

STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

Day: Monday
Date: 14 March 2016
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 Panel.	
2.	DECLARATIONS OF INTEREST To receive any declarations of interest from Members of the Panel.	
3.	MINUTES The Minutes of the meeting of the Strategic Planning and Capital Monitoring Panel held on 30 November 2015 to be signed by the Chair as a correct record (Minutes attached).	1 - 12
4.	CAPITAL STRATEGY AND PROGRAMME 2016/17 To consider the attached report of the First Deputy (Performance and Finance) / Assistant Executive Director (Finance).	13 - 36
5.	CAPITAL MONITORING To consider the attached report of the Assistant Executive Director, Finance.	37 - 54
6.	VISION TAMESIDE To consider the attached report of the Assistant Executive Director, Development Growth and Investment.	55 - 70
7.	ASSET MANAGEMENT UPDATE To consider the attached report of the Assistant Executive Director, Development, Growth and Investment.	71 - 84
8.	PROPOSAL FOR ALTERNATIVE USE OF CAPITAL FUNDING ALLOCATION To consider the attached report of the Executive Director, People.	85 - 92
9.	DEVELOPER CONTRIBUTIONS To consider the attached report of the Assistant Executive Director, Development, Growth and Investment.	93 - 104

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Carolyn Eaton, Senior Democratic Services Officer, 0161 342 3050 or on carolyn.eaton@tameside.gov.uk, to whom any apologies for absence should be notified.

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10.	SMART TAMESIDE - DIGITAL BY DESIGN To consider the attached report of the Assistant Executive Director – Digital Tameside.	105 - 112
11.	SMART TAMESIDE - TOWN CENTRE WIFI To consider the attached report of the Assistant Executive Director – Digital Tameside.	113 - 118
12.	REFUSE COLLECTION VEHICLES - REPLACEMENT To consider the attached report of the Assistant Executive Director (Environmental Services).	119 - 126
13.	HYDE LEISURE PHASE 2 - SYNTHETIC FOOTBALL PITCH To consider the attached report of the Director of Public Health.	127 - 142
14.	URGENT ITEMS To consider any additional items the Chair is of the opinion shall be dealt with as a matter of urgency.	

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Carolyn Eaton, Senior Democratic Services Officer, 0161 342 3050 or on carolyn.eaton@tameside.gov.uk, to whom any apologies for absence should be notified.

Agenda Item 3

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 and set out in the report together with authorising 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, and work was being undertaken to identify if this could be brought forward.

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	-60,000
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 Lease termination – Wilkos	850,000	832,978	-17,022

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 minimum 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
Broad oak 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

Agenda Item 4

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	14 March 2016
Executive Member / Reporting Officer:	Cllr Jim Fitzpatrick – First Deputy (Performance and Finance) Peter Timmins – Assistant Executive Director of Finance
Subject:	CAPITAL STRATEGY AND PROGRAMME 2016/17
Report Summary:	The report sets out the Council's Capital strategy for 2016/17 and the three year Capital Programme.
Recommendations:	<p>That the following recommendations agreed by Council on 23 February 2016 be noted:</p> <ol style="list-style-type: none">That the Capital Programme report as set out in Appendix 1 (and detailed at Appendix 5) is approved and continuing action is taken to achieve additional sources of funding for capital development.That the Disposals schedule and estimated Capital receipts position in section 3 of Appendix 1 is noted.That the additional revenue budget required as a result of the proposed take up of unsupported borrowing detailed in section 4.9 of Appendix 1 be noted.That the Capital Strategy in Appendix 2 is noted.That the Prudential Limits and indicators set out in Appendix 3 to this report be approved with Members to receive monitoring reports during the coming year to demonstrate compliance.That authorised borrowing limits for 2016/17 for Tameside and for the Greater Manchester Metropolitan Debt Administration Fund (GMMDAF) are agreed as set out in Appendix 3.That the Minimum Revenue Provision statement as set out at Appendix 4 be approved.That the inclusion within the proposed capital programme of the estimated investment in Active Tameside and future potential demands on the Capital Programme be noted.That the level of unsupported borrowing not exceed £35.884 million in 2016/17.
Links to Community Strategy:	The Capital Strategy and programme are formulated based on the priorities of the Council outlined in the Community Strategy.
Policy Implications:	In line with Council Policies.
Financial Implications: (Authorised by the Section 151 Officer)	<p>The Capital Strategy is formulated in line with the Council's priorities and the Community Strategy. It is an integral aspect of the Council's medium term service and financial planning process as reflected in the Medium Term Financial Strategy (MTFS).</p> <p>The three year Capital Programme has been produced incorporating new and existing grant settlements from Government along with schemes funded by Capital Contributions, Prudential Borrowing and Capital Receipts.</p> <p>The report sets out the proposed amount of Prudential Borrowing, the Council pays from future revenue budgets the interest and</p>

repayment costs of the borrowing. The Council's ability to prudentially borrow to fund future schemes is limited by the budgetary pressures which the Council faces over the coming three years and beyond.

Close monitoring of resources available to fund capital expenditure is essential and is an integral part of the financial planning process.

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

The report complies with the Council's financial regulation 17.3. The Council is required by statute to set and maintain a balanced budget, careful management of the finances allows the Council to achieve this and this report provides a means for Members to carefully monitor the situation.

Risk Management:

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

Access to Information:

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



phone: 0161 342 3864



e-mail: peter.timmins@tameside.gov.uk

1. INTRODUCTION

- 1.1 The attached report introduces the proposed capital programme for 2016-19, to be considered and recommended for approval at Full Council.
- 1.2 The proposed programme consists of schemes funded through borrowing, capital receipts or grants and other anticipated contributions from third parties.
- 1.3 The size of the capital programme reflects capital grant settlements that have been announced by central government, forecast capital receipts, other external and internal funding sources and proposed borrowing as set out in **Appendix 1**
- 1.4 The Council's ability to prudentially borrow to fund future schemes is limited by the budgetary pressures which the Council continues to face. Information regarding the revenue implications of prudential borrowing is also provided in **Appendix 1**.

2. CAPITAL PROGRAMME, FUNDING AND FINANCING

- 2.1 **Appendix 1** summarises the development of the proposed Capital Programme as well as providing details of the following.
 - New capital grant allocations.
 - New schemes approved since the quarter two Capital Monitoring report.
 - Capital receipts and potential property sales
 - The revenue implications of prudential borrowing.

3. CAPITAL STRATEGY

- 3.1 The Capital Strategy has been developed as a key document that determines the council's approach to capital, the details are provided in **Appendix 2**.

4. RISK IMPLICATIONS

- 4.1 There is a long term risk to the Council's ability to deliver services without sufficient investment in maintaining its assets. To mitigate this, the capital programme is aligned to the Council's asset management plans and property client function ensuring that assets are well-maintained or disposed of if surplus to requirements.
- 4.2 The programme requires regular monitoring, management and budgetary control to deliver schemes on time and within budget. This is addressed through quarterly capital monitoring reports to Cabinet.
- 4.3 The capital programme is set on the basis of best estimates of cost. Through good procurement practice, the Council will continue to manage down the costs of capital schemes where possible.
- 4.4 There is a risk of incurring additional borrowing costs affecting the revenue budget whenever schemes are not fully funded, or if disposal values are not realised. New unfunded schemes are being kept to a minimum. For these schemes a forecast of capital receipts has been created to ensure that capital expenditure has minimum adverse effect on the Council's revenue budget.
- 4.5 There is a risk that anticipated grants and other third party contributions will not be received for reasons out of the authority's control. In these circumstances, the programme will be amended to reflect the reduced funding.

5. PRUDENTIAL INDICATORS

- 5.1 First introduced in 2004, the Prudential Code (the Code) for local government capital investment replaced the complex regulatory framework which only allowed borrowing if specific government authorisation had been received. The Prudential system is one based on self-regulation by local authorities. All borrowing undertaken is self-determined under the Code.
- 5.2 Under Prudential arrangements, local authorities can determine their own borrowing limits for capital expenditure. The Government does retain reserve powers to restrict borrowing if that is required for national economic reasons.
- 5.3 The Code supports the framework of strategic planning, local asset management and options appraisal, ensuring that capital investment plans of local authorities are affordable, prudent and sustainable. The Code specifies indicators that must be used and factors that must be taken into account. The Code requires the Council to set and monitor performance on:
- capital expenditure
 - affordability & prudence
 - external debt
 - treasury management
- 5.4 A number of specific Treasury Management prudential indicators are found in **Appendix 3**.

6. RECOMMENDATIONS

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

APPENDIX 1

CAPITAL PROGRAMME, FUNDING AND FINANCING

1. CAPITAL GRANT ALLOCATIONS

- 1.1 The Single Capital Pot includes all non-ring-fenced capital allocations. The capital allocations included in the Single Capital Pot are not ring-fenced and can be spent according to authorities own priorities. However, the Council's policy has been that the relevant service areas use the allocations.

The Council has received confirmation for some of the capital allocations for 2016/17. All allocations will be made by direct grant. There will be no supported borrowing for 2016/17, so any allocations the Council makes above and beyond the direct grant allocations must be funded locally (from capital receipts, or corporate prudential borrowing, or other internal sources).

The Council is awaiting the notification of the following grant allocations for 2016/17:

- Disabled Facilities Grant.(Included in Better Care Fund)
- Capital Maintenance for Schools.
- Devolved Formula for Schools
- Community Capacity Grant (Included in Better Care Fund)

The table below shows details of the announced/estimated Capital allocations for 2016/17, compared to the corresponding figures for 2015/16. It sets out a decrease in available resources of £0.768 million, a decrease of 6%.

