proportionate to the amount of funding it has contributed. For the avoidance of doubt, this clause shall not prevent a sponsor taking full credit for its own funding.
- 10.3 Where Revenue Funding has been received the Organisation will give appropriate recognition for the financial contribution provided by the Foundation for the duration of the Project.
- 10.4 For all Grants the Foundation shall have the right to promote its association with the Organisation, the Project and Facilities publicly and the Organisation shall grant the Foundation a licence without charge to use the name and image of the Organisation without restriction for this purpose.

11. Project monitoring

- 11.1 The Project and the Facilities shall be closely monitored by the Foundation throughout the Clawback Period to ensure that the aims and objectives specified in the Application, Football Development Plan, Business Plan and Project Specification are being met, that the Grant Agreement is adhered to and that the Project and the Facilities represent good value for money.
- 11.2 Wherever it requires during the Clawback Period (including without limitation at any time both during the development and/or construction phases of the Project and the Facilities and after completion of the Project and the Facilities), the Foundation and any person authorised by the Foundation may make unannounced visits (including without limitation site visits, site audits and compliance visits) and may request meetings, for the purposes of monitoring the Project and the Facilities and monitoring compliance with the Grant Agreement. The Organisation will facilitate and co-operate in the arrangement and conduct of such visits and meetings, and shall allow the Foundation and any person authorised by the Foundation access to inspect the Project and/or the Facilities at any time.
- 11.3 The Organisation will promptly provide to the Foundation any information and/or reports (including without limitation regular progress reports) requested by the Foundation in connection with the Project, the Facilities or the Organisation and its activities. The Organisation will complete any questionnaires requested by and respond promptly to any questions raised by the Foundation.

- 11.4 The Organisation shall evaluate and monitor the Project and, where Capital Funding has been provided, the Facilities, their use and success, and shall cooperate with and provide all the assistance required by the Foundation to allow the Foundation to evaluate and monitor the Project and the Facilities and their use and success. In particular, but without limitation, the Organisation shall keep records of the number of jobs created by the Project and Facilities, the number of users and other beneficiaries of the Project and the Facilities, and such other information as the Foundation shall require from time to time.
- 11.5 The Organisation will provide a final report on the Project, in such form as is required by the Foundation, which confirms that the Project has been properly completed.
- 11.6 The Foundation may call for the views of any appropriate organisation or person on the progress of the Project.
- 11.7 The Organisation shall on request provide the Foundation with contact details of an individual who shall liaise with Sport England to provide the contact details of users of the Project to allow Sport England to monitor and evaluate use of the Project. In providing this information to both the Foundation and Sport England, the Organisation shall comply with all relevant data protection legislation.

12. Accounts and Records

- 12.1 If all or any part of the Grant is awarded for the purchase of Grant Assets the Organisation shall maintain a detailed register of the Grant Assets throughout the Clawback Period and shall supply the Foundation with a copy of this annually, or when new assets are acquired or disposed of (whichever is the sooner).
- 12.2 The Organisation shall keep separate, full, proper and up-to-date accounts and records regarding the development, purchase, financial trading and use of the Project and the Facilities. Any person or persons authorised by the Foundation shall be given access, at the Foundation's request, to these accounts and financial records and the Foundation shall have the right to take copies of such accounts and records.
- 12.3 The Organisation must have its accounts externally audited (or independently evaluated, where appropriate) and if requested by the Foundation must provide a copy of the audit (or evaluation) report and the annual accounts to the Foundation.
- 12.4 The Organisation must meet any relevant statutory requirements as regards accounts, audit or examination of accounts, annual reports and annual returns.
- 12.5 The Grant must be shown in the Organisation's accounts as a restricted fund and not be included under general funds.

13. Mortgage, Disposal, Lease, or Change of Use of Facilities (Capital Funding Only)

13.1 During the Clawback Period, subject to the terms of any charge or charges to which the Foundation shall previously have consented, the Organisation shall not without the prior written consent of the Foundation's Chief Executive:

13.1.1 transfer, sell, lease, licence or otherwise dispose of all or any part of the Facility;

13.1.2 grant any charge, mortgage or other form of security or encumbrance over all or any part of the Facility; or

13.1.3 cease to use the Facility for the purposes previously approved by the Foundation.

The Organisation shall give written notice to the Foundation a reasonable period before it proposes to take any action that requires consent under this clause.

13.2 The Foundation may give consent in accordance with clause 13.1 subject to any or all of the following conditions:

13.2.1 the sale, lease, licence or other disposal is made at full market value as determined and evidenced by an independent professional valuation by an appropriately qualified expert approved in writing by the Foundation;

13.2.2 prior to the completion of the transfer, lease, licence, sale or other disposal the proposed new owner of the Facility enters into a deed of novation with the Foundation to ensure that the new owner is obliged to comply with the terms of the Grant Agreement in place of the Organisation;

13.2.3 the Organisation repays to the Foundation a sum equivalent to the Grant or at the discretion of the Foundation a sum equivalent to the Grant increased in line with inflation as determined by the Retail Price Index or such other sum as the Foundation at its discretion deems appropriate;

13.2.4 termination of the Grant Agreement;

13.3 failure to obtain consent as required by clause 13.1 or failure to comply with any conditions imposed in accordance with clause 13.2 shall entitle the Foundation to terminate the Grant Agreement and to receive repayment from the Organisation of a sum equivalent to the Grant or at the discretion of the Foundation a sum equivalent to the Grant increased in line with inflation as determined by the Retail Price Index or such other sum as the Foundation at its discretion deems appropriate.

14. Cessation or Suspension of Grant and Termination (all Grants)

14.1 Without prejudice to the Foundation's other rights and remedies, (a) the Foundation's obligation to make any payments of Grant shall forthwith cease; (b) the Foundation may make all further payments of Grant subject to such conditions as it may specify; (c) the Foundation may require the full amount of Grant released to the Organisation (or such other sum as the Foundation may require) to be repaid to the Foundation on demand and (d) the Foundation shall have the right at any time during the Clawback Period to terminate this Agreement forthwith or suspend all or any of its obligations hereunder upon such terms and for such period as the Foundation shall at its absolute discretion determine; if:

14.1.1 the Organisation ceases to operate for any reason, or it passes a resolution (or the Court makes an order) that it be wound up (other than for the purpose of a bona fide reconstruction or amalgamation), or, if it was a charity at the time that the Application was made, it ceases to be a charity;

14.1.2 the Organisation becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or any of its members are surcharged or a manager is appointed on behalf of a creditor in respect of its business or a part thereof, or it is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 as amended;

14.1.3 within the Clawback Period the Organisation fails to comply with any of the General Terms and Conditions of the Grant Agreement;

14.1.4 in the reasonable opinion of the Foundation or any of the Funders the Organisation fails to apply any part of the Grant for the intended purpose;

14.1.5 in the reasonable opinion of the Foundation or any of the Funders the Organisation fails to complete the works to be carried out in executing the Project in accordance with the terms of and to the standard indicated in the Application (unless any variation has been previously approved in writing by the Foundation);

14.1.6 any of the circumstances described in clause 15.1 occur without the Foundation's prior approval of a new application as required by that clause;

14.1.7 the Organisation fails to complete the Project on time or within a reasonable period (when no time is specified) or it appears that the Project is unlikely to be completed on time or within such period;

- 14.1.8 after considering the purpose of the Grant, in the Foundation's opinion further payment of the Grant would not constitute good value for money. (However, the Foundation shall, subject to the other terms of this Agreement, continue to pay the Grant to the extent that the Organisation has, with the prior written consent of the Foundation, contracted for goods and services and it is not practically possible to cancel such arrangements.);
- 14.1.9 there is evidence of financial mismanagement, breakdown of budgetary control or any other irregularity, within the Organisation;
- 14.1.10 in the reasonable opinion of the Foundation or any of the Funders, any of the assurances given or representations or information contained in the Application or other documents submitted by the Organisation to the Foundation were fraudulent, incorrect or misleading, or if the Organisation acts fraudulently. Any attempts to defraud the Foundation by any means will be pursued rigorously: a report will be submitted to the appropriate body and any other necessary action taken;
- 14.1.11 any assurance, representation, release of information or statement made regarding the Application or the Project has changed in a manner that has a materially adverse effect on the Project and the Organisation has not informed the Foundation of the change;
- 14.1.12 the Organisation, any member of the governing body, volunteer or member of staff of the Organisation, any person acting under the control or authority of the Organisation or any partner or partnership organisation connected in any way with the Application, the Project or the Facilities have acted fraudulently or negligently at any time or in a manner which might have a detrimental effect on the Project, or the completion, development or management of the Facilities;
- 14.1.13 the Organisation, any member of the governing body, volunteer or member of staff of the Organisation, any person acting under the control or authority of the Organisation, or any partner or partnership organisation connected in any way with the Application, the Project or the Facilities does anything which may bring the Foundation into disrepute;
- 14.1.14 the Organisation is offered for public subscription to flotation on the stock market; or
- 14.1.15 any of the following circumstances occur without the Organisation first notifying the Foundation and obtaining its prior written consent and the Foundation reasonably considers such circumstances to be materially detrimental to the Project: -
- (a) a transfer of assets from the Organisation to a third party;

- (b) merger or amalgamation by Organisation with another body (including a company established by the Organisation);
- (c) except where the Organisation is a local authority or parish council any change to the composition, structure or key personnel of the Organisation; or
- (d) except where the Organisation is a local authority or parish council, any change to the Organisation's constitution, in particular but without limitation as regards its purposes, payment to members and members of its governing body, distribution of assets (whether on dissolution or not) or admissions of members (where it has a membership).

14.2 Without prejudice to sub-clause 14.1 the Foundation may suspend all or any of its obligations under the Grant Agreement while investigations are carried out into any matter referred to in sub-clause 14.1.

14.3 If the Foundation chooses to suspend this Agreement pursuant to this clause and the Organisation remains in default of any of the provisions of sub-clause 14.1, or indicates its intention to remain in default of any such provision, the Foundation may terminate the Grant Agreement immediately upon notice in writing to the Organisation.

15. New Application

15.1 Without prejudice to clause 14, a new application must be submitted to the Foundation if prior to full payment of the Grant:

15.1.1 the Organisation proposes to change or vary the Application, the Project, its implementation, the works carried out or to be carried out in the execution of the Project, the Facilities or the purpose of the Facilities;

15.1.2 the Organisation proposes to dispose of the whole or any part of the Facilities;

15.1.3 there is a change to the ownership of the Facilities;

15.1.4 the legal structure or ownership of the Organisation changes;

15.1.5 it is proposed that the legal identity of the Organisation should change; or

15.1.6 there is a material change in the financial circumstances of the Organisation.

15.2 While the new application is being considered, no payments of the Grant shall be made and any payments made or liabilities incurred by the Organisation in respect of the Facility shall be at their sole risk and expense. In the event of the Grant being rescinded, the Foundation shall, at its sole discretion, be

entitled to demand a full or partial refund of any payments of Grant already made.