Table 1: Capital allocations 2015/16 and 2016/17

Capital Allocations	2015/16 Grant £000	2016/17 Grant £000	Variation £000
<u>Children's Services</u>			
Capital Maintenance*	1,920	1,400	-520
Devolved Formula*	487	350	-137
Basic Need	5,663	5,946	283
	8,070	7,696	-374
<u>Adult Services</u>			
Community Capacity Grant*	643	650	7
Local Reform Grant	208	0	-208
	851	650	-201
<u>Transport</u>			
Challenge Funding	1,000	1,000	0
Highways Maintenance	2,322	2,129	-193
	3,322	3,129	-193
<u>Housing</u>			
Disabled Facilities Grant (BC)	1,158	1,158	0
	1,158	1,158	0
Total Capital Allocations	13,401	12,633	-768

*Estimate

2. CAPITAL RECEIPTS

- 2.1 Where capital receipts are generated through the sale of assets or repayments of loans by third parties, these may be: (a) used to reduce the borrowing requirement of the Council's capital programme in that year, (b) held to offset against future capital borrowing requirements or (c) used to repay existing borrowing.
- 2.2 The Council continues to review its assets seeking to ensure that their ongoing use supports the Council's future priorities. Assets that do not meet this need have been identified and form the basis of a draft disposal schedule.
- 2.3 The figures included in the schedule are currently the best estimate of the value of properties available for disposal, pending formal valuations. More detailed valuations will become available as the properties are prepared for market.
- 2.4 The schedule is also only an indication of the phasing of disposals. Some sales will take place later than forecast, for example when planning or legal issues arise, whereas others may be accelerated
- 2.5 The target for Capital receipts was set at £45m over 3 years, commencing in 2015/16.
- 2.6 Quarterly updates on the Capital receipts position are provided through the Capital Monitoring report and the Asset Management Update tabled at Strategic Planning and Capital Monitoring Panel.
- 2.7 A balance of £11.3m is owed corporately from receipts relating to former Building Schools for the Future (BSF) sites to repay temporary corporate funding of the Schools Capital Programme.
- 2.8 Below is a summary of the draft schedule of the assets expected to be disposed of in 2015/16 and the next two financial years.

Table 2: Capital Receipts

Category	2015/16 Capital Receipts Received £	2015/16 Estimated Total Capital Receipts to 31/3/16 £	2016/17 Estimated Capital Receipt £	2017/18 Estimated Capital Receipt £	Total £
Current Operational Property	0	0	1,140,000	650,000	1,790,000
Former School Site	4,750,000	250,000	12,995,000	0	17,995,000
Freehold Reversion	122,000	1,830,900	1,280,000	7,200,000	10,432,900
Garage Site	201,500	0	125,000	125,000	451,500
Land	890,098	3,125,085	4,165,000	3,200,000	11,380,183
Shared Equity	0	25,500	0	0	25,500
Vacant Building	532,000	156,400	1,850,000	0	2,538,400
Total Identified	6,495,598	5,387,885	21,555,000	11,175,000	44,613,483

3. CAPITAL PROGRAMME

- 3.1 A three year capital programme for 2015-16 was agreed by the Council in February 2015. This was prepared using information from the Government on known and forecast funding levels available at that time.
- 3.2 The proposed capital programme includes all funding re-profiled from 2015-16 as regularly reported to Strategic Planning and Capital Monitoring Panel. The 2016-17 programme reflects all amounts re-profiled up to and including month 8
- 3.3 The new capital programme also reflects government grant settlements for 2016-17 and beyond. These have been revised, where applicable, from indicative settlements provided in the 2015-16 programme. The programme also sets out borrowing to be approved and other funding sources identified.
- 3.4 A schedule of the schemes included in the capital programme is provided below along with a high level summary and the planned use of resources. Also included is an estimated amount for investment in Active Tameside.
- 3.5 It is also important to note that the Capital Programme will change throughout the year due to the re-profiling of Capital schemes from 2015/16 into 2016/17 and future years. The amount of re-profiling required will not be confirmed until the Capital Outturn report is produced.
- 3.6 The Council is aware of a number of potential new demands on the Capital Programme that may arise in the 2016/17 financial year. However there is insufficient information available at present in order to estimate the level of expenditure to be required. The Capital Programme will be revised accordingly when full details are available and proposals have been agreed with our External Auditors.
- 3.7 The following potential demands are anticipated on the 2016/17 Capital Programme;
- Acquisition of Guardsman Tony Downes House.
 - Resolution to Plantation Industrial Estate Lease.
 - Acquisition of Building Schools for Future shares.

Table 3: Capital Programme high level summary

CAPITAL PROGRAMME 2016/17 - 2018/19	ESTIMATE 2016/17 £000	ESTIMATE 2017/18 £000	ESTIMATE 2018/19 £000	TOTAL £000
Adult and Health Services	650	0	0	650
Asset Investment Partnership	17,306	20,424	0	37,730
Community Services	573	0	0	573
Development & Investment	3,758	0	0	3,758
Education	8,100	6,543	0	14,643
Engineering Services	12,199	10,373	0	22,572
Environmental Services	1,107	0	0	1,107
Public Health	5,203	9,072	2,891	17,166
Resources	4,392	5,000	5,000	14,392
Total	53,288	51,412	7,891	112,591

Table 4: Resources allocated to fund the Capital Programme

RESOURCES	2016/17 £000	2017/18 £000	2018/19 £000	TOTAL £000
Capital grants and other contributions	16,317	15,607	0	31,924
Capital receipts	480	1,309	0	1,789
Revenue contributions and reserves	607	721	0	1,328
Unsupported capital expenditure i.e. borrowing	35,884	33,775	7,891	77,550
TOTAL RESOURCES	53,288	51,412	7,891	112,591

3.8 As part of producing the Medium Term Financial Strategy (MTFS) in summer 2017, the capital programme for 2017-20 will be incorporated. It will ensure a fit to the revenue costs and opportunities for investment to reduce revenue spend.

4. REVENUE IMPLICATION OF THE CAPITAL PROGRAMME

4.1 Where the Council uses borrowing to support the capital programme, it must set aside revenue funds on an annual basis to repay the capital borrowed. This is required by statute and is known as Minimum Revenue Provision (MRP). The cost of MRP depends on the life of the underlying asset. Further information can be found in the proposed MRP policy in section 6 in the main body of the report.

4.2 In addition to MRP, the Council must fund the interest costs of the borrowing through future revenue budgets. The Council primarily borrows funds from the Public Works Loan Board (PWLb) and interest rates for 2016-17 are projected to be 5%

4.3 In preparing future revenue budgets, the cumulative revenue costs of borrowing have been included in the calculations of interest and MRP costs provided for in those budgets.

4.4 If the Council chooses to utilise reserves or Capital Receipts to fund Capital expenditure then the revenue costs are reduced.

4.5 The 2016/17 Capital Financing budget has assumed that the Council will not utilise reserves and will take up unsupported borrowing to fund unfunded schemes. The budget for 2016/17 has been set at £15.9m.

4.6 The table below provides the breakdown of the movement from the 2016/17 Capital Financing budget set at February 2015 and the revised budget as at February 2016. The Council is to achieve savings of £2.5m from the changes made to the MRP policy and a further £0.974m from a reduction in the forecast interest payments associated with Prudential Borrowing.

Table 5: Base Budget movement

	£
2016/17 Original Base Budget Feb 2015	19,405,618
MRP Savings	(2,500,000)
Net Savings on Interest Payable	(973,952)
Revised Base Budget Feb 2016	15,931,666

4.7 The table below provides a breakdown of the 2016/17 Capital Financing budget based upon assumed borrowing of £35.884m.

Table 6: Capital Financing Budget 2016/17

Funding	Amount £
Amounts take to funds/reserves	175,000
Discounts received	(205,000)
GM Debt Interest	312,526
GM Debt Principal	893,493
Interest payable	11,610,897
Interest received	(1,218,000)
MRP Post 2015/16	658,750
MRP Pre 2015/16	3,704,000
Total	15,931,666

4.8 It has been assumed that the Council will borrow £35.884m in 2016/17 to fund Capital Expenditure and the Capital Financing budget has been produced on this basis. The Revenue costs of this are shown in the table at section 3.9 along with a projection for 2017/18 and 2018/19.

4.9 The cumulative revenue impact of schemes funded from borrowing is set out below, assuming future revenue costs of £100,000 per annum for every £1m borrowed:

Table 7: Revenue Impact of Prudential Borrowing

	2016-17	2017-18	2018-19
Unfunded borrowing	35,884,000	33,775,000	7,891,000
Cumulative Revenue Cost (10%)	3,588,400	6,965,900	7,755,000

4.10 The above table shows the required demand upon the revenue budget due to the take up of unsupported borrowing to fund capital expenditure. If the Council funds the Corporate Capital Expenditure by Capital Receipts or Reserves then the impact on the Revenue budget will be reduced.

APPENDIX 2

1. CAPITAL STRATEGY

- 1.1 The Capital Strategy has been developed as a key document that determines the council's approach to capital. It is an integral aspect of the Council's medium term service and financial planning process as reflected in the Medium Term Financial Strategy (MTFS).
- 1.2 The Capital Strategy is concerned with, and sets the framework for:
- all aspects of the Council's capital expenditure over the 3 year period 2016/17 to 2019/20
 - planning, prioritisation, management and funding. It is closely related to, and informed by
 - the Council's priorities
 - the Council's Asset Management Plans and
 - capital funding grants and debt facilities provided by central government.
- 1.3 The Capital Strategy is reviewed on an annual basis to ensure it continues to reflect the changing needs and priorities of the Council, and its partners throughout Tameside and the region.
- 1.4 The key aims of the Capital Strategy are:
- how the Council identifies, programmes and prioritises capital requirements and proposals;
 - provide a clear context within which proposals are evaluated to ensure that all capital investment is targeted at meeting the Council's priorities;
 - consider options available to maximise funding for capital expenditure whilst minimising the impact on future revenue budgets;
 - identify the resources available for capital investment over the three year planning period.
- 1.5 The Capital Strategy provides a framework for the allocation of resources to support the Council's objectives. The approval of new capital schemes and the allocation of available funding is undertaken when the capital programme is approved as part of the wider budget setting process.

2. INFLUENCES ON CAPITAL STRATEGY

- 2.1 The Council continues to be faced with significant changes and uncertainty which affects all of the public sector and the following are some of the major influences on our Capital Strategy.
- 2.2 The Government has put in place stringent reductions in revenue and capital grant funding for public services, with a strong drive towards austerity and value for money. Local authorities are facing rising demand and expectations for Council services. The Council is seeking creative new ways of providing services which may require capital investment to deliver best value for our communities and taxpayers.
- 2.3 The success of any Capital Programme is delivery to anticipated timescales and budgets. Failure to achieve either results in increases in capital costs and additional revenue pressures.

In a challenging financial environment, effective procurement, robust contract management and constant oversight are essential to manage costs and ensure all spend delivers the intended outcomes.

2.4 Formation and delivery of asset management plans are vital to the implementation of the Capital Strategy and to the delivery of the Capital Programme.

2.5 In order to minimise the impact of additional borrowing on future revenue budgets, and to reduce the cost of maintaining under-used or inefficient properties, the Council has a programme of asset disposals. The asset rationalisation and disposals policy is now a key element of delivering funding for future capital schemes.

3 CAPITAL EXPENDITURE

3.1 Capital expenditure and investment is vital for a number of reasons:

- As a key component in the transformation of service delivery and flexible ways of working
- A catalyst for economic growth
- To maintain or increase the life of existing assets
- To address the issues resulting from increasing numbers of service users
- As a lever to generate further government or regional capital investment in Tameside.

3.2 With a challenging financial environment for the foreseeable future that is influenced by a variety of external factors, there will only ever be a limited amount of capital resources available. Therefore, it is vital that we target limited resources to maximum effect with a new focus on our strategic and financial priorities.

3.3 Capital funding is limited. External capital grants can only be spent on capital. Projects funded from revenue, revenue reserves or borrowing all affect revenue budgets. Borrowing in particular has long term revenue consequences. Two costs are incurred when a capital scheme is funded from borrowing:

- A Minimum Revenue Provision – the amount we have to set aside each year to repay the loan and this is determined by the life of the asset associated with the capital expenditure; and
- Interest costs for the period of the actual loan.

3.4 On present long term interest rates every £1 million of prudential borrowing costs approximately £0.090m pa in ongoing revenue financing costs for an asset with an assumed life of 25 years, or as much as £0.250m pa for an asset with a 5 year life. This is in addition to any ongoing maintenance and running costs associated with the investment.

3.5 Given the revenue cost pressures shown in the Council's Medium Term Financial Strategy the scope for unsupported capital expenditure (capital expenditure that generates net revenue costs in the short or medium term) is severely limited.

3.6 The budget planning process is designed to reflect both capital and revenue proposals such that the revenue consequence of capital decisions, particularly as a result of increased borrowing, are reflected in future revenue budgets such that any capital investments are prudent, affordable and sustainable for the Council.

4 CAPITAL FUNDING SOURCES

4.1 There are a variety of different sources of capital funding, each having different advantages, opportunity costs and risks attached.

Borrowing

- 4.2 The Prudential Capital Finance system allows local authorities to borrow for capital expenditure without Government consent provided it is affordable. Local Authorities must manage their debt responsibly and decisions about debt repayment should be made through the consideration of prudent treasury management practice.
- 4.3 As a guide, borrowing incurs a revenue cost of approximately 9% of the loan each year for an asset with a life of 25 years, comprising interest charges and the repayment of the debt (known as the Minimum Revenue Provision or MRP). The Council needs to be satisfied that it can afford this annual revenue cost i.e. for every £1 million of borrowing our revenue borrowing costs are around £0.090 million pa, or as much as £0.250m pa for an asset with a 5 year life
- 4.4 Local Authorities have to earmark sufficient revenue budget each year as provision for repaying debts incurred on capital projects.

Grants

- 4.5 The challenging financial environment means that national government grants are reducing, or changing in nature. A large proportion of this funding is currently un-ring-fenced which means it is not tied to particular projects. However, capital grants are allocated by Government departments which clearly intend that the grants should be used in certain areas such as education or highways. So although technically the grants are un-ring-fenced, the political reality is not as clear cut.
- 4.6 Sometimes grant funding is not sufficient to meet legislative obligations and other sources of funding will be sought to fund the gap.

Capital Receipts

- 4.7 Capital receipts are estimated and are based upon the likely sales of assets as identified under the developing Asset Management Plan. These include development sites, former school sites and other properties and land no longer needed for operational purposes. Receipts are critical to delivering our capital programme and reducing the level of borrowing.

Revenue / Other Contributions

- 4.8 The Prudential Code allows for the use of additional revenue resources within agreed parameters. Contributions are received from other organisations to support the delivery of schemes with the main area being within the education programme with contributions made by individual schools and by developers.

5. LOCAL INVESTMENT

- 5.1 The current capital programme demonstrates the local investment that is taking place that adds value and economic benefit to the area. Examples of local investment are as follows:-

Greening Tameside - LED Street Lighting

The Council has agreed to replace all residential street lanterns with LED units. The Council faces many challenges in this area such as:

- Increasing energy costs, above the rate of inflation.
- Future carbon costs.
- Reduce carbon emissions targets.
- Reduce maintenance and operating costs.
- Achieve year on year savings.

This project is set to deliver all of the above targets and provide the residents of Tameside with state of the art lighting technology for the future.

The energy market is forecast to continue to rise above the rate of inflation, by installing LED technology we are reducing our energy consumption and therefore significantly reducing our exposure to this volatile market. Also, it is anticipated that street lighting energy will be subject to a CO2 emissions levy. In terms of financial savings, it is envisaged that for each lantern change the Council will save between 50% - 60% in energy costs and CO2 emissions per annum. In addition, further savings will accrue through the reduction of some cyclic and reactive maintenance activities and reduced demand for the purchase of materials such as lamps, control gear etc.

Improving Transport Infrastructure

- 5.2 After many years of campaigning and lobbying £170 million of investment has been announced to improve the Trans-Pennine road links between Manchester and Sheffield. This will include investment directly in Tameside on a new Mottram Moor dual carriageway and a single carriageway link road towards Glossop that will ease congestion in and around Mottram.

In March 2014 the Greater Manchester Local Enterprise Partnership and GMCA submitted a Growth and Reform Plan to Government setting out its aim to become “a financially self-sustaining city region”. The plan seeks a £400 million share of the Local Growth Fund to support the region’s transport and infrastructure requirements and within this, £32.7 million for a new Ashton Town Centre Interchange. It was announced in the summer of 2014 that this bid was successful.

The plans anticipate the old and dated bus station being completely rebuilt and moved closer to the new Metrolink tram stop, providing better access between the two by the end of 2017.

The completion of the interchange will enable the realisation of the full transport and economic benefits of the Metrolink extension to Ashton-under-Lyne and ongoing improvements to local rail services as a result of the continuing electrification of the Trans-Pennine line through Ashton-under-Lyne.

5.3 Vision Tameside

Tameside’s economic success is dependent on a step change in the approach to tackling the skills position of the Borough and the transformation of the Borough as a place for businesses to invest.

Recent work by GMCA and the Council has identified that the two key investment priorities for Tameside are our town centres, and improving and addressing the skills levels in the Borough.

Vision Tameside has the objectives of:

- Bringing Tameside College to the heart of Ashton – helping provide a basis for a robust retail and commercial core and generating significant economic impact.
- Revolutionising the delivery of higher level skills in the Borough, increasing aspiration and creating a solid base for future investment and prosperity in Tameside.
- Making cost savings to the Council’s revenue budget.
- Creating investment in other key town centres.

5.4 Schools Investment

The Council has successfully secured investment of £25 million to rebuild four other primary schools in the Borough through the Priority School Building Programme, which will address the forecast shortage of places for 5 year olds and support the Council’s commitment to improving educational achievement in the Borough. These four schemes will be delivered by

the Education Funding Agency (EFA) and will not be part of the Council's Capital Programme. However, the schools will be recognised on the Council's Balance Sheet following completion of the work.

5.5 Ashton Old Baths

Ashton Old Baths is a unique project to repair the external and internal fabric of the Grade II listed building. The building, built in 1870 and previously used as a Municipal Baths until the 1970s, has a domineering presence at the heart of the St Petersfield Business Quarter in Ashton and is currently in poor condition and on English Heritage's 'Heritage at Risk' register.

After 40 years of lying the Ashton Old Baths has been transported into a digital hub for small businesses and start-ups, providing them with some of the most powerful broadband connections in the country.