16. Further conditions

- 16.1 The Organisation agrees and accepts that payments of Grant can only be assured to the extent that the Foundation has available funds.
- 16.2 The Foundation may on giving prior written notice to the Organisation assign or transmit the benefit and burden of the Grant Agreement established by virtue of these General Terms and Conditions to any successor body of the Foundation.
- 16.3 The Organisation acknowledges that the Grant and the Grant Agreement are personal to it and not transferable.
- 16.4 Unless otherwise agreed by the Foundation in writing, the Organisation must notify the Foundation in writing of any legal actions, claims or proceedings made or threatened against it (including any actions, claims or proceedings made or threatened against members of its governing body or staff) during the Clawback Period. Such notification shall be made as soon as practicable and in writing.
- 16.5 If the Organisation is not registered for VAT, this may be considered as part of the eligible project cost. Should the Organisation subsequently become registered for VAT, and be able to reclaim that element of expenditure, the reclaimed tax will be repaid to the Foundation. The Foundation will not increase the amount of the Grant if VAT is or becomes payable and/or unrecoverable. The Organisation is advised to seek its own advice on its own and the Project's status as regards VAT.
- 16.6 The Foundation shall have the right in its absolute discretion to disclose and make available for inspection and copying any information, documents, accounts and/or records relating to or concerning the Project, the Facilities and the Organisation to third parties including, without limitation, the Funders, the National Audit Office and any person authorised by any of them. The Foundation will be sensitive to situations where it is aware that confidentiality is a significant matter, but the Organisation acknowledges that the Foundation is obliged under the terms of agreements with the Funders to disclose certain information, documents, accounts and/or records relating to or concerning the Project, the Facilities and the Organisation to third parties.
- 16.7 Any failure, relaxation, forbearance, delay or indulgence by the Foundation in enforcing any of the terms or conditions of the Grant Agreement shall not be deemed a waiver of future enforcement of that or any other provision, and nor shall the granting of any time by the Foundation prejudice or affect or restrict any of its rights arising under the Grant Agreement or be deemed a waiver by the Foundation of any breach or subsequent or continuing breach.

17. Duration

Except where otherwise specified, the General Terms and Conditions of the Grant Agreement will apply from the date on which they are accepted by the Organisation until the later of:

- 17.1 the period of one year following payment of the last instalment of Grant;
- 17.2 so long as any Grant monies remain unspent by the Organisation;
- 17.3 where Capital Funding has been received for the duration of the Clawback Period; and
- 17.4 so long as any General Terms and Conditions of the Grant Agreement remain unperformed, or any event referred to in clause 14 has occurred and is continuing.

18. Warranties

The Organisation warrants, undertakes and agrees that:

- 18.1 it has all necessary resources and expertise to carry out the Project;
- 18.2 it has and will keep in place adequate procedures for dealing with any conflicts of interest;
- 18.3 it has and will keep in place systems to deal with the prevention of fraud;
- 18.4 all financial and other information concerning the Organisation comprised in the Application or otherwise disclosed to the Foundation is to the best of its knowledge and belief, true and fair;
- 18.5 it is not under any contractual or other restriction within its own or any other organisation's rules, regulations or otherwise which may prevent or materially impede meeting its obligations in connection with the Grant;
- 18.6 It is not aware of anything in its own affairs, which it has not disclosed to the Foundation or any of its advisers, which might reasonably have influenced the decision of the Foundation in making the Grant on the terms contained in the Grant Agreement;
- 18.7 since the date of the last accounts there has been no change in the financial position or prospects of the Organisation.

19. Multiple Organisations receiving the Grant

Where there is more than one organisation receiving the Grant and/or delivering the Project: -

- 19.1 where any standard, obligation, representation or warranty under this Agreement is expressed to be undertaken or adhered to by the Organisation, each organisation shall be jointly and severally responsible for it;

19.2 the Foundation may release or compromise the liability of any of the organisations acting as the Organisation under this Agreement or grant any time or other indulgence without affecting the liability of any of the other organisations; and

19.3 any consent or authority given by the Organisation under or in connection with this Agreement shall bind all the organisations.

20. Exclusion of Liability/Indemnity

20.1 The Foundation, its employees, agents, officers or sub-contractors will not at any time be liable to any person for anything in connection with the development, planning, construction, operation, management and/or administration of the Facilities or the Project. In particular but without limitation, it shall not be liable to the Organisation for any loss or damage arising directly or indirectly as a result of the compliance by the Organisation with the General Terms and Conditions of this Grant Agreement.

20.2 The Organisation will indemnify and hold harmless the Foundation, its employees, agents, officers or sub-contractors with respect to all claims of, and liability to, third persons for injury, death, loss or damage of any type arising out of or in connection with the Facilities, the Project and any activities carried out thereon except where such injury, death, loss or damage have resulted from the negligent act or omission of the Foundation or its employees or agents. In this latter case, the Organisation shall provide prompt notice to the Foundation of any such claim, and the Foundation shall have the sole right to control the defence of any such claim.

20.3 The Foundation has no liability for losses or costs arising from failure to make any payment of the Grant on any agreed date.

21. Security (Capital Funding)

21.1 With regard to Capital Funding only, in the event that the construction or development of the Facility or purchase of land for the Facility exceeds £100,000 in value the Foundation may require that the Organisation shall at its own cost, if the Foundation so requires:

21.1.1 enter a restriction in such form as the Foundation may require on the registered title of the relevant property ; and/or

21.1.2 grant or cause to be granted to the Foundation a legal charge over the relevant property in such form as the Foundation may require; and

21.1.3 in either case the Organisation shall execute such further documents and provide such assistance as the Foundation may reasonably require in order to effect either of the foregoing and the Organisation shall make the necessary registrations at Companies House and/or the Land Registry and supply the Foundation's solicitors with evidence of such registrations.

- 21.1.4 in the case of a charity and the giving of a legal charge comply with the provisions of s.38 of the Charities Act 1993 (as amended).
- 21.2 The Organisation shall provide in the case of a legal charge a solicitor's certificate of title confirming good and marketable title in respect of the relevant property in such form as the Foundation may require.
- 21.3 The Organisation shall provide a solicitors' undertaking to be responsible for the Foundation's solicitor's fees in connection with the grant of a legal charge or the entry of a restriction on the registered title or in the case of unregistered land a caution against first registration and the completion of a deed of dedication.

22. Law and Jurisdiction

The construction, validity and performance of the Grant Agreement shall be governed in all respect by English law and be subject to the non-exclusive jurisdiction of the English Courts. The parties undertake to each other to use their best endeavours wherever possible to resolve any dispute, which may arise under the Grant Agreement amicably.

23. Rights of Third Parties

Subject to clause 24 below, a person who is not party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Grant Agreement.

24. Funders

- 24.1 The Foundation has been appointed by Sport England to enter into agreements with Organisations for the purpose of distributing Lottery and government funds to Organisations.
- 24.2 The Foundation enters into the Grant Agreement as principal for itself and as agent for and on behalf of Sport England.
- 24.3 The Organisation acknowledges that copies of the Grant Agreement and any other information, documents, accounts and/or records may be disclosed and made available to the Funders, the National Audit Office and any person authorised by them, and their respective representatives.
- 24.4 The Funders have a right to enforce any of the Foundation's rights under the Grant Agreement. Such rights may not be altered or extinguished without the consent of the Funders.
- 24.5 The Funders shall have all rights conferred on the Foundation by the Grant Agreement including without limitation all rights to information, inspection, disclosure, access and clawback.

- 24.6 In the event of any of the events listed in clause 14 of these General Terms and Conditions occurring, the Funders have a right to have the Grant Agreement novated to the Funders or any successor of the Funders to allow them to take the place of the Foundation in relation to this Grant Agreement.
- 24.7 The Funders may disclose any information concerning the Organisation, the Project or the Facilities to any persons.
- 24.8 In the event of any termination of the Foundation's agreement with any Funder:
- 24.8.1 the Organisation will return to the relevant Funder all the documentation relating to the Grant and specified by the Funder at a date to be agreed between the Funder and the Foundation; and
- 24.8.2 the Organisation shall return to the relevant Funder any part of the Grant provided to the Foundation by such Funder which is unspent on the date that the Funder or the Foundation notified its desire to terminate the agreement between the Funder and the Foundation, subject to the agreed terms of termination.
- 24.9 Any of the Funders may assign all or any of its rights under this Agreement to any successor or such other body as the relevant Funder shall determine.

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Report To:	EXECUTIVE CABINET
Date:	16 December 2015
Executive Member/ Reporting Officer:	Councillor Peter Robinson, Executive Member (Transport and Land Use) Damien Bourke, Assistant Executive Director – Development, Growth and Investment
Subject:	SITES OF BIOLOGICAL IMPORTANCE UPDATE REVIEW
Report Summary:	This paper provides an update on changes which have occurred to designated Sites of Biological Importance (SBI) within the Borough. These are sites which have been surveyed by the Greater Manchester Ecology Unit in 2014.
Recommendations:	That the Executive Cabinet recommends to Council the changes to the boundaries and grading of the Borough's SBI for adoption.
Links to Community Strategy:	SBI are a designation introduced in the 1980's and have been adopted as a key planning guide and environmental protector by Greater Manchester and are closely linked to the Community Strategy making Tameside a more attractive place to live.
Policy Implications:	SBI are integral to retaining Tameside's biological diversity and underpin the Authority's existing Local Plan the Unitary Development Plan, proposed Core Strategy and the Tameside Countryside Strategy
Financial Implications: (Authorised by the Section 151 Officer)	There are no financial implications arising directly from this report.
Legal Implications: (Authorised by the Borough Solicitor)	The designation and review of SBI are non-statutory functions. However, the designation and evidence base behind it would be material considerations in considering any development that might affect the land concerned.
Risk Management:	The consequence of not adopting the revisions to Tameside's existing SBI will result in the Council failing to utilise the most recent and up to date specialist ecological advice available. This may result in the Council determining planning applications, formulating policy, managing its countryside or providing advice, with out of date information and evidence.
Access to Information:	The background papers relating to this report can be inspected by contacting the report writer: Graham Holland, Strategic Planning Officer

 Telephone: 0161 342 3102

 e-mail: graham.holland@tameside.gov.uk

1.0 BACKGROUND

- 1.1 Sites of Biological Importance (SBI) are a non-statutory designation used by all Association of Greater Manchester Authorities (AGMA) to protect locally valued sites of biological diversity and ecological importance. Sites are based on a detailed survey, first carried out between 1980 and 1983 in conjunction with key naturalist groups.
- 1.2 The review process is conducted on an annual basis and updated by the Greater Manchester Ecology Unit (GMEU), guided by selection criteria adopted in 2008. The criteria can be viewed at www.tameside.gov.uk/ecologyunit/sbi. The annual review usually covers around 15% of sites, by number, within any one Borough. It may therefore be several years since the sites listed below in Table 1 were last reviewed.
- 1.3 The SBI site review process may propose boundary changes, confirm site suitability, update a sites list description, reclassify grades, include new sites or delete existing ones. As the review process is seasonal in nature and conducted across AGMA, there is a lag between the onsite survey, write up and spatial mapping of information and therefore the review being presented to all councils to note.
- 1.4 It is the results of the 2014 review which are presented below.
- 1.5 The council is obliged to adopt suggested changes to enable them to be covered by local plan policy. SBI are given protection from inappropriate development in section 11 of the National Planning Policy Framework (NPPF) and Unitary Development Plan (UDP) policies N1a (International Nature Conservation Sites), N1b (National Nature Conservation Sites) and N2 (Locally Designated Nature Conservation Sites).
- 1.6 A grading system (detailed below, 1.7) is used in selecting SBI in order to reflect the range of both geological and landscape characteristics of an area and the diversity of habitats which sites support rather than the level of planning protection afforded. Sites identified as grade C therefore do not necessarily have lesser protection from development through the planning system, as the merits of sites are considered on an individual basis, within the context of surroundings and provision within the vicinity.
- 1.7 SBI grade designated dependent on type and condition. These are:
- Grade A: Of Regional or County Importance
 - Grade B: Of District Importance
 - Grade C: Of importance within the identical geographical locality.
- 1.8 A summary of the outcomes of the SBI Tameside Review and reported by the GMEU to the Council are detailed below in Table 1. A series of maps at **Appendix 1** indicate the boundaries of each site.