The Ashton Old Baths project aims to:

- Restore the derelict grade II listed major Tameside heritage asset to BREEAM "Very Good" standard and thereby securing its removal from English Heritage's 'Heritage at Risk' register.
- Secure the long-term future of Ashton Old Baths through the development of a business incubation centre with an operational structure in place for the sustainable use, management and maintenance of the building.
- Generate new business and over 60 new jobs (including 2 apprentices during the delivery phase) and help emerging businesses to grow.
- Create 605 sqm of flexible office accommodation for small to medium sized enterprises (SMEs) primarily in the creative, digital, and media sectors to encourage and support the growth and development of these sectors within Tameside.
- Provide high quality office space in flexible units with 136 sqm meeting room/conference space plus additional networking space.
- Create critical business space required to drive growth in the creative, digital, and media sectors of Tameside's economy.
- Create an innovation hub and creative hub that generates business to business activity, collaborations and new intellectual property.
- Enables Tameside to provide a ladder of progression for businesses in Tameside's creative, digital, and media sectors from start-up to high growth.

5.6 Active Tameside Investment

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.

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.

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.

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.

Provisional costs of the estimated budget for investment in the Active Tameside portfolio are included within the proposed capital programme to ensure funding is available and provided following the consultation.

PRUDENTIAL INDICATORS AND LIMITS

1.1 Prudential Borrowing

The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital plans of local authorities are affordable, prudent and sustainable and to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports these objectives.

To demonstrate that local authorities have fulfilled these objectives the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account. The Code does not include suggested indicative limits or ratios as these are for the local authority to set itself. The Prudential Indicators required by the Code are designed to support local decision making and are not comparative indicators.

This report recommends specific indicators for approval and an affordable borrowing limit for 2016/17. It also recommends an affordable borrowing limit for the Greater Manchester Metropolitan Debt Administration Fund.

Where appropriate the Council may undertake borrowing for external organisations, and this will be on the basis that the revenue costs are fully reimbursed. This will be done purely for policy reasons.

1.2 Matters to be taken into account

Prudential Indicators have been set having regard to: affordability, prudence, sustainability, value for money, stewardship of assets, service objectives and practicality.

Local authorities are required to encompass all aspects of the Prudential Code that relate to affordability, sustainability and prudence. When making a decision to invest in capital assets, the Council must ensure that it can meet both the immediate and long-term costs to ensure the long-term sustainability.

The Prudential Code requires local authorities to consider wider management processes i.e. option appraisal, asset management planning, strategic planning and achievability in accordance with good professional practice. The Strategic Planning and Capital Monitoring Panel together with the Asset Management Group is responsible for these areas.

1.3 Setting of Prudential Indicators

The Prudential Indicators for 2016/17 and the following two years must be set before the beginning of the forthcoming year and requires approval by Council as part of the budget approval process. The Section 151 Officer is responsible for ensuring that all matters required to be taken into account are reported to the Council for consideration.

The system requires a process for controlling unsupported borrowing. This ensures that all council borrowing remains affordable. The Section 151 Officer is responsible for this centralised control and has recommended approval of £35.884 million of unsupported borrowing in 2016/17, £33.775 million in 2017/18 and £7.891 million in 2018/19.

The Prudential Borrowing proposal is provisional as the Council will review its available resources at the end of each financial year. An assessment of the capital grants, contributions and capital receipts at year end may provide a more cost effective method of

financing the Council's capital expenditure. The Council will endeavour to keep Prudential Borrowing and the associated costs to a minimum by utilising other available resources.

1.4 Required indicators

The required Prudential Indicators are:

- Ratio of Financing Costs to Net Revenue Stream.
- Capital Financing Requirement.
- Capital Expenditure.
- Incremental impact of capital investment decisions.
- Operational Boundary and Authorised Limit on External Debt and other long term liabilities.
- Gross debt and the capital financing requirement.
- Upper and lower limits on interest rate exposures.
- Maturity structure of borrowing for the forthcoming financial year.
- Limit for total principal sums invested for periods longer than 364 days.
- Borrowing Limits in respect of Greater Manchester Metropolitan Debt Administration Fund (GMMDAF).

The actual indicators and the methodology used to arrive at them are set out below.

1.5 Monitoring, revising and reporting Prudential Indicators

The monitoring frequency for each Prudential Indicator is determined individually. Some are monitored daily as treasury management transactions take place and others less frequently. For some indicators e.g. net external borrowing, trigger points will be set within the monitoring process to highlight when the indicator limits could be breached and allow corrective action to be taken. The Section 151 Officer receives a monthly monitoring report reviewing all indicators.

The Section 151 Officer will report to Members on the performance of all Prudential Indicators as part of the Capital Programme monitoring process. Some of the Prudential Indicators may need to be revised during the year and these will require approval by the Overview (Audit) Panel. The indicators will continually change due to factors other than the level of borrowing e.g. – capital expenditure will change when additional grant resources are received.

1.6 Ratio of Financing Costs to Net Revenue Stream

Limit/indicator	2016/17 %	2017/18 %	2018/19 %
Ratio of financing costs to net revenue stream	8	9	10

This ratio represents the total of all financing costs e.g. interest payable and minimum revenue provision (MRP) that are charged to the revenue budget as a percentage of the amount to be met from Government grants and taxpayers (net revenue stream).

This ratio has been calculated based on the future year's level of borrowing set out at **Appendix 3** section 1.3.

1.7 Capital Financing Requirement (CFR)

The CFR is aimed to represent the underlying need to borrow for a capital purpose and is calculated from the aggregate of specified items on the balance sheet. The opening balance at the 01/04/16 has been estimated together with the movement in the CFR for future years.

Following accounting changes the CFR now includes any other long term liabilities (e.g. PFI schemes and finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

The CFR increases by the value of capital expenditure not immediately financed (i.e. borrowing) and is reduced by the annual MRP repayment. The estimated CFR is based on the same borrowing assumptions set out at Appendix 3 section 1.3.

1.8 Capital Expenditure

Limit/indicator	2016/17 £000	2017/18 £000	2018/19 £000
Capital expenditure	53,288	51,412	7,891

This is the estimate of the total capital expenditure to be incurred (from all funding sources) for future years and recommended for approval. This aligns to the total estimates for the capital programme as reported in **Appendix 2a**.

This estimate will continue to be updated as part of the monitoring process as new resources are subsequently notified.

1.9 Incremental Impact of Capital Investment Decisions

Limit/indicator	2016/17 £	2017/18 £	2018/19 £
For the Band D Council Tax	15	61	94

This is the estimate of the net incremental impact of the capital investment decisions, based on the level of borrowing set out in the report at Appendix 3 section 1.3 and reflects the total cost of this additional borrowing (interest payments and minimum revenue provision) less government supported borrowing, as a cost on Council Tax. The actual cost will depend on final funding.

1.10 Operational Boundary and Authorised Limit on External Debt and Other Long Term Liabilities

Limit/indicator	2016/17 £000	2017/18 £000	2018/19 £000
Operational Boundary for external debt	268,312	278,094	276,890
Authorised Limit for external debt	288,312	298,094	296,890

These limits include provision for borrowing in advance of our requirement for future capital expenditure. This may be carried out if it is thought to be financially advantageous to the Council.

The limits are made up as follows:

Limit/indicator	2016/17 £000	2017/18 £000	2018/19 £000
Estimated 31 March 2016	119,760		
Previous year Operational Boundary		268,312	278,094
Add debt maturing in year	54	5,096	0
Add borrowing for 2016/17 and previous years requirement not taken up	119,122		
Add borrowing in advance for 2017/18 and future years	33,739	10,000	10,000
Less already borrowed in advance for future years			
Less previous year maturing fall out		(54)	(5,096)
Less MRP	(4,363)	(5,260)	(6,108)
Operational Boundary - borrowing	268,312	278,094	276,890
Add allowances for cash flow etc.	20,000	20,000	20,000
Authorised Limit - borrowing	288,312	298,094	296,890

The allowance for cash flow is made up of 2 elements. (a). it is possible that a rescheduling exercise where we borrow prior to repayment could take place. We have allowed £10 million for this. (b). Normally the amount of investments that we currently hold would mean that there would be no need to borrow, however, an allowance of £10 million has been made for liquidity purposes.

We are also required to set operational boundaries and authorised limits for Other Long Term Liabilities (e.g. PFI schemes and finance leases), which are now shown on balance sheet, following recent accounting changes. The table below includes all current PFI schemes and finance leases in place, with an allowance of £1 million for any new agreements that may arise.

Limit/indicator	2016/17 £000	2017/18 £000	2018/19 £000
Operational Boundary for other long term liabilities	110,388	107,796	104,923
Add allowance for new agreements	1,000	1,000	1,000
Authorised Limit for other long term liabilities	111,388	108,796	105,923

The total authorised limit of £400 million (including both external borrowing and other long term liabilities should be set as the Council's affordable borrowing limit for 2016/17) as required under the provisions of the Local Government Act 2003.

1.11 Gross Debt and the Capital Financing Requirement.

Limit/indicator	2016/17 £000	2017/18 £000	2018/19 £000
Core capital financing requirement	199,173	230,911	259,643
Gross borrowing	199,173	230,911	259,643

To ensure that medium term debt will only be for a capital purposes, the Council will ensure that the gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement (CFR).

1.12 Upper and lower limits on Interest Rate Exposures

Limit/indicator	2016/17 £000	2017/18 £000	2018/19 £000
Upper limit for fixed interest rate exposure	199,173	230,911	259,643
Upper limit for variable interest rate exposure	66,391	76,970	86,548

These limits are in respect of our exposure to the effects of changes in interest rates. The limits reflect the net amounts of fixed/variable rate debt (i.e. fixed/variable loans less fixed/variable investments).