Table 1 – Results of the Tameside SBI Review

2014 Site Reference	Review Year	2014 Grade ¹	Change	Area change (hectares)	Reason
Gibraltar Wood	2014	A	Grading change	+/- 0.0ha	Resurvey and upgrade from grade B to A in-line with SBI selection criteria for ancient woodland.
Godley Hill	2014	C	Grading change & name change	+/- 0.0ha	Resurvey and downgrade from grade B to C in-line with SBI selection criteria due to a decline in habitat quality present. Name also changed to Godley

2014 Site Reference	Review Year	2014 Grade ¹	Change	Area change (hectares)	Reason
					Hill from Godley Hill Heathland.
Ashton Canal (East)	2014	C	Grading change & partial gain	+ 6.6ha	Resurvey and downgrade from grade A to C in-line with SBI selection criteria due to a decline in the aquatic flora. + 6.6ha technical gain due to increased accuracy of GIS systems.
Lower Haughton Meadows	2014	C	Name change	+/- 0.0ha	Site renamed from Disused Pasture at Haughton Green to Lower Haughton Meadows to align with TMBC Local Nature Reserve naming.
Mill Race and Pasture at Haughton Dale	2014	C	Habitat Description	+/- 0.0ha	Resurveyed with habitat description amendments, no changes to site boundary or area.
Dunkirk Wood	2014	C	Habitat Description	+/- 0.0ha	Resurveyed with habitat description amendments, no changes to site boundary or area.
Higher Higham Meadow	2014	C	Habitat Description	+/- 0.0ha	Resurveyed with habitat description amendments, no changes to site boundary or area.
Gower Hey Wood	2014	A	Habitat Description	+/- 0.0ha	Resurveyed with habitat description amendments, no changes to site boundary or area.

¹ – See 1.7 above

- 1.9 Tameside has 55 SBI in total across the whole of the borough, no change from the last survey presented to members for consideration, the 2013 review. This is however an increase from 30 sites initially designated when surveying commenced in 1984.
- 1.10 Within the 55 sites the number of Grade A sites has remained static since the last survey presented due to Gibraltar Wood being regraded from a grade B site to grade A while conversely Ashton Canal (East) is regarded from A to C.
- 1.11 The overall area defined as SBI has increased modestly by 0.5% across the Borough, primarily due to technical advances in GIS when reviewing Ashton Canal (East) to include a further 6.6 ha of land along the course of the Canal.
- 1.12 No sites were either entirely deleted or new ones added to the Boroughs register. Full details of Tameside's SBI review and a complete list of SBI are given at **Appendices 2 and 3**.

2.0 RISKS

2.1 There are a number of risks associated in failing to adopt the revised SBI. These are indicated in Table 2 below:

Table 2 - Risks Associated In Failing To Adopt The Revised SBI

Risk	Seriousness of consequences	Likelihood	Mitigation measures
Failure to adopt the revised SBI.	High	Low	Adoption of revised SBI will ensure the most relevant information and evidence is available for providing planning advice, taking plan making decisions and determining applications.
Damage to the local environment should Local Nature Conservation assets not be designated.	Medium	Low	Adoption of revised SBI will ensure that appropriate environmental protection and consideration is given to the Borough's nature conservation assets.
Failure to meet key requirements of the National Planning Policy Framework (NPPF).	Low	Low	Adoption of revised SBI will ensure that continued support is given to ensuring biodiversity gains.

3.0 CONCLUSION

3.1 The GMEU review process provides consistency in reporting, recording and monitoring across Greater Manchester in supporting existing and forthcoming planning policy and the wider management and protection of nature conservation and countryside assets.

3.2 It is important, therefore, that revisions to the SBI boundaries and associated changes are adopted by the Council.

4.0 RECOMMENDATIONS

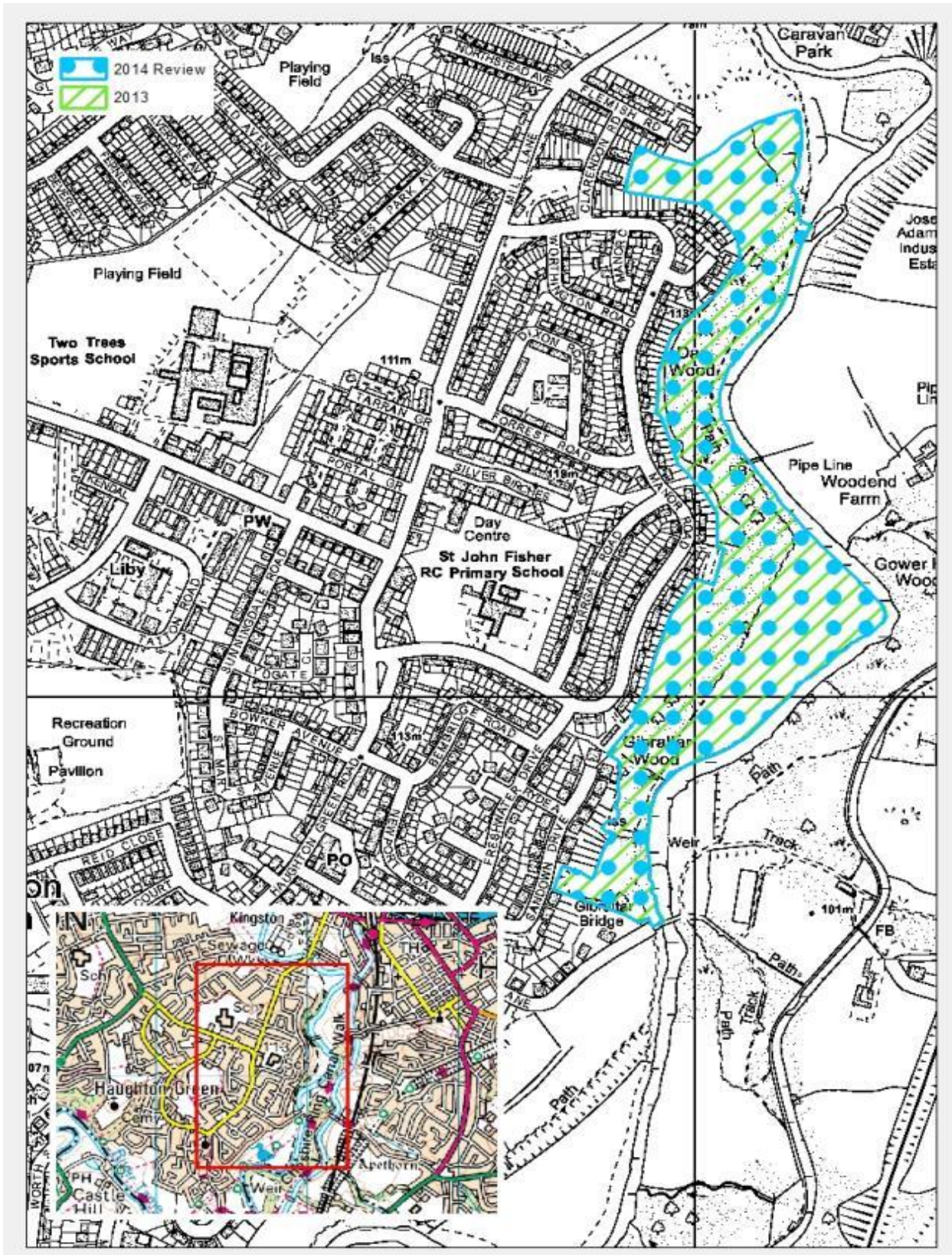
4.1 As set out on the front of the report.

APPENDIX 1:

Individual Site Reference Plans Indicating Amendments

Gibraltar Wood – Denton

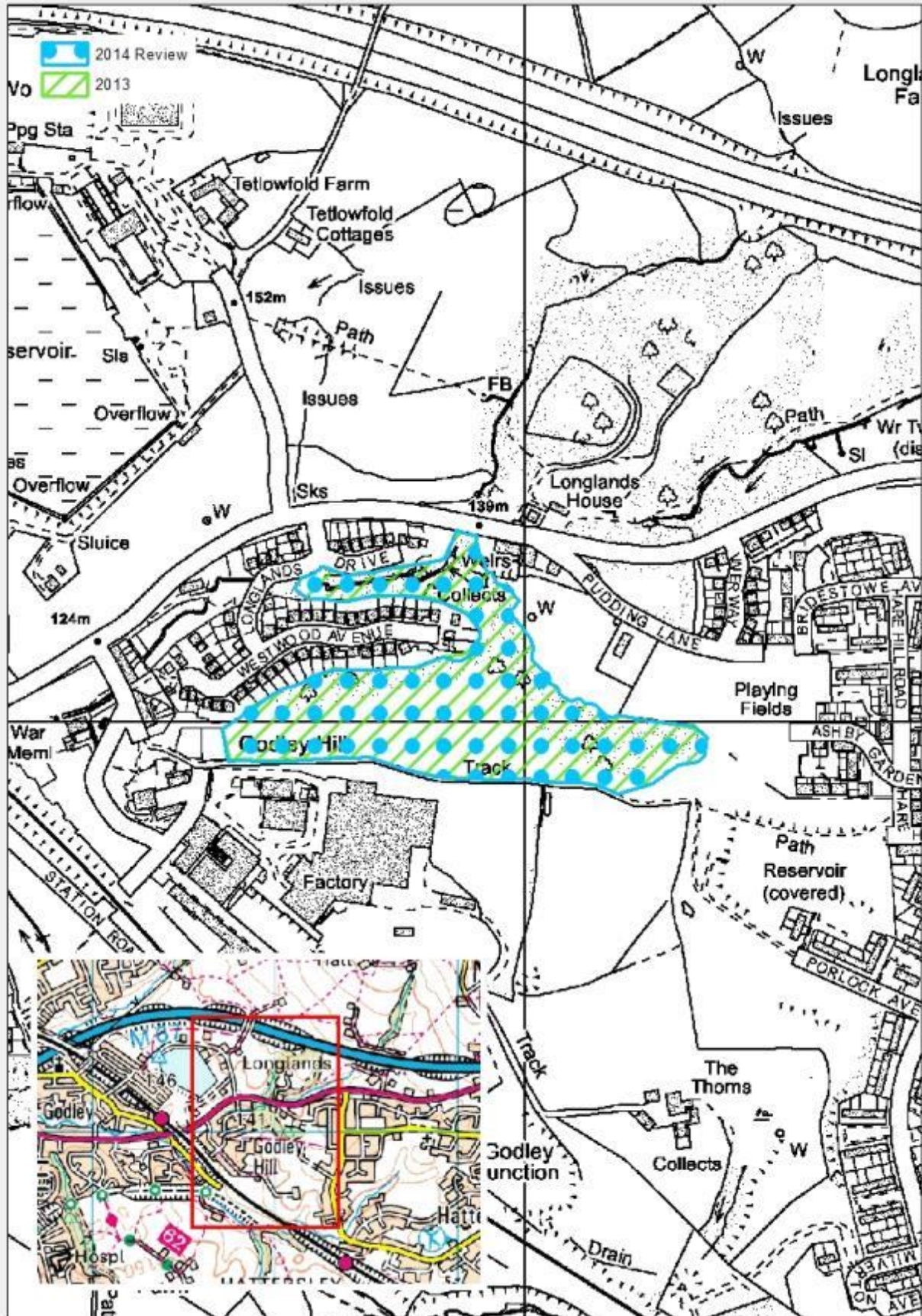
Resurvey and upgrade from grade B to A in-line with SBI selection criteria for ancient woodland.



Godley Hill – Hyde

Resurvey and downgrade from grade B to C in-line with SBI selection criteria due to a decline in habitat quality present.