1.13 Maturity Structure of Borrowing for the Forthcoming Financial Year

These limits set out the amount of projected borrowing that is fixed rate maturing in each period expressed as a percentage of total projected borrowing that is fixed rate.

		Upper	Lower
Upper/lower limit for maturity structure	Under 12 months	15	0
	12 months and within 24 months	15	0
	24 months and within 5 years	30	0
	5 years and within 10 years	40	0
	10 years and above	100	50

Future fixed rate borrowing will normally be for periods in excess of 10 years, although if longer term interest rates become excessive, shorter term borrowing may be used. Given the low current long term interest rates, we feel that it is acceptable to have a long maturity debt profile.

1.14 Limit for Total Principal Sums Invested for Periods Longer than 364 days

2016/17 £m	2017/18 £m	2018/19 £m
30	20	10

At present we have no long term investments maturing in 2016/17 or beyond. Whilst we do not have any specific plans for more investments of this type, if interest rates and the security of the investment were favourable, it is possible that we might decide that maturities of greater than 1 year were prudent. However, it is felt that the amounts shown above should be the limits maturing in 2016/17, 2017/18 or 2018/19.

1.15 Borrowing Limits in Respect of GMMDAF

Operational Boundaries and authorised Limits must also be set for the Greater Manchester Debt Fund. The recommended limits are:

	2016/17 £000	2017/18 £000	2018/19 £000
Operational Boundary - borrowing	109,666	93,595	76,699
Authorised Limit - borrowing	124,666	108,595	91,699

The difference between the operational boundary and authorised limit allows for temporary cash flow shortages and debt rescheduling where loans are borrowed in advance. The authorised limit of £124.7 million should be set as the affordable borrowing limit for the GMMDAF for 2016/17 as required under the Local Government Act 2003.

The Code also requires compliance with the CIPFA Code of Practice for Treasury Management in the Public Services. The Council has adopted and adheres to this Code.

MINIMUM REVENUE PROVISION STATEMENT (MRP)

- 1.1 Regulations issued by the Department of Communities and Local Government in 2008 require the Council to approve a Minimum Revenue Provision (MRP) statement in advance of each year.
- 1.2 MRP is the provision made in the Council's revenue budget for the repayment of borrowing used to fund capital expenditure - the Council has a statutory duty to provide for an amount of MRP which it considers to be prudent. This provision must take into consideration the period over which the capital expenditure is likely to provide benefits to the authority.
- 1.3 Members must approve the MRP statement annually to confirm that the means by which the Council plans to provide for repayment of debt are satisfactory.
- 1.4 For 2016-17, the Council has adopted the following policy in relation to calculating the Minimum Revenue Provision:
 - Borrowing taken up prior to 01/04/2015 will be provided for using a straight-line method of calculating MRP. £185,215,128 will be provided for in equal instalments over 50 years which will result in an annual charge of £3.704m. The debt will be extinguished in full by 31 March 2065. If the Council elects to make additional voluntary MRP then the annual charge will be adjusted accordingly.
 - The following will be required in relation to borrowing taken up on or after 01/04/2015. 'MRP is to be provided for based upon the average expected useful life of the assets funded by borrowing in the previous year. The debt will be repaid on a straight-line basis over the average useful life calculated; the debt will be fully extinguished at the end of period. If the Council elects to make additional voluntary MRP then the annual charge will be adjusted accordingly.

APPENDIX 5


CAPITAL PROGRAMME 2016/17 - 2018/19 - detail

	ESTIMATE 2016/17 £000	ESTIMATE 2017/18 £000	ESTIMATE 2018/19 £000	TOTAL £000
CAPITAL PROGRAMME 2016/17 - 2018/19				
ADULT AND HEALTH SERVICES				
BCF ADULTS CAPITAL GRANT	650	0	0	650
ADULT AND HEALTH SERVICES Total	650	0	0	650
AIPM				
OPPORTUNITY PURCHASE FUND (INDIVIDUAL APPROVAL REQUIRED)	500	500	0	1,000
VISION TAMESIDE	16,806	17,293	0	34,099
PUBLIC REALM	0	2,631	0	2,631
AIPM Total	17,306	20,424	0	37,730
COMMUNITY SERVICES				
LIBRARIES IN THE 21ST CENTURY	573	0	0	573
COMMUNITY SERVICES Total	573	0	0	573
EDUCATION				
BASIC NEED - FUNDING STREAM	4,045	6,543	0	10,588
ALDER BUY OUT FITNESS CENTRE	1,000	0	0	1,000
HYDE TARGETED BASIC NEED NEW SCHOOL	608	0	0	608
ALDWYN PRIMARY ADDITIONAL ACCOMMODATION	1,477	0	0	1,477
DISCOVERY ACADEMY - REMODELLING/FURNITURE	115	0	0	115
MILTON ST JOHN CREATION OF BULGE CLASS	40	0	0	40
LIVINGSTONE REMODELLING/EXTENSION	345	0	0	345
ST JAMES' HATTERSLEY - ADDITIONAL CLASSROOM	220	0	0	220
ST DAMIAN'S CLASSROOM ALTERATIONS	250	0	0	250
EDUCATION Total	8,100	6,543	0	14,643
ENGINEERING SERVICES				
ASHTON NORTHERN BYPASS - STAGE 2	230	0	0	230
PINCH POINT SCHEMES	150	0	0	150
JUNCTION IMPROVEMENTS ON/OFF AT J23 M60	250	0	0	250
ASHTON TOWN CENTRE ACCESS IMPROVEMNTS	181	0	0	181
LED STREET LIGHTING INVESTMENT	4,470	0	0	4,470
HIGHWAYS MAINTENENANCE FUNDING	2,129	2,064	0	4,193
THE LONGDENDALE INTEGRATED TRANSPORT STRATEGY	480	0	0	480
THE LONGDENDALE INTEGRATED TRANSPORT STRATEGY NOTIONAL ELEMENT	0	7,809	0	7,809
POTHOLE FUNDING	1,000	0	0	1,000
ASHTON-STALYBRIDGE CYCLE ROUTE	400	0	0	400
DENTON LINK ROAD	1,159	0	0	1,159
CHALLENGE FUNDING	1,750	500	0	2,250
ENGINEERING SERVICES Total	12,199	10,373	0	22,572
ENVIRONMENTAL SERVICES				
CARBON REDUCTION - INVEST TO SAVE SCHEMES APPROVAL REQUIRED	311	0	0	311
GUIDE LANE FORMER LANDFILL SITE	469	0	0	469
RETROFIT (BASIC MEASURES)	327	0	0	327
ENVIRONMENTAL SERVICES Total	1,107	0	0	1,107
CONTINGENCY FOR ADDITIONAL CAPITAL SCHEMES				
ESTIMATED FUTURE BORROWING APPROVALS / RECEIPTS	3,785	4,279	5,000	13,064
REPAYMENT OF PRUD BORROWING	607	721	0	1,328
CONTINGENCY FOR ADDITIONAL CAPITAL SCHEMES Total	4,392	5,000	5,000	14,392
DEVELOPMENT AND INVESTMENT				
ASHTON TOWN CENTRE AND CIVIC SQUARE	2,600	0	0	2,600
DISABLED FACILITIES GRANTS	1,158	0	0	1,158

DEVELOPMENT AND INVESTMENT Total	3,758	0	0	3,758
<u>PUBLIC HEALTH</u>				
HYDE LEISURE PHASE 2	355	0	0	355
ACTIVE TAMESIDE WELLNESS CENTRE & WIDER INVESTMENT	4,848	9,072	2,891	16,811
PUBLIC HEALTH Total	5,203	9,072	2,891	17,166
Total	53,288	51,412	7,891	112,591

Agenda Item 5

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	14 March 2016
Executive Member/ Reporting Officer:	Cllr Jim Fitzpatrick - First Deputy (Performance & Finance) Peter Timmins – Assistant Executive Director (Finance)
Subject:	CAPITAL MONITORING REPORT – 31 DECEMBER
Report Summary	<p>This report summarises the capital monitoring position at 31 December 2015.</p> <p>The report shows projected capital investment of £45.545m 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:	<p>That the following recommendations as agreed by Council on 23 February 2016 be noted:</p> <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:	These are the subject of the report.
(Authorised by the Section 151 Officer)	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.
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, Assistant Executive Director, Finance by:

 phone: 0161 342 3864

 e-mail: peter.timmins@tameside.gov.uk

1. INTRODUCTION

- 1.1 This is the third capital monitoring report for 2015/16, summarising the position as at 31 December 2015. There will be one further monitoring statement during 2015/16, which will be Outturn (for the period to the end of March 2016) and the final outturn report. 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 £45.545m on capital investment by March 2016. At present, the £45.545m of investment is £9.806m less than the current programmed spend. 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.
- 2.2 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.
- 2.3 Table 1 below provides a high level summary of capital expenditure by service area.

Table 1: Overall capital monitoring statement, April-December 2015

CAPITAL MONITORING STATEMENT - DECEMBER 2015				
	Annual Budget	Actual	Projected Outturn	Projected Outturn Variation
	£000	£000	£000	£000
<u>PEOPLE</u>				
Children's	17,983	12,099	16,424	(1,559)
Community Services	372	119	251	(121)
Public Health	959	191	945	(14)
<u>PLACES</u>				
AIPM	12,975	2,945	8,977	(3,998)
Development & Investment	7,017	3,894	6,711	(306)
Digital Tameside	3,061	1,130	2,105	(956)
Engineering Services	8,878	4,041	8,683	(195)
Environmental Health	92	93	95	3
Operations	366	39	148	(218)
Transport	3,648	1,205	1,206	(2,442)
Subtotal	55,351	25,756	45,545	(9,806)
Unallocated	1,748			
Total	57,099			

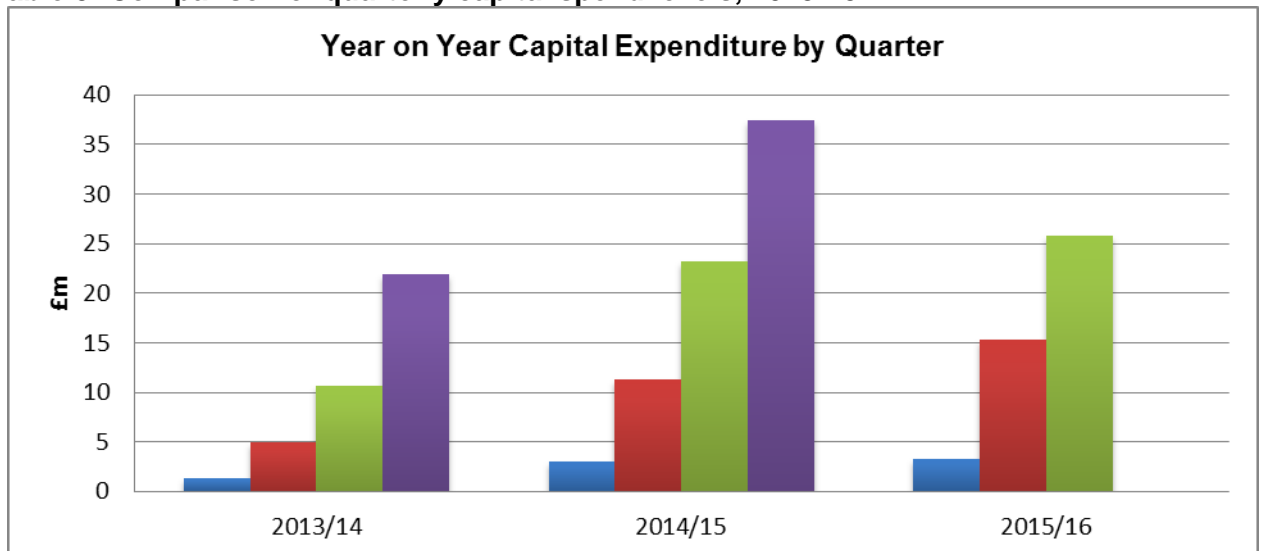
- 2.4 It is proposed that the capital investment programme is re-profiled to reflect current information. Proposed re-phasing of £9.181m into the next financial year will reduce this variation to £0.625m this is identified within the individual service area tables below.
- 2.5 Table 2 below shows the current Resources funding the 2015/16 Capital programme, including the unallocated funding streams. The resourcing structure, however, is not final and the Assistant Executive Director of Finance 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	26,040
Unsupported Capital Expenditure (Borrowing)	26,395
Revenue Contributions	2,723
Specific Capital Receipts	1,267
Capital Contributions	665
Supported Capital Expenditure	9
Total	57,099

- 2.6 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	5,062	5,829	(507)	(507)
Ashton Targeted Basic Need New School	2,175	2,153	2,099	(76)	(76)
Samuel Laycock Targeted Basic Need Extension	942	937	937	(5)	(5)
Short Breaks Centre At Cromwell Site	912	0	312	(600)	(600)
Building Schools For The Future Reserve - Funding Stream	683	0	683	0	0
Devolved Schools Capital	487	487	487	0	0
Yew Tree - Extension	469	469	469	0	0
Ict High Schools - Replacement Ict Servers	440	419	440	0	0
Specific Capital Reserve	403	0	403	0	0
Aldwyn Primary Additional Accommodation	400	119	400	0	0
Greswell Primary Roof Heating & Asbestos Removal	363	153	363	0	0
Milton St John Lighting	350	315	315	(35)	0
Two Year Old Entitlement Grant - Funding Stream	281	21	281	0	0
Primary Capital Programme - Russell Scott	276	13	276	0	0
Bradley Green - Roof Repairs	230	0	230	0	0
Other Minor Schemes	3,236	1,951	2,900	(336)	(521)
TOTAL	17,983	12,099	16,424	(1,559)	(1,709)

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

Explanation of Re-phasing at Quarter 2			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
Education	Short Breaks at Cromwell Site	The scheme proposes the purchase (and associated alteration works) of two in borough children’s residential properties and one property for in borough edge of care provision. It has proved difficult to date to identify suitable properties due to varying factors.	(600)

		It is expected that the purchase (and completion of associated alteration works) of one residential property will be completed by 31 March 2016. The balance of £0.600 million will need to be slipped to 2016/2017 to purchase the remaining two properties.	
Education	Hyde Targeted Basic Need New School	Funding re-profiling for the Discovery Academy is required because the costs for offsite highways works and additional site investigations did not get established until relatively recently.	(507)
Education	Hollingworth Kitchen and Dining refurbishment	This scheme is currently on hold as the school is subject to a PSBP bid and the kitchen work required may be completed as part of that project. If the funding is not utilised the expectation is that it would need to be returned to the DfE.	(118)

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	49	0	49	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	372	18	372	(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 6: 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	50	0	50	0	0
Active Playzone	711	119	711	0	0
Copley Leisure Centre Boiler Replacement	150	0	150	0	0
Droylsden Youth Centre	48	8	34	(14)	0
Total	959	127	945	(14)	0

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	1,156	4,200	(4,003)	(4,003)
Decant Costs	1,329	1,056	1,329	0	0
Opportunity Purchase Fund	573	146	573	0	0
Document Scanning	500	5	500	0	0
Building Fabric Works	563	289	563	0	0
Mottram Showground (Opf)	165	1	165	0	0
Wellington Works	131	7	131	0	0
Prep Of Outline Planning Applications	130	12	130	0	0
Energy Consumption Pilot Scheme Dukinfield Town Hall	110	64	110	0	0
Structural, Asbestos, Mechanical And Electrical Surveys	107	112	112	5	0

Dukinfield Crematoria Clock Tower	98	0	98	0	0
Development Of Former Stamford High School Site	50	37	50	0	0
Other Minor Schemes	991	60	991	0	0
Tac Cctv Upgrade	25	0	25	0	0
Total	12,975	2,945	12,975	(3,998)	(4,003)

Table 7b: AIPM Investment Programme – re-phasing

Explanation of Re-phasing at Quarter 3			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
AIPM	Vision Tameside	Project expenditure needs to be re-profiled due to the ongoing contract negotiations with the contractor.	(4,003)

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.

3.7 **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	2,477	1,303	2,439	(38)	
Ashton Old Baths	2,702	1,786	2,698	(4)	
Disabled Facilities Grants	1,410	863	1,427	17	
St Petersfield	200	(70)	75	(125)	(125)
Godley Hill Development And Access Road	112	0	0	(112)	(112)
Gm Broadband	54	0	54	0	
Longlands Mill	32	8	8	(24)	
Hyde Town Centre	27	3	10	(17)	
Ashton Market Hall Incubator Units	3	0	0	(3)	
Total	7,017	3,894	6,711	(305)	(237)

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

Explanation of Re-phasing at Quarter 3			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
Development and Investment	Godley Hill Development and Access	Project complete. Awaiting Regional Growth Fund Sign Off from DCLG on final figures for the scheme, budget to be transferred to 2016/17 until confirmation is received.	(112)
Development and Investment	St Petersfield	A review of the potential future compensation and land tribunal claims has been undertaken. The conclusion is that it is unlikely that any future compensation claims will be received however the sums within the St Petersfield budget have been set aside in order to mitigate against any future claims.	(125)

Digital Tameside

- 3.9 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	1,455	(642)	(642)
Working Differently - It Hardware & Software	819	297	550	(269)	(269)
My Home Finance	100	100	100	0	
Disaster Recovery Site	45	0	45	0	
Total	3,061	856	2,150	(911)	(911)

Table 9b: Digital Tameside Capital Investment Programme – re-phasing

Explanation of Re-phasing at Quarter 3			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
Digital Tameside	Working Differently	The variation of £269k at quarter 3 has arisen as a result of the information@work project which is now scheduled for 2016/17. As a result the budget has been re-phased to allow for spending in 2016/17.	(269)
Digital Tameside	ICT Enablement Project	The variation of £642k at Q3 has arisen as a result of project works which have commenced in 2015/16 but will run into 2016/17. Due to the nature of the project implementation is often phased over a number of months and as a result the costs	(642)

incurred will cross multiple financial years, resulting in the re-phasing of the budget. The works scheduled to be undertaken will continue to support the Vision Tameside project.