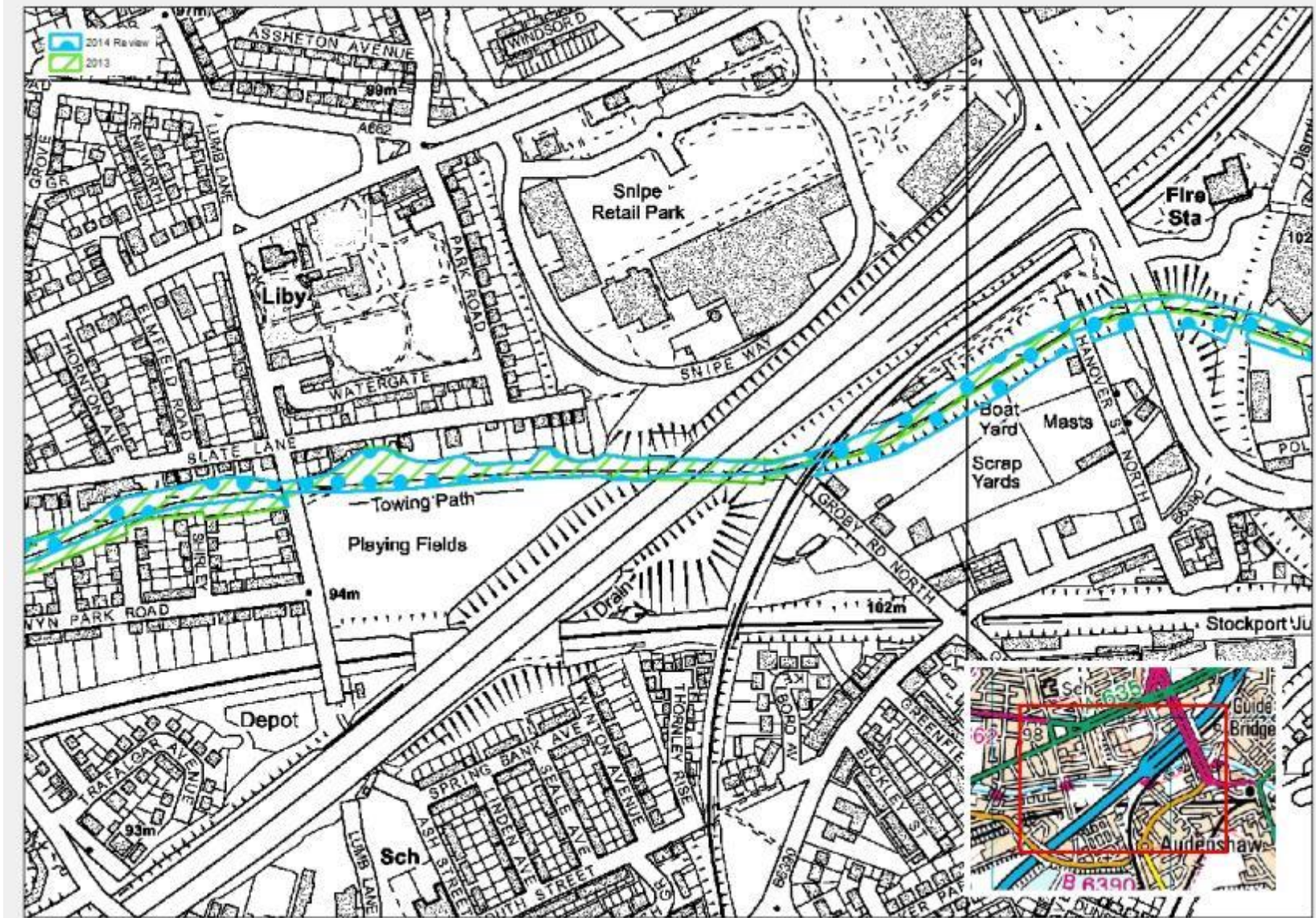
Name also changed to Godley Hill from Godley Hill Heathland.



Ashton Canal (East) – Ashton (plan 2 of 4)

Resurvey and downgrade from grade A to C in-line with SBI selection criteria due to a decline in the aquatic flora.

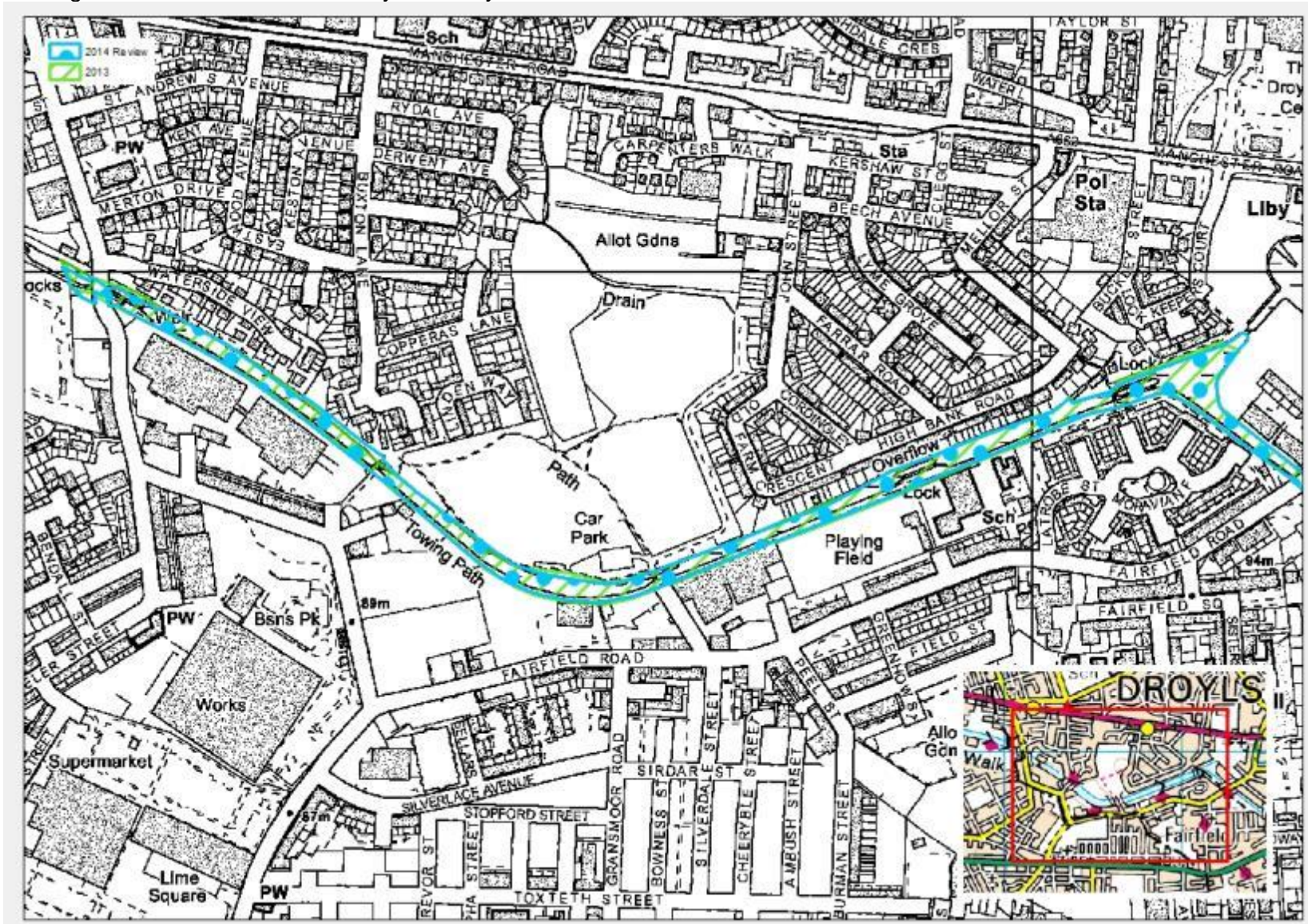
+ 6.6ha technical gain due to increased accuracy of GIS systems.



Ashton Canal (East) – Ashton (plan 4 of 4)

Resurvey and downgrade from grade A to C in-line with SBI selection criteria due to a decline in the aquatic flora.

+ 6.6ha technical gain due to increased accuracy of GIS systems.



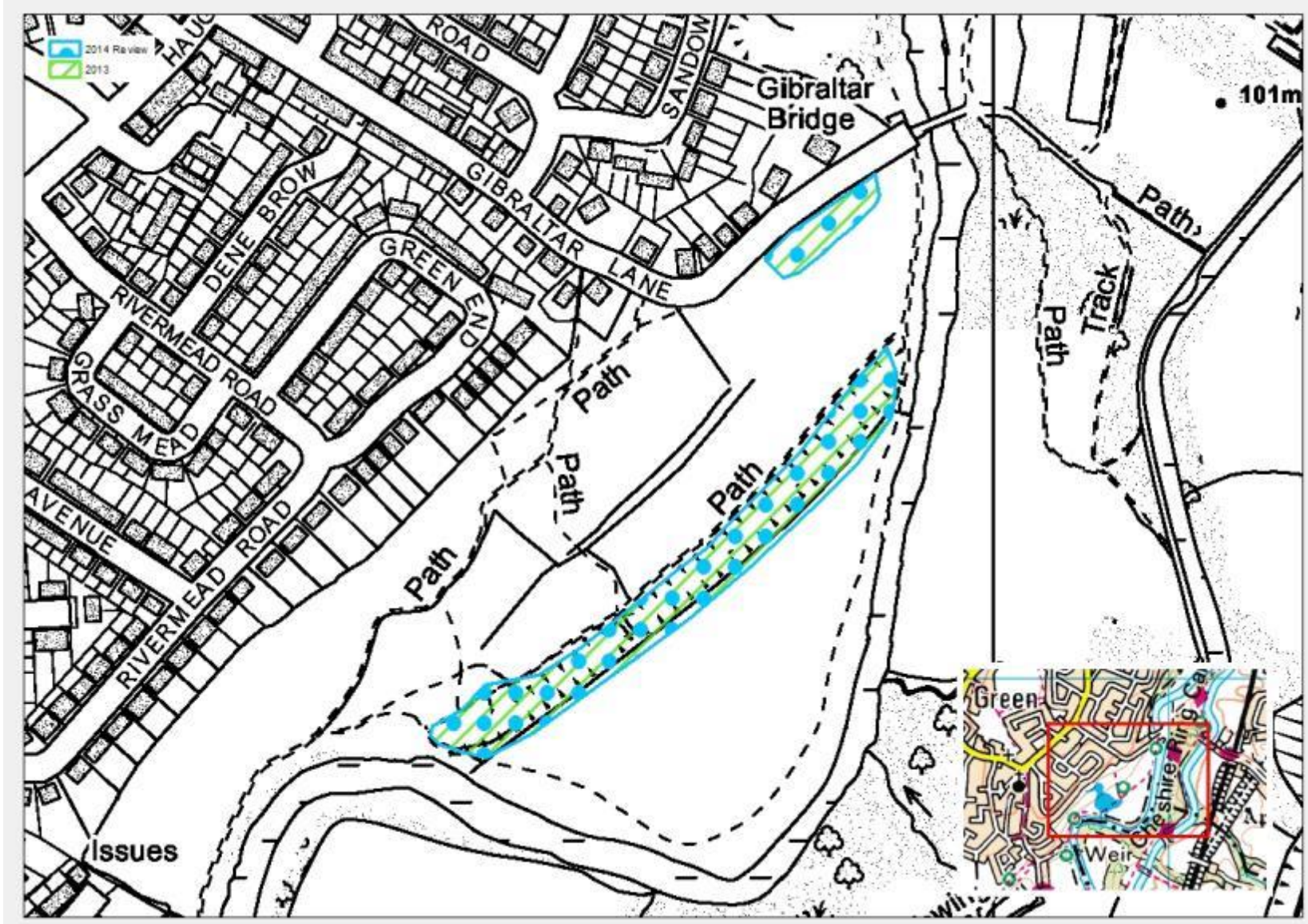
Lower Houghton Meadows – Denton

Site renamed from Disused Pasture at Houghton Green to Lower Houghton Meadows to align with TMBC Local Nature Reserve naming.



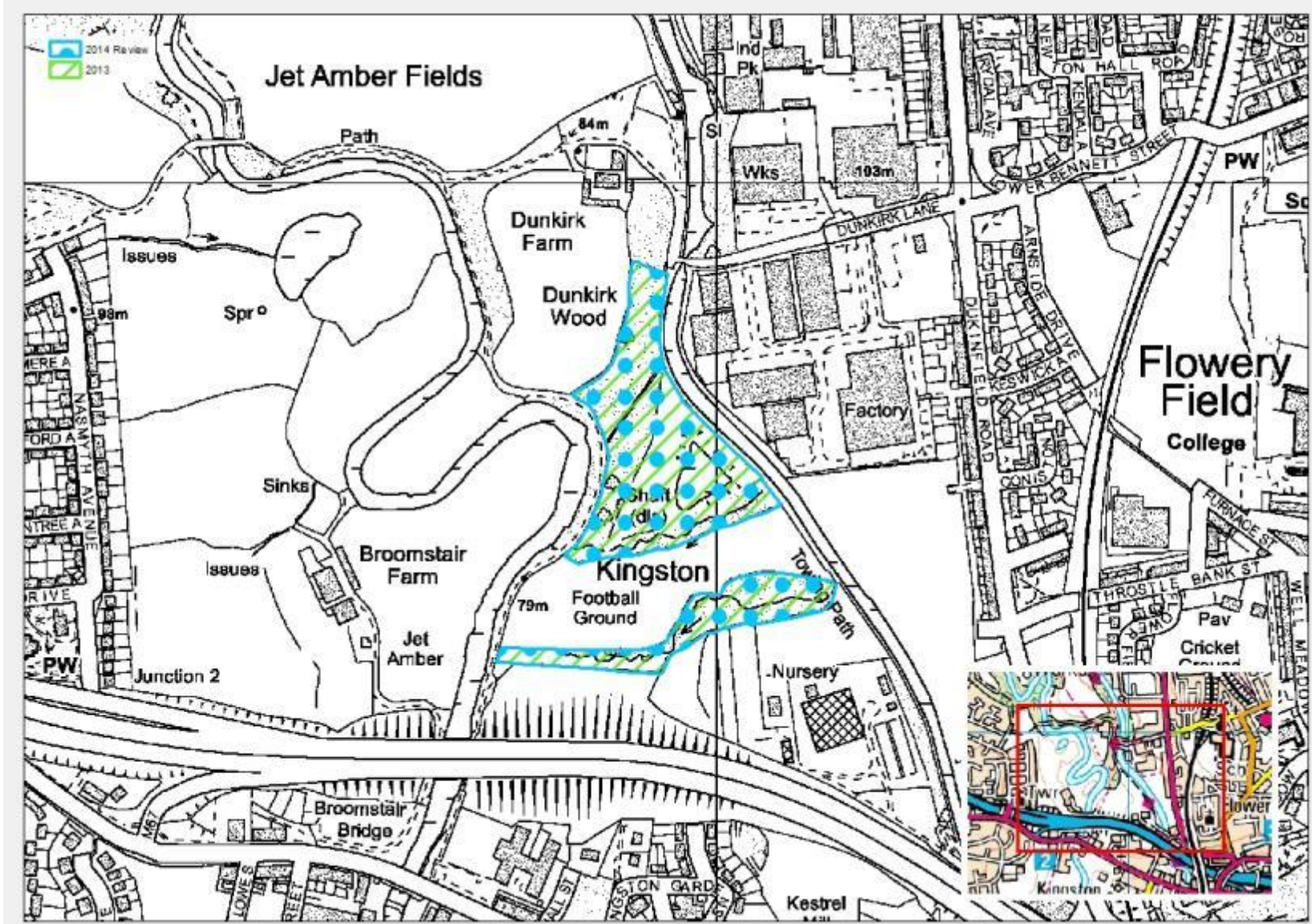
Mill Race and Pasture at Houghton Dale – Denton

Resurveyed with habitat description amendments, no changes to site boundary or area.



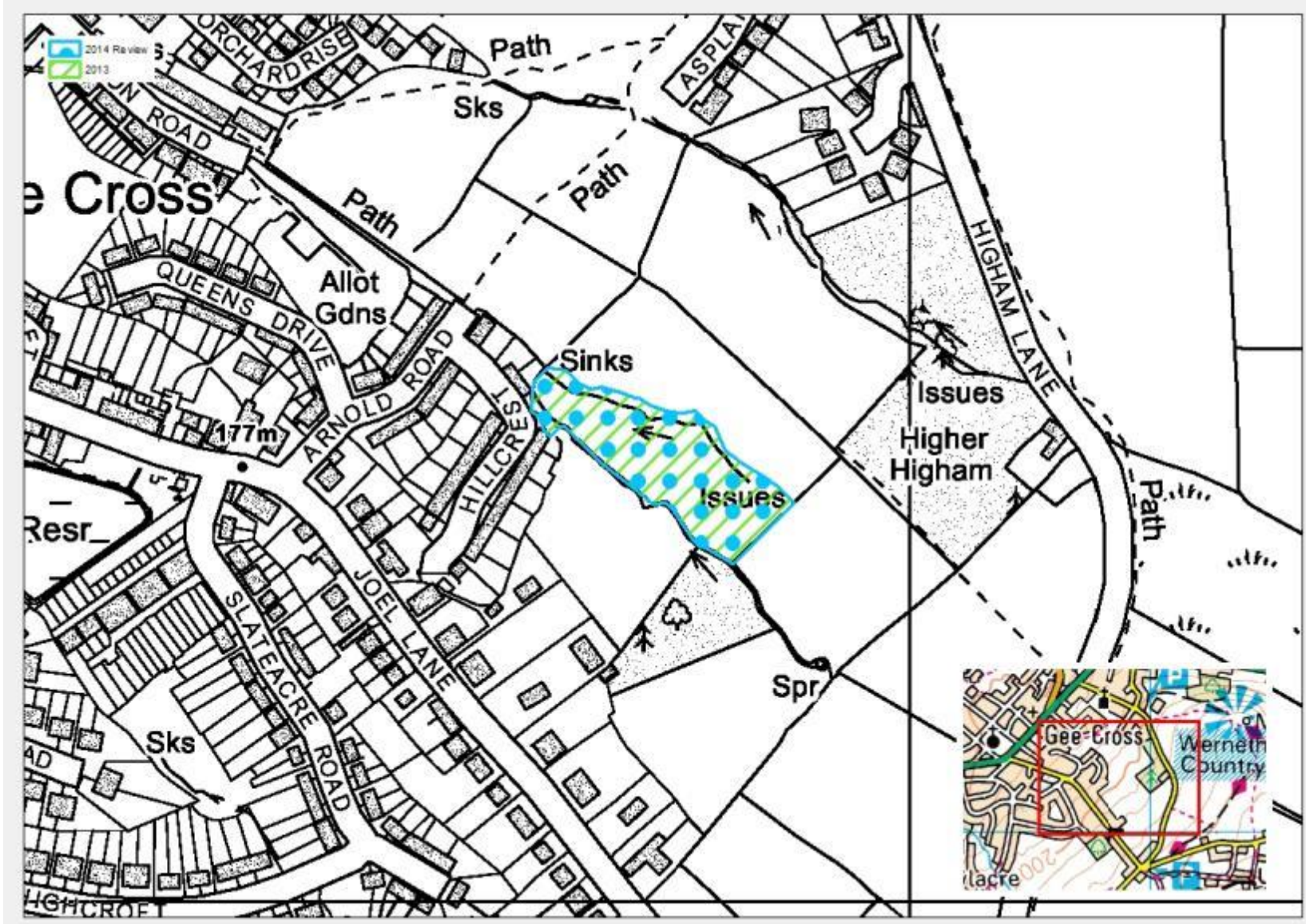
Dunkirk Wood – Hyde

Resurveyed with habitat description amendments, no changes to site boundary or area.



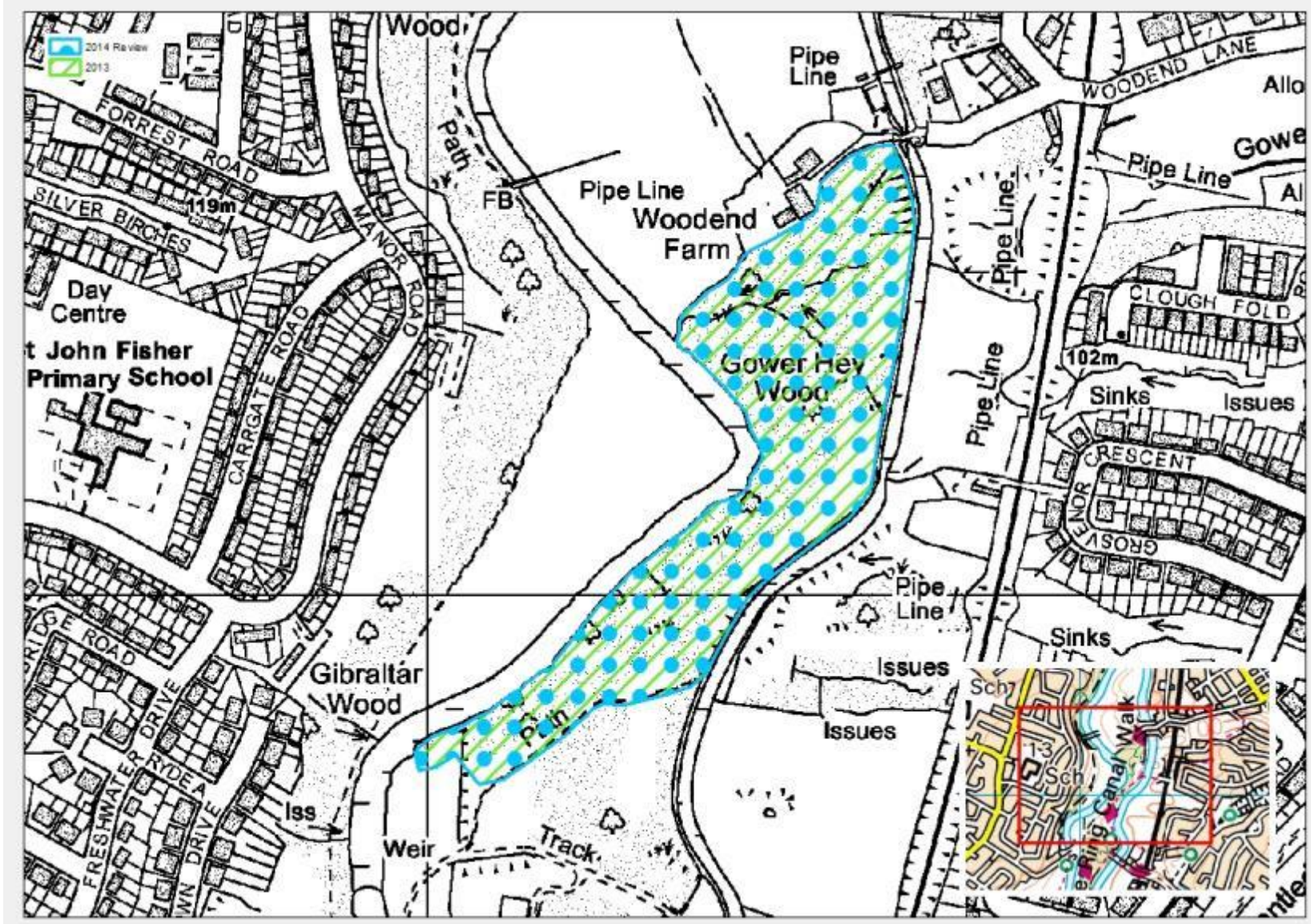
Higher Higham Meadow – Hyde

Resurveyed with habitat description amendments, no changes to site boundary or area.



Gower Hey Wood – Hyde

Resurveyed with habitat description amendments, no changes to site boundary or area.