Engineering Services

- 3.10 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

Capital Scheme	Revised 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
Asda Roundabout	1,118	830	1,118	0	
Led Street Lighting Investment	530	13	530	0	0
Challenge Funding	750	9	750	0	0
Cycle City Ambition Grant	511	288	511	0	0
Bt Roundabout	424	494	494	70	
Principal/Nonprincipal Roads - Ashton	410	153	400	(10)	0
Denton Link Road	750	112	750	0	0
Principal/Nonprincipal Roads - Audenshaw	241	40	240	(1)	0
Mossley Road Retaining Wall Continuation Scheme	240	148	395	155	0
Principal/Nonprincipal Roads - Hyde	213	173	210	(3)	0
Shepley Bridge	200	103	140	(60)	0
Wilson Brook Culvert	200	3	15	(185)	0
Footway Works	200	194	200	0	0
Other Minor Schemes	3,091	1,483	2,930	(161)	46
Total	8,878	4,041	8,683	(195)	46

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	Wilson Brook culvert	Investigations have been undertaken at Wilson Brook Culvert which has identified that no further work is required at this site resulting in expenditure below budget. A report is to be tabled at Strategic Planning and Capital Monitoring Panel to request that £0.166m is allocated to an alternative scheme.	(185)

Engineering	Mossley Road Retaining Wall continuation scheme	Tenders have been returned for the scheme and are above estimated costs, the increased costs will be accommodated for from within overall structures budget.	155
Explanation of Re-phasing at Quarter 3			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
Engineering	Richmond Street Bridge	Richmond Street Bridge consists of three spans two of which are owned by Network Rail. Span 1 and 2 are owned by Network Rail, while span 3 is owned by Tameside. A report was approved by Strategic Planning and Monitoring Panel on 21st September 2015. Approval was granted for the Council to contribute £657,450 towards the reconstruction of this 3 span Bridge over the railway. The contribution is to be paid over three financial years at £219,150.00 per year. The first instalment of the contribution towards the construction of span3 is £159,150.00 and this is required earlier than anticipated, funding is therefore to be brought forward from 2016/17.	159
Engineering	Huddersfield Road Retaining wall	Ongoing design issues, liaison with the local residents regarding the demolishing of sheds and property issues within the vicinity of the retaining wall work have led to delays with the project that are expected to continue for some time. It is therefore proposed that the funding associated with the project is transferred to fund to a new project which is required on the retaining wall at King Edward Road Gee Cross, Hyde, a report is to be presented at SPCMP to seek approval of the virement. The Huddersfield Road project needs to be added to the future programme when the issues are resolved and new funding will need to identified.	(113)

Environmental Services

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

Table 11: 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	40	40	40	0	0
Retrofit (Basic Measures)	32	30	32	0	0
Carbon Reduction	0	0	0	0	0
Other Minor Schemes	20	23	23	3	0
Total	92	93	95	3	0

Transport

3.12 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	1,139	1,141	1	0
	2,508	66	66	(2,442)	(2,442)
Total	1,140	1,205	1,141	(2,441)	(2,442)

Table 12b: Detail of Transport Services Capital Programme – re-phasing

Explanation of Re-phasing at Quarter 3			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
Transport	Procurement of 58 Fleet Vehicles	There will not be any more spend in 15/16. There are currently another 2 vehicles on order but due to build times delivery is not expected until May and the remaining vehicles to be procured are still subject to tender or waiver and have therefore not been ordered yet.	(2,442)

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 constructed 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 and subject to litigation.

Denton Link Road

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

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 and it was necessary for the Council to agree to the construction of a replacement building. The outstanding issue has been the transfer of legal ownership of the site from the Council to the trustees. This has taken considerable time, to the concern of the external auditors owing to snagging issues, which have yet to be resolved by the trustees and the contractors. To which the Council is not a party. The trustees have now accepted this and the transfer has now been 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 £6.986m 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 £6.496m have been generated to date from the disposal of Council assets, with a further £5.388m 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 January 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 Q2			71,116	49,016	34,531	154,663
A) Increases to the Programme						
Adult Services	Bcf Adults Capital Grant	Grant		650		650
Dev & Investment	Disabled Facilities Grants	Grant	89	1,158		1,247
Education	Active Tameside Wellness Centre & Wider Investment	Corporate		4,848	9,072	13,920
Education	Mottram Primary - Production Kitchen (Uifsm2)	Grant	90			90
Education	St James' Hattersley - Production Kitchen (Uifsm2)	Grant	106			106
Education	Broadoak Primary School - Ff&E For New Building	Grant				0
Education	Hyde Targeted Basic Need New School	Contributions		302		302
Operations	Rocher Vale & Hulmes and Hardy Wood	Contributions	80			80
			365	6,958	9,072	16,395
B) Reductions in Programme						
Education	Active Tameside Centre	RCCO	(8,400)			(8,400)
Education	Active Tameside Centre	Corporate	(10)			(10)
Dev & Investment	Ashton Old Baths	Grant	(999)			(999)
			(9,409)	0	0	(9,409)
C) Funding Transfers in Programme						
AIPM	Building Fabric Works	Corporate	(102)			(102)
Dev & Investment	Ashton Town Centre And Civic Square	Corporate	(2,600)	2,600		0
Dev & Investment	Ashton Old Baths	Corporate	688			688

Digital Tameside	Disaster Recovery Site	Corporate	45			45
Education	St James' Hattersley - Additional Classroom	Grant		220		220
Education	Basic Need - Funding Stream	Grant		(614)		(614)
Education	Livingstone Primary Retaining Wall	Grant	(3)			(3)
Education	Seed Challenge: Gorse Hall - Toilet Refurbishment	Grant	(3)			(3)
	Disabled Access Works At Hurst Knoll, Stalyhill		40			40
Education	Infants And Bradley Green	Grant				
Education	Capital Maintenance - Funding Stream	Grant	(63)			(63)
Education	Oakdale Internal Refurbishment	Grant	(12)			(12)
Education	Ict High Schools - Replacement Ict Servers	Grant	40			40
Education	St Damian'S Classroom Alterations	Grant		250		250
Education	Hyde Targeted Basic Need New School	Grant		150		150
Education	Buckton Vale Furniture	Grant	(5)			(5)
	The Longdendale Integrated Transport Strategy (Notional Element)	Corporate		(7,809)	7,809	0
Engineers	The Longdendale Integrated Transport Strategy	Cap Receipts	(480)	480		0
Engineers	Ashton Town Centre Access Improvements	Grant	(181)	181		0
Engineers	Led Street Lighting Investment	Corporate	(470)	470		0
Engineers	Denton Link Road	Grant	441	(441)		0
Engineers	Challenge Funding	Grant	(250)	250		0
Engineers	Working Differently - It Hardware & Software	Corporate	(60)			(60)
Environmental Services	Carbon Reduction - Invest To Save Schemes Approval Required	Corporate	(311)	311		0
Environmental Services	Retrofit (Basic Measures)	Grant	(327)	327		0
Environmental Services	Guide Lane Former Landfill Site	Corporate	(469)	469		0
Neighbourhoods	Implementing The New Library Offer	Corporate	(180)			(180)
Neighbourhoods	Libraries In The 21St Century	Corporate		333		333
Neighbourhoods	Libraries In The 21St Century	Corporate		240		240
Public Health	Hyde Leisure Phase 2	Corporate	(355)	355		0
Resources	Estimated Future Borrowing Approvals / Receipts	Corporate	(356)	(608)		(964)
			(4,973)	(2,836)	7,809	0

Net Changes to Programme	(14,017)	4,122	16,881	6,986
Capital Programme 2015/16 Q3	57,099	53,138	51,412	161,649

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 06/01/2016			
	limit	Actual @ 06/01/2016	amount within limit
	£000's	£000's	£000's
Operational Boundary for External Debt	£237,319	£119,967	-£117,352
Authorised Limit for External Debt	£257,319	£119,967	-£137,352
Upper Limit for fixed	£211,163	-£30,772	-£241,935
Upper Limit for variable	£63,349	-£13,498	-£76,847
Capital financing requirement	£211,163	£207,906	-£3,257
Capital expenditure	£53,763	£45,659	-£8,104

Prudential Indicators

Gross borrowing and the capital financing requirement	cfr @ 31/03/15 + increase years 1,2,3	Gross borrowing @06/01/2016	amount within limit
	£000's	£000's	£000's
	£211,163	£119,967	-£91,196

Maturity structure for borrowing 2015/16

Fixed rate		
Under 12 months	0% to 15%	0.91%
12 months and within 24 months	0% to 15%	5.25%
24 months and within 5 years	0% to 30%	1.06%
5 years and within 10 years	0% to 40%	4.31%
10 years and above	50% to 100%	88.48%

Agenda Item 6

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date :	14 March 2016
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
Report Summary:	<p>The Council's Executive Cabinet approved the Stage 2 submission from the LEP for the Vision Tameside Phase 2 project and gave delegated approval for contract award, subject to further negotiation, at its meeting on 16 December 2015.</p> <p>This report provides a further update on project development, costs, delivery timescales and risks associated with the project. It also provides a further update on the project development work for the associated public realm and infrastructure improvements in the town centre.</p>
Recommendations:	<p>That the Panel consider the contents of the report and recommends to Executive Cabinet to:</p> <ol style="list-style-type: none">1. Note the progress with the delivery of the Vision Tameside Phase 2 scheme.2. Note the progress with the development of a vision and business plan for the future use of Ashton Town Hall.3. Note the progress with the development of the Ashton Town Centre public realm project.4. Note the budget of £5,560,726 for the Ashton Market Square re-development project which is contained in the funding envelope within the Ashton Town Centre capital scheme.
Links To Community Strategy:	Prosperous Tameside
Policy Implications	In line with approved policy
Financial Implications: (Authorised By The Section 151 Officer)	<p>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. As the programme progresses and firm costs are determined, there will be variations which will require approval.</p> <p>There are still significant risks to construction costs related to further design development, the exposed Ashton Town hall façade, any issues which arise during demolition of TAC and the cost of the college element of the new building, particularly related to the level of fitted furniture required. Any additional costs will need to be delivered from the remaining contingency to ensure that the project remains within the overall approved budget. The current approved budget is as follows:</p>

Budget Heading	Approved Budget December 2015 £
Construction/Demolition	36,694,792
TMBC Furniture Budget	1,500,000
Inflation Contingency	2,294,291
Total Construction Costs	40,489,083
Additional Asbestos Removal Claim 1 & 2	706,997
Total	41,196,080
Less SFA grant	-4,000,000
Cost paid by partners for furniture	-287,000
TMBC Construction Contingency	250,000
Net Construction Costs	37,159,080
Decant / condition works	2,764,452
Co-op bank termination of lease	100,000
Programme Management	100,000
Fit out costs of temporary store re Early Lease termination – Wilkos	832,978
College Fixed Furniture and Equipment	300,000
Fit Out Costs - Early Wilko's Lease Termination	859,900
Public Realm Works	2,631,000
Document Scanning	250,000
Potential Loss of profits Wilko's	550,000
Legal Costs of Construction Works	50,000
IT Enablement	2,194,000
Programme Contingency	882,384
Total	48,673,794

In addition to the Vision Tameside Phase 2 programme, capital funding has already been approved for improvements to the public realm within the Ashton Town Centre project. The Ashton Town Centre capital scheme has an approved budget of £5,560,726.