APPENDIX 2:

Tameside Sites Of Biological Importance (SBI)					
All areas in Ha.				Net Change 2013 – 2014	
	1984	2013	2014	No.	%
TOTAL NUMBER OF SBI	30	55	55	-	-
TOTAL AREA OF SBI	587.7	1426.9	1433.5	+6.6	+0.5
TOTAL NUMBER GRADE A					
	12	21	21	-	-
TOTAL AREA GRADE A					
	362.1	1051.3	1058.8	+7.5	+0.7
TOTAL NUMBER GRADE B					
	10	21	19	-2.0	-9.5
TOTAL AREA GRADE B					
	183.7	320.1	306.2	-13.9	-4.3
TOTAL NUMBER GRADE C					
	8	13	15	+2.0	+15.4
TOTAL AREA GRADE C					
	41.9	55.5	68.5	+13.0	+23.4
Grid Ref	Change in Grade of existing SBI			2013	2014
SJ940941	Gibraltar Wood			B	A
SJ969950	Godley Hill			B	C
SJ890980-SJ935984	Ashton Canal (East)			A	C
Grid Ref	New Sites			Grade	Area
-	-			-	-
Grid Ref	Site Deleted in Part or in Total		Grade	Area lost	Present Total
-	-		-	-	-
Grid Ref	Partial Gains		Grade	Area Gained	Present Total
SJ890980-SJ935984	Ashton Canal (East)		C	6.6	9.1
Grid Ref	Sites visited with no overall change/ change to description only				
SJ938935	Mill Race & Pasture at Haughton Dale				
SJ969950	Godley Hill (<i>Formerly known as Godley Hill Heathland</i>)				

Tameside Sites Of Biological Importance (SBI)	
SJ939958	Dunkirk Wood
SJ928933	Lower Haughton Meadows (<i>Formerly known as Disused Pasture at Haughton Green</i>)
SJ958932	Higher Higham Meadow
SJ942941	Gower Hey Wood

APPENDIX 3:

SITES OF BIOLOGICAL IMPORTANCE IN TAMESIDE		
Site Name	Grid ref	Grade
Daisy Nook (East)	SD924008	A
Pond North of Holden Clough	SD937015	B
Holden Clough	SD939013	A
Rocher Vale (South)	SD944024	C
Silversprings	SD958000	B
Huddersfield Narrow Canal (South)	SD974005	A
Hartshead	SD975005	B
Cliffs at Mossley	SD971010	B
Castle Clough	SD986013	B
Puddle Clay Pits	SD981028	B
Alphin Pike & Buckton Moor (South)	SD995021	A
Ashton Canal (East)	SJ890980- SJ935984	C
Grassland by Denton Wood	SJ906941	C
Denton Wood	SJ909944	C
Ponds at Denton Golf Course	SJ904960	B
Former Clay Pit, Denton Golf Course	SJ904963	B
Nico Ditch	SJ904960	B
Grassland opposite Kings Road Farm	SJ905971	B
Medlock Vale & Lumb Clough (South)	SJ903995	C
Marsh South of Hyde Hall	SJ916937	C
Landslip by River Tame	SJ918937	B
Horse Close Wood	SJ919941	B
Audenshaw Reservoir	SJ914965	A
Hollinwood Branch Canal	SJ910994–SD917002	A
Hulme's & Hardy Woods	SJ927936	A
Lower Haughton Meadows	SJ928933	C
Mill Race & Pasture at Haughton Dale	SJ938935	C
Ashton Railway Triangle	SJ930994	C
Apethorne House (North)	SJ940935	A
Old Clay Workings at Gee Cross	SJ942938	A
Pole Bank (North)	SJ942933	B
Gibraltar Wood	SJ940941	A
Peak Forest Canal (North)	SJ934984-SJ941933	A
Gower Hey Wood	SJ942941	A
Greenhurst Clough	SD954013	A
Werneth Low Country Park	SJ964933	B
Werneth Brook	SJ960942	B
Pond at Oaklands Hall	SJ962948	A
Godley Hill	SJ969950	C
Etherow Country Park & Roach Wood (North)	SJ976924	A
Brookfold Wood	SJ970943	A
Clough at Hattersley	SJ977947	B
Westwood Clough & Longlands Hall	SJ972953	A
Clough at Matley	SJ973962	C
Eastwood & Acre Clough	SJ971974	A
Marshes at Staley Hall	SJ974995	C
Streamsides at Buckton Vale	SJ979999	C
Back Wood	SJ979930	A

SITES OF BIOLOGICAL IMPORTANCE IN TAMESIDE		
Site Name	Grid ref	Grade
Great Wood	SJ983935	A
Hurst Clough	SJ987941	B
Brushes	SJ996993	B
Hollingworth Hall Wood	SK007976	B
Reddish Vale Mill (East)	SJ905935	B
Woodland & Grassland at Landslow Green	SK001971	B
Higher Higham Meadow	SJ958932	C
Walker Wood Flushes	SJ985988	B
Swineshaw Moors & Boar Flat	SE000000	A
Old Kiln Quarry	SD965035	C
Stalybridge Country Park	SJ982991	B
Wild Bank Hill	SJ984980	B
Dunkirk Wood	SJ939958	C
Roe Cross Quarry	SJ988966	C

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Report To:	EXECUTIVE CABINET
Date :	16 December 2015
Executive Member/ Reporting Officers:	Councillor Jim Fitzpatrick - First Deputy (Finance and Performance) Damien Bourke - Assistant Executive Director (Development, Growth and Investment)
Subject:	VISION TAMESIDE PHASE 2 PROGRESS UPDATE AND STAGE 2 APPROVAL
Report Summary:	<p>The Vision Tameside Phase 2 project has now reached the end of Stage 2 and formal governance is required to progress the project to financial close and contract award. January 2016 is the target date for the Council to award the Design and Build contract to the Tameside Investment Partnership to avoid significant adverse impacts on project cost and delivery timescales.</p> <p>This report provides a further update, following consideration at the meeting of the Strategic Planning and Capital Monitoring Panel on 30 November 2015, on project development, costs, delivery timescales and key risks which require careful consideration prior to a Council commitment to the project and programme.</p> <p>The following additional information has become available which has led to a revision of the recommendations from Strategic Planning and Capital Monitoring Panel:</p> <ul style="list-style-type: none">• Receipt of the final reports of the Stage 2 Cost Plan Review and Strategic Business Case;• Further progress made with the commercial negotiations with the LEP;• An updated assessment of the risks to the Council. <p>The report recommends approval for the necessary steps to progress the project to financial close and contract award. It further recommends approval of programme governance arrangements to provide robust direction and oversight throughout the delivery phase.</p>
Recommendations:	<p>Executive Cabinet is recommended to agree the following:</p> <ol style="list-style-type: none">i) Note the update on design development, the timetable for development and the comments on Value for Money, financial implications, legal implications and key risks as outlined in this report;ii) Note the draft Stage 2 Cost Plan Review report prepared by the Sweett Group (Appendix A) which confirms that the Stage 2 cost plan price is considered reasonable and provides an acceptable level of value for money but recommends further negotiation in specific areas to achieve better value for money.iii) Accept the draft Stage 2 submission by the Tameside Investment Partnership (Appendix B) in respect of the Vision Tameside Phase 2 building subject to further negotiation;

- iv) Approve the payment of the costs incurred in reaching Stage 2 of £1M to the Tameside Investment Partnership.
- v) Note the draft Stage 2 Strategic Business Case prepared by Genecon (**Appendix C** – to follow) which confirms that the project is supported by a compelling case for change, represent best public value, is commercially viable, affordable and achievable;
- vi) Approve the virements as set out in table 1 of this report.
- vii) Authorise the Executive Director (Place), in consultation with the Executive Director (Governance & Resources), to further negotiate and agree detailed project scope, technical terms and commercial terms set out in the Stage 2 submission prior to financial close and contract award subject to the price not exceeding the budget of £41,196,080.
- viii) Authorise the Executive Director (Place), in consultation with the Executive Director (Governance & Resources), to approve the final Tameside Investment Partnership Stage 2 submission in respect of the Vision Tameside Phase 2 building;
- ix) Authorise the Executive Director (Place), in consultation with the Executive Director (Governance & Resources) to award the Design and Build contract for the works for the construction of the Vision Tameside Phase 2 building conditional upon the contract sum not exceeding the budget of £41,196,080 and no significant increase in the risk allocation to the Council before financial close.
- x) Approve the establishment of the Vision Tameside Project Board and the draft Terms of Reference (**Appendix D**).

Links To Community Strategy:

Prosperous Tameside

Policy Implications

In line with approved policy

Financial Implications: (Authorised By The Section 151 Officer)

The overall costs of the Vision Tameside programme must be contained within the overall net budget of £48,673,794, which was approved in February 2015.

Contingency provisions were made for construction and overall programme related cost pressures as part of this budget allocation.

The programme has now progressed to Stage 2 and firmer costs have been determined, in respect of the demolition and construction programme, based on an a contract award by the end of January 2016, subject to a smaller number of risks relating to ground conditions, furniture fittings and equipment for the Council and the College, the Ashton Town Hall façade.

As anticipated, there have been a number of variations to costs originally projected that now require approval if the programme is to progress. These are outlined in Section 4 of this report.

A value for Money report has been received which has highlighted that there is still scope for the Stage 2 construction costs to be reviewed. This needs to be done as a matter of urgency to allow any further reductions in costs to be made and therefore to allow the programme contingency to be reassessed.

A key cost risk to the programme is not achieving contract award in January 2016, as this will impact on the amount of inflation underwritten and also revenue budget impacts due to loss of rent from the new tenants and the potential need to extend the rental of some of the decant properties.

However, some elements of the programme, including decant and lease terminations now have firm costs and the scanning and IT costs have been re-scoped but not yet finally confirmed.

Any additional costs will need to be delivered from the remaining contingency to ensure that the project remains within the overall approved budget.

It is important that regular monitoring of all expenditure budgets, value for money and inflation projections are maintained throughout the programme

It is also important that the agreement for lease and lease with the college, CCG and JCP are completed as soon as possible so that the capital and revenue implications of the programme can be confirmed.

**Legal Implications:
(Authorised By The Borough
Solicitor)**

It is important with a project of this size that there are clear governance and lines of reporting and accountability in place to ensure that the project stays within budget. The costs need to be locked down as soon as possible through contracts with the TIP as soon as possible particularly to manage the risk of inflation. The agreement for lease and lease with the college, CCG and JCP need to be completed as soon as possible so that the capital and revenue implications of the programme can be confirmed and to reduce /manage the risk of scope creep and consequent costs. This is particularly important if we intend to use income to support further capital expenditure.

There needs to be some clear understanding of the costs of the Public Realm and costs of work required to the Town Hall which are not addressed in this report.


Risk Management:

The key risks, impact and mitigation proposed are included in the report at Section 5.

Access To Information:

Appendices A, B and C to this report are not for publication because they contain exempt information falling within paragraphs 3 and 5 of Schedule 12A to the Local Government Act 1972. Information relating to the financial or business affairs of the parties (including the Council) has been provided to the Council in commercial confidence and its release into the public domain could result in adverse implications for the parties involved. Disclosure would be likely to prejudice the Council's position in negotiations and this outweighs the public interest in disclosure. In conclusion, whilst the public interest in releasing this information is significant in terms of facilitating scrutiny of public expenditure, the public interest in maintaining the confidentiality of the information outweighs the public interest in releasing it.

Other background papers relating to this report can be inspected by contacting the report writer Damien Bourke, Assistant Executive Director, Development, Growth and Investment by:

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1. INTRODUCTION

- 1.1 The Vision Tameside Programme is at a critical stage of development as the Council is due to enter into a Design and Build contract with the Tameside Investment Partnership in January 2016.
- 1.2 Failure to achieve this key milestone will seriously jeopardise the ability to deliver the Programme within budget and to timescale.
- 1.3 However, prior to entering into the contract, it is essential that Executive Board is made aware of the latest position on project development, costs, delivery timescales and key risks which require careful consideration prior to a Council commitment to the project and programme.
- 1.4 A Stage 2 Cost Review has now been completed by the Sweett Group. The Final Strategic Business Case has also been completed by Genecon.
- 1.5 The Council Executive Cabinet took a Key Decision on 4 February 2015, to:
 - a. Note the Strategic Business Case, which has been reviewed and consolidated by Genecon (Appendix 1) which confirms that there is a sound Strategic, Economic and Commercial Business Case for the proposed development of the Vision Tameside programme. A return of £4 for the benefit of the Borough for every £1 invested in the project over 30 years has been projected;
 - b. Note and agree to the planned and completed investment in the retained civic buildings in Audenshaw, Denton, Droylsden, Hattersley, Hyde, Dukinfield, Mossley, Stalybridge, in addition to the plans for Ashton Town Centre;
 - c. Accept the Stage 1 submission in respect of the Vision Tameside Phase 2 building and procure the required extended design and planning work to develop the Stage 2 submission, through the TIP at a projected cost of £1,078,949 and authorise Borough Solicitor to incur external fees to enter into contracts;
 - d. Authorise the Borough Solicitor to enter into an agreement to surrender the current lease with Wilkinsons, and an agreement for lease for the retail unit within the redeveloped Vision Tameside Phase 2 building on the terms on the terms acceptable to the Council and as outlined in the report;
 - e. Authorise the Borough Solicitor to enter into an agreement to surrender the current lease with the Co-operative Bank plc on the terms acceptable to the Council and as outlined in the report;
 - f. Authorise the Borough Solicitor to enter into an agreement for lease with the College on the terms acceptable to the Council and as outlined in the report with the fundamental underlying principle that the College meets all the costs associated with the occupation of the new building for their 30 year lease including all maintenance and running costs for their share;
 - g. Procure the demolition of the current TAC building and enabling works at an estimated cost of £3,361,863, through the TIP;
 - h. Authorise the Assistant Executive Director, Asset and Investment Partnership Management to negotiate an agreement for lease with the College, Clinical Commissioning Group, Job Centre Plus and other partners; and
 - i. Approve the allocation of additional capital and revenue budget to ensure that the project is fully resourced, and this be included within the revised budget for 2014/2015, and the budget report for 2015/16 and 2016/17 that will be considered at Council on 24 February 2015.
- 1.6 The Strategic Planning and Capital Monitoring Panel considered a progress update report

on 30 November 2015 and recommended approval to:

- a. Accept in principle Stage 2 proposal on condition that the LEP provide confirmation that the project represents value for money, and authorise the payment of the Design and Development Fees to bring the project to Phase 2 of £1,000,000. These costs are all included within the overall budget for the project;
- b. Approve the virement as requested; and,
- c. Authorise the Executive Director for Place in conjunction with the Borough Solicitor to negotiate and agree a design and build contract for the Vision Tameside Phase 2 building.

1.7 Additional information has become available since the meeting of the Strategic Planning and Capital Monitoring Panel on 30 November. This has led to a revision in the recommendations contained in this report for the following reasons:

- Receipt of the final reports on the Strategic Business Case and Value for Money Review;
- Further progress made with the commercial negotiations with the LEP;
- An updated assessment of the risks to the Council.

1.8 This report provides a further update on project development, costs, delivery timescales and key risks which require careful consideration prior to a Council commitment to the project and programme. The report recommends approval for the necessary steps to progress the project to financial close and contract award. It further recommends approval of programme governance arrangements to provide robust direction and oversight throughout the delivery phase.

2. VISION TAMESIDE PHASE 2 PROGRESS UPDATE

2.1 A detailed update on the physical progress made to date was provided to the meeting of the Strategic Planning and Capital Monitoring Panel on 30 November 2015. Further progress has been made with key elements of the Programme including:

- Vodafone – All equipment have now been removed from TAC following lease termination. A temporary mast has been erected in the Union Street car park pending Vodafone installing at their new site on James Howe Mill. This is due to be completed by 27 December. Following the strategic purchase of the Mill by the Council and the completion of a new VF Lease, terms have been agreed to sell-on the building at £205,000, which is £5,000 more than the price that the Council paid.
- Asbestos – the further identification of asbestos in the TAC building, which had not been indicated in previous site investigation reports, has had a significant impact on the demolition programme and could potentially increase costs to the Council. The demolition contractor is currently removing the asbestos at risk and the LEP has submitted a compensation event claim which is included in the Stage 2 submission. However further negotiation is ongoing to reach agreement on the allocation of liability for the additional costs under the terms of the Strategic Partnering Agreement.
- Demolition strategy – following an internal review of the demolition methodology, the structure is now being demolished using a mixture of small, medium and high reach mechanical excavators and deconstruction. This has resulted in some time saving in the demolition programme.
- Design discussions are nearing completion with the College, Job Centre Plus (JCP) and the Clinical Commissioning Group (CCG) however it is imperative that commercial

negotiations make sufficient progress to ensure Heads of Terms can be agreed prior to the award of the Design and Build contract planned for 29 January 2016.

- The scope of the building has not changed and remains as approved – it should be noted however that Stage 2 designs have yet to be signed off by the College so any further requests for design changes that could have an impact on the overall project costs would need to be met in full by the College.
- The designs which have been agreed form the basis of the Stage 2 cost report and represent the basis of the construction contract. In order to deliver the works within the funding envelope the following value engineering items have been approved since the Stage 1 report:
 - Window reveals and cill detailing
 - Reduced internal glazing
 - Different attenuation solution
 - Internal floor finishes / internal doors– reduced specification
- Any further changes to the design or the specification following approval of the Stage 2 report is likely to incur further costs. Some change is inevitable given we are two and half years away from moving into the new building and for this reason it is essential that we can demonstrate adequate contingency.
- The analysis of furniture, fittings and equipment, for all elements of the scheme, has been completed as part of the draft Stage 2 submission which was received on 19 October 2015. The original £1.5 million budget for the Council and partners has been confirmed to be sufficient at Stage 2. £287,000 of these costs is earmarked to be recovered from JCP and CCG, for bespoke elements, subject to completion of negotiations on their respective leases.

3. PROGRAMME

3.1 The programme for Vision Tameside Phase 2 has been updated:

Phase	Milestone	Target Date as of December 2015
Design Stage	Stage 1 design	Achieved
Design Stage	Stage 2 design submission for Planning	Achieved
Decant Phase	TAC vacated	Achieved
Decant Phase	Retail vacated	Achieved
Planning Approval and Listed Building Consent	Approval granted	Achieved
Demolition and Enabling Phase	Start separation works from Ashton Town Hall	July 2015
Demolition Phase	Demolition starts	17 August 2015
Stage 2 Costs	Approval	November 2015
Contract Negotiation	Financial close	January 2016
Future Use of ATH	Feasibility study complete	February 2016
Construction Phase	Construction phase starts	May 2016

Construction Phase	Completion	March 2018
Recant Phase	Recant commences	April 2018
Recant Phase	Recant completes	September 2018

3.2 The Programme is currently eight weeks behind the original schedule owing to the need to remove asbestos but it is expected that this can be reduced to three weeks due to the introduction of a new demolition methodology. The revised completion date for the construction of the new building is currently March 2018 with recant and occupation completed by September 2018.

4. FINANCIAL IMPLICATIONS

4.1 The projected costs of the Vision Tameside Phase 2 Programme have been reported throughout the project. The Stage 2 submission has been received and an initial value engineering exercise was undertaken by the Council, the TIP and Carillion Building.

4.2 There is still significant work to be undertaken to contain the project costs within the original budget. However, any delay with a decision on the Stage 2 proposal, could have a negative impact on costs and time for the construction programme.

4.3 It is therefore proposed that the virements indicated in **Table 1** below, is approved, in order to allow the Programme to progress and mitigate the impact of any increased costs due to inflation or programme delay.

Table 1

Budget Heading	Projected Costs May 2015 £	Projected Costs Stage 2 December 2015 £	Requested Virements at December 2015 £
Construction/Demolition	35,049,251	36,694,792	1,645,541
TMBC Furniture Budget	1,500,000	1,500,000	0
Inflation Contingency	2,642,327	2,294,291	-348,036
Total Construction Costs	40,132,894	40,489,083	1,297,505
Additional Asbestos Removal Claim 1 & 2		706,997	706,997
Total	40,132,894	41,196,080	2,004,502
Less SFA grant	-4,000,000	-4,000,000	0
Cost paid by partners for furniture		-287,000	-287,000
TMBC Construction Contingency	941,316	250,000	-691,316
Net Construction Costs	36,132,894	37,159,080	1,026,186
Other Programme Costs - Confirmed			
Decant / condition works	2,824,452	2,764,452	-60,000
Co-op bank termination of	100,000	100,000	0

lease			
Programme Management	100,000	100,000	0
Fit out costs of temporary store re Early Lease termination – Wilkos	850,000	832,978	-17,022
Other Programme Costs – To Be Confirmed			
College Fixed Furniture and Equipment	300,000	300,000	0
Fit Out Costs - Early Wilko's Lease Termination	859,900	859,900	0
Public Realm Works	2,631,000	2,631,000	0
Document Scanning	500,000	250,000	-250,000
Potential Loss of profits Wilko's	550,000	550,000	0
Legal Costs of Construction Works	50,000	50,000	0
IT Enablement	2,194,000	2,194,000	0
Programme Contingency	1,581,548	882,384	-699,164
Total	48,673,794	48,673,794	0

- 4.4 One element of additional revenue funding that has not been taken into account is the projected £130,000 rental income from the proposed CCG and JCP tenancies. This income would effectively support the revenue costs of supporting an additional, £1.3 million capital expenditure, however this should be considered against the need to meet further revenue budget reductions in 2018 and future years.
- 4.5 **Table 2** below provides a summary of the status of the **non-confirmed** Stage 2 costs and the associated risks for each. This table is based on the assumption that the virements proposed in **Table 1** are approved.
- 4.6 These risks, along with the proposed mitigating actions, need careful consideration in order to safeguard the Programme and ensure it can be delivered within the overall net budget of £41,196,080 for the construction project and £48,673,794 for the overall programme prior to entering into contract with the Tameside Investment Partnership on the 29 January 2016.

Table 2

Budget Heading	Projected Stage 2 Costs November 2015 £	Risk / Mitigating Action
Construction/ Demolition includes Stages 1 to 2 fixed inflation	36,694,792	<p>i. Risk</p> <p>This cost <u>does not</u> include:</p> <ul style="list-style-type: none"> • Additional asbestos removal Claims 1 and 2 of £706,997 • Design changes (the College have yet to sign off the Stage 2 designs) • Additional works required to Ashton Town

		<p>Hall</p> <p>ii. Mitigating Actions</p> <ul style="list-style-type: none"> • Negotiation on allocation of liability for additional asbestos removal cost to be concluded by mid-January 2016. • Design freeze and lease negotiations to be completed by mid-January 2016. • Carillion have confirmed that no additional costs are anticipated when the TAC is detached from the Town Hall.
TMBC Furniture	1,500,000	<p>i. Risk</p> <ul style="list-style-type: none"> • Provisional sum of £1.5m allocated but this includes £287k contribution for CCG and JCP furniture. Lease negotiations scheduled to start on the 6 January 2016. <p>ii. Mitigating Actions</p> <ul style="list-style-type: none"> • Lease negotiations being accelerated to reach agreement by mid-January 2016. • Consideration of the use of a limited amount of high quality legacy furniture.
TMBC Construction Contingency (fixed based on contract closed in January 2016)	250,000	<p>i. Risk</p> <ul style="list-style-type: none"> • Potential dark ground conditions under TAC cannot be investigated until ground floor slab is broken which will be after the contract award date. <p>ii. Mitigating Actions</p> <ul style="list-style-type: none"> • The TIP has advised that a contingency budget of £250k is likely to be sufficient due to intrusive testing not identifying any significant issues to date.
Contingency Inflation (to mid-point 2017 from Stage 2)	2,294,291	<p>i. Risk</p> <ul style="list-style-type: none"> • TIP have confirmed that they will fix the Council's risk to inflation at £2.294m but only on the basis that contracts are signed in January 2016. If this target date is not achieved then inflation costs could increase by £606k. <p>ii. Mitigating Actions</p> <ul style="list-style-type: none"> • Agree a forward plan to ensure the contract is signed on time subject to key decision. • Sweett Stage 2 Cost Review indicates scope to negotiate a further reduction in inflation of up to £270,286.
Wilko's – fit out costs of temporary store and early lease termination	832,978	<p>I. Opportunity</p> <ul style="list-style-type: none"> • No additional expenditure expected.
Wilko's – fit out costs	859,900	<p>I. Opportunity</p> <ul style="list-style-type: none"> • Potential for a reduction in fit out costs due to smaller size.
College – fixed furniture and equipment	300,000	<p>I. Risk</p> <ul style="list-style-type: none"> • It is anticipated that the FF&E costs will be significantly higher than the £300k budget provision. <p>i. Mitigating Actions</p>

		<ul style="list-style-type: none"> Negotiations ongoing with the College with a target date for completion of mid-January.
Public Realm	2,631,000	<p>i. Risk</p> <ul style="list-style-type: none"> Projected costs currently exceed budget due to the scope of the project being extended to maximise impact and improve connections between new developments and transport facilities. <p>ii. Mitigating Actions</p> <ul style="list-style-type: none"> Funding package being developed to ascertain if third party contributions can be secured – report to Board in February 2016. Reduce project scope.
Document Scanning	250,000	<p>i. Risk</p> <ul style="list-style-type: none"> Document scanning now complete within this programme with recommendation for virement of remaining budget. <p>ii. Mitigating Actions</p> <ul style="list-style-type: none"> No further action required within this programme.
TMBC Legal Costs of Construction Works	50,000	<p>i. Risk</p> <ul style="list-style-type: none"> Costs exceed budget. <p>ii. Mitigating Actions</p> <ul style="list-style-type: none"> Obtain accurate estimates and use in-house legal services where appropriate.
IT Enablement	2,194,000	<p>i. Risk</p> <ul style="list-style-type: none"> Budget may not be sufficient to address the scope of the project. Recant Strategy not yet fully developed therefore ICT Enablement project cannot be scoped and costed fully. <p>ii. Mitigating Actions</p> <ul style="list-style-type: none"> ICT Enablement project scoping and costing progressed and managed within the available budget.
Programme Contingency	£882,384	<p>i. Risk</p> <ul style="list-style-type: none"> Programme contingency reduced to £882,384 which might be insufficient given the outstanding scale of risks and uncertainty with the programme. We are aware that a College FF&E will be a principal call on this contingency. <p>ii. Mitigating Action</p> <ul style="list-style-type: none"> Robust monitoring to ensure that overall programme is managed within the available budget.

5. RISKS

5.1 The risk profile for the construction project and overall programme has been reviewed throughout the Stage 2 process. As with all major projects at this stage there are a number

of significant risks that need to be managed and mitigated as the Programme develops. A summary of the high level risks can be found in **Table 3** below.

- 5.2 A key cost risk is not achieving contract award in January 2016, as this will impact on the commercial offer in the Stage 2 submission and also revenue budget impacts due to loss of rent from the new tenants and the potential need to extend the rental of some of the decant properties.
- 5.3 However the need to achieve contract award by January 2016 needs to be balanced by the significant risks associated with the Programme in terms of unknown costs and changes to the design of the building.

Table 3

Risk	Potential Impact	Mitigation
Inflation	Increase in construction costs beyond funding levels approved in the capital programme.	The TIP have confirmed that they will fix the inflation on the project at £2.294 million based on the criteria of signing a contract for the construction of the new building in January 2016, no further design changes and increase in scope.
Increase in scope / design changes	Increase in time and cost	CCG and JCP areas have been agreed. Remaining risk relates to the college and council areas. A benchmark has been included within the proposed stage 2 proposal for the design and furniture of all areas. Change control procedures will be carefully managed throughout the remaining design and construction programme.
Insufficient funding available to complete all aspects of the Programme.	Elements of the programme not completed or fully funded	The programme is subject to close monitoring to ensure that overall costs are contained within the overall approved budget. The main packages of work for the new building have been tendered by the TIP and Carillion building to give a more accurate projection of costs at Stage 2. The main element to agree is the furniture fittings and equipment support or the college element of the new building.
Insufficient contingency budget for scale and complexity of the Programme.	Actual contingency exceeds the allowance.	Commercial negotiations ongoing with the LEP to identify further savings to release to contingency budget.
Programme delay	Delay in completing the construction project by March 2018 and recant by September 2018	Establishment of project board to provide robust direction and oversight.
Identification of additional asbestos in the TAC building following intrusive pre demolition surveys	Increase in cost and potential delay in programme.	The evaluation of the additional surveys has been completed, options to mitigate delay in programme are being progressed. An initial compensation claim for £706,997 is being negotiated with the LEP.
Dark ground conditions	Increase in cost and	Trial bore holes have not revealed any

	delay in programme	significant issues. A construction contingency of £250,000 has been provided.
Failure to sign the building contract with the TIP in January 2016	Increase in cost due to inflation and additional decant location rentals and delay in construction completion	Early approval of Stage 2 proposals and negotiation in respect of the new building.
Agreement for lease not reached with key tenants prior to contract award target date of January 2016	Increase in scope and cost.	Lease negotiations now commenced.
Works to the retained Ashton town Hall	Increase in cost and potential delay in programme.	The separation undertaken so far has revealed that there is a cavity between the TAC and Ashton Town Hall building which minimises the risks of additional costs.
Reduction of footfall during construction	Reduction in trade for local shops and businesses.	A shop locally loyalty scheme has been launched and shop local campaigns will be undertaken. The additional staff and students moving into Clarendon College are reported to have a positive impact on retail activity.
Reputation and public perception as Planning was supported before proving affordability	Confidence in project reduced, negative publicity	Joint Communications Plan with Tameside College and Retail Tenants.
VAT	Increase in cost through irrecoverable VAT expenditure	Consultation with VAT specialist advisers in order to mitigate future risks throughout the project.

6 STAGE 2 COST REVIEW

- 6.1 A Stage 2 Cost Review was commissioned from the Sweett Group (specialist cost management consultants for building and infrastructure projects) to:
- Review project costings presented in the Stage 2 submission;
 - Identify and advise on potential risks and opportunities that may carry design, cost and or programme impact; and,
 - Report on the Value for Money aspects of the project.
- 6.2 The draft Sweett report (**Appendix A**) confirms that the Stage 2 cost plan price is considered reasonable and provides an acceptable level of value for money but recommends further negotiation in the following specific areas to achieve better value for money:
- Work package review
 - Design fee allowance review
 - Cost benchmark comparison
 - Inflation application

7 STRATEGIC BUSINESS CASE

- 7.1 The Stage 2 Strategic Business Case for the Vision Tameside Phase 2 project (Appendix B – to follow) has now been updated from Stage 1 by Genecon (specialist economic development management consultancy).

- 7.2 The Strategic Business Case provides evidence that:
- The project is supported by a compelling case for change and that fits with other parts of the organisation and public sector (Strategic Case);
 - The project offers reasonable value for money in terms of realisable benefits (Economic Case);
 - The project meets the operational needs of project partners and can be procured effectively (Commercial Case);
 - The proposed spend is affordable (Financial Case); and
 - What is required from all parties is achievable (Management Case).
- 7.3 In summary, the Strategic Business Case confirms the positive and strong rationale for the programme in meeting the following four key objectives:
- Supporting growth and regeneration across Tameside;
 - Securing the future of Tameside College and skills provision;
 - Improving efficiency and effectiveness in the use of the Council's assets and service provision; and
 - Alignment to strategic policies.

8 PROGRAMME GOVERNANCE

- 8.1 Given the high profile of the Programme, the critical stage of development and the Council's substantial investment, it is recommended that the current programme governance arrangements are revised to provide robust overall direction and oversight.
- 8.2 In addition, this proposed change to project governance structure will achieve the outcomes recommended in the Critical Friend Review, undertaken by EC Harris earlier in the year.
- 8.3 It is proposed that a Vision Tameside Project Board is established to oversee project delivery, provide strategic oversight and monitor the project throughout the delivery phase.
- 8.4 The proposed membership of the Project Board is as follows:

Name	Designation
Councillor Jim Fitzpatrick	Chair - First Deputy (Finance and Performance)
Steven Pleasant	Chief Executive
Sandra Stewart	Executive Director (Governance and Resources) / Borough Solicitor
Robin Monk	Executive Director (Place)
Damien Bourke	Project Director - Assistant Executive Director (Development, Growth & Investment)
Peter Timmins / Beverley Stephens	Head of Resource Management
Andrea Wright	Project Manager and Support Officer

- 8.5 The proposed Terms of Reference for the Project Board are attached at **Appendix D**.

9 CONCLUSION

- 9.1 The Programme to deliver the Vision Tameside Phase 2 project is at a critical stage and is subject to significant risks. The Stage 2 submission for the scheme has been submitted to the Council for approval.
- 9.2 It is imperative that a decision is made on the Stage 2 submission and to undertake the commercial negotiations to agree the contract with the TIP, in order to avoid additional costs and delays.
- 9.3 The current Programme anticipates completion of the new building by March 2018 with occupation completed by September 2018.
- 9.4 The main areas for negotiating commercial terms and contract award relate to the costs and liabilities for the additional asbestos discovered in TAC, construction work packages, design fees, cost benchmark and inflation.
- 9.5 The Stage 2 Cost Review confirms that the Stage 2 cost plan price is considered reasonable and provides an acceptable level of value for money but recommends further negotiation in specific areas to achieve better value for money.
- 9.6 The Strategic Business Case confirms the positive and strong rationale for the programme in meeting the Council's key objectives.
- 9.7 The outstanding agreements for lease and leases with partners and particularly Tameside College, CCG and Job Centre Plus are planned for completion by mid-January 2016 to confirm the occupation in the new building and also enable capital and revenue budgets to be confirmed. It is imperative that this work is concluded prior to contract award on the 29 January 2016.
- 9.8 The delivery of high quality public realm will support the objectives of the Vision Tameside Programme and will provide the catalyst for future investment opportunities. However, the final scope of the project is yet to be confirmed as projected costs currently exceed budget. A funding package is therefore being developed to identify whether third party contributions can be secured and this will be presented at the Board meeting on the 24 February 2016.
- 9.9 The establishment of the Vision Tameside Project Board will provide robust overall direction and oversight therefore ensuring the Programme can be delivered to budget and timescale.

10 RECOMMENDATIONS

- 10.1 These are shown at the front of the report.

APPENDIX D

Vision Tameside Project Board

Draft Terms of Reference

Membership

Name	Designation
Councillor J Fitzpatrick	Chair - First Deputy (Finance and Performance)
Steven Pleasant	Chief Executive
Sandra Stewart	Executive Director (Governance & Resources) / Borough Solicitor
Robin Monk	Executive Director (Place)
Damien Bourke	Project Director - Assistant Executive Director (Development, Growth & Investment)
Peter Timmins or Beverley Stephens	Head of Resource Management
Andrea Wright	Project Manager and Support Officer

Purpose

The Vision Tameside Project Board has the responsibility, within Council governance, to oversee the coordination of the Vision Tameside Phase 2 project and programme of associated projects throughout the delivery phase.

Roles and Responsibilities

- To oversee the delivery phase of the project and programme
- To provide advice and strategic direction
- To manage and monitor project and programme progress
- To manage and monitor financial costs within the resources available to the Council
- To receive and consider progress reports from the Project Director, LEP, consultant(s) and other Council Officers
- To recommend/approve any variations within the resources available to the Council subject to any necessary governance required
- To review and assess the project and programme risks
- To co-opt up to 3 persons with specialist expertise onto the membership of the Project Board where necessary and required

Frequency of Meetings

At least monthly until Project and Programme completion.

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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