The total therefore currently approved for the Public Realm is:

Vision Tameside	£2,631,000
Ashton Town Centre	£5,560,726
Total Available Budget:	£8,191,726

Capital funding (net)	2015-16	2016-17	2017-18	Total
Unsupported	£000's	£000's	£000's	£000's
<i>Vision Tameside</i>	8,203	16,806	17,293	42,302
Public realm	-	-	2,631	2,631
Prior year 2013-14				135
Prior year 2014-15				3,066
	8,203	16,806	19,924	48,134
Revenue				
Loss of profit				550
Legal costs				50
Total funding				48,734

Capital funding	2015-16	2016-17	2017-18	Total
Unsupported	£000's	£000's	£000's	£000's
Ashton Town Centre	2,477	2,600	-	5,077
Prior year 2014-15				483
				5,560

It is anticipated that the estimated spend on Public Realm is £9,655,383 as outlined at paragraph 8.3, therefore there is a projected shortfall of £1,463,657.

Potential third party funding is currently being pursued to meet this shortfall, this is set out at paragraph 8.4. The following table provides a breakdown of this potential funding:

TfGM	£1,152,921
Network Rail	£450,085
Potential Third Party Funding	£1,603,006

If the potential third party funding is not secured then a decision will be required to reduce the scope of the works.

It is important that regular monitoring of all expenditure budgets, value for money and inflation projections are maintained throughout the programme.

Work is underway to complete the agreement for lease and lease with the college, CCG and JCP; it is important that these are completed as soon as possible so that the capital and revenue implications of the programme can be confirmed.

There are a number of significant risks which need to be mitigated by contractual arrangements to reduce the risk of the project becoming over budget and needed to be scaled back which may impact on the realisation of all benefits including leases with third parties, resolving college FFE ambitions, closing out building contract and fixing price and public realm. This needs to be project manage carefully to ensure appropriate transfer of risk.


**Legal Implications:
(Authorised By The
Borough Solicitor)**

Risk Management:

The key risks, impact and mitigation proposed are included in the report at Section 10.

Access To Information:

The background papers relating to this report can be inspected by contacting the report writer Damien Bourke, Assistant Executive Director, Development, Growth and Investment by:

 Telephone: 0161 342 3544

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

1. INTRODUCTION

- 1.1 The second phase of Vision Tameside creates a new Advanced Skills Centre for Tameside College alongside a new Joint Public Service Centre for the Council and its partners. Work on the scheme has progressed significantly since the last report to the Strategic Capital Panel on 30 November 2015.
- 1.2 At its meeting on 16 December 2015, the Council's Executive Cabinet approved the following recommendations in respect of the scheme:
- i. Note the Stage 2 Cost Plan Review report prepared by the Sweett Group 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
 - ii. Accept the Stage 2 submission by the Tameside Investment Partnership in respect of the Vision Tameside Phase 2 building subject to further negotiation
 - iii. Approve the payment of the costs incurred in reaching Stage 2 of £1M to the Tameside Investment Partnership
 - iv. Note the draft Stage 2 Strategic Business Case prepared by Genecon which confirms that the project is supported by a compelling case for change, represent best public value, is commercially viable, affordable and achievable
 - v. Approve the virements as set out in table 1 of the Executive Cabinet report
 - vi. 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 construction budget of £41,196,080
 - vii. 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
 - viii. 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
 - ix. Approve the establishment of the Vision Tameside Project Board.
- 1.3 This report provides a further update on project development, costs, delivery timescales and risks associated with the project. It also provides a further update on the project development work for the associated public realm and infrastructure improvements in the town centre.

2. VISION TAMESIDE PHASE 2 - PROGRESS UPDATE

- 2.1 A detailed update on the physical progress made to date was provided at 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:
- Demolition phase – Demolition of TAC on site and progressing well
 - Telecommunications masts – All equipment removed from TAC following lease termination.
 - Asbestos – Additional asbestos was discovered in the TAC building, which had not

been indicated in previous site investigation reports, which has had a significant impact on the demolition programme and potential cost increases to the Council. Negotiations are ongoing to reach agreement on the allocation of liability for the additional costs under the terms of the Strategic Partnering Agreement.

- Commercial negotiations have commenced with the three main tenants on their lease agreements and Heads of Terms provided so that agreement can be reached prior to the award of the Design and Build contract scheduled for the 4 April 2016.
- The overall scope of the building has not changed and remains as approved.
- The following value engineering items have been approved since the Stage 1 report to ensure that the scheme is deliverable within its overall cost envelope:
 - Window reveals and cill detailing
 - Internal glazing specifications
 - Attenuation solution
 - Internal floor finishes / internal doors specifications
- 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 a prudent amount for contingency has been allowed for this.
- The analysis of furniture, fittings and equipment, for all elements of the scheme, was completed as part of the Stage 2 submission. The original £1.5 million budget for the Council and partners 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.
- The cost of the college furniture has recently been confirmed as significantly in excess of the agreed budget of £300K. The total College costs for FF&E are projected as £2.2 million. Negotiations are ongoing with the College in order to reach agreement about how these costs will be apportioned between the Council and the College.
- Costs of the fit out of Wilkos is likely to decrease slightly, as their specification for fit out has reduced, however Wilko's have advised that their trading figures confirm (this is subject to verification by the Council) that their loss of revenue is likely be as initially projected.
- To meet the requirements of the Greater Manchester Combined Authority (GMCA) and the Skills Funding Agency (SFA), a due diligence process has commenced and an independent Project Monitor has been appointed to provide independent advice to GMCA/SFA.

3. WORKS PROGRESS

- 3.1 Carillion Building submit monthly update reports to the Council, which provide an update on the works progress, starting with the demolition programme and including incidents and accidents.
- 3.2 The reports also provide a summary of the ongoing partnership work with the Council to maximise opportunities for local employment, apprenticeships, work placements and local supply chains.
- 3.3 A recent reported incident occurred on 9 February 2016 and resulted in some damage to the rear of the old Town Hall. This occurred during demolition works but has no adverse impact on the overall demolition programme. A temporary works solution to support the wall prior to deconstructing / re-building damaged area, is planned to be in place by the end

of February. Further work is also being undertaken to identify the most effective solution for the deconstruction and re-building of the damaged area.

- 3.4 These works may well include removing the outer leaf of bricks, propping and replacing. However this leaves us with an important question to resolve in terms of the future use of the town hall and potential works in the same part of the building.

4. FUTURE USE OF ASHTON TOWN HALL

- 4.1 Running alongside the Vision Tameside Phase 2 project is a separate study to explore the potential for optimising the future use of Ashton Town Hall. This study, being undertaken by Creative Heritage Consultants, will help the Council to develop a vision and business plan for the future use of this important historic building.
- 4.2 The use of a large part of the old town hall will immediately be compromised as soon as the TAC building is demolished given the upper floors utilised TAC as fire escape. If those floors are to be utilised in future particular attention must immediately be given to accessing the upper floors and resolving this issue. The second related issue will be the rear façade of the old town hall and its relationship with the new build and the new public realm.
- 4.3 Ryder's Architecture, the architects for the Vision Tameside Phase 2 building, are supporting the study and developing design options and costings. This work will assist the Council in achieving its aspirations for the future use of this key Council asset in a manner that complements the new building and other key developments.
- 4.4 Whilst the plan was always to minimise disruption in the town centre and hold off carrying out any fundamental works to the Town Hall until completion of the new Council Offices it may be prudent, due to the recent damage to the building, to accelerate this project and reach a decision on the future use of the building much earlier. This could minimise the need for abortive remedial works to be carried out and provide an opportunity to secure external funding support.
- 4.5 Details of any emerging vision and business plan for the future re-use of the Ashton Town Hall building will be the subject of a future report.

5. SCHEME PROGRAMME

- 5.1 The scheme is currently 8 weeks behind the demolition and enabling works contract programme. The delays to the programme are a direct result of the identification and subsequent removal of asbestos identified in the refurbishment and demolition reports. It is expected that the demolition programme can be reduced to a three-week delay due to a change in the demolition methodology. The incident with the old town hall will not affect the programme unduly as it is the demolition of the Tower which is on the critical path - we have more time to deal with the other facades.
- 5.2 The updated programme for the scheme is shown in the table below. This shows a revised completion date for the construction of the new building as March 2018 with recant and occupation completed by September 2018.

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
Demolition Phase	Demolition complete	24 June 2016
Stage 2 Costs	Approval	December 2015
Contract Negotiation	Financial close / contract award	4 April 2016
Future Use of ATH	Feasibility study complete	February 2016
Construction Phase	Construction phase starts	27 June 2016
Construction Phase	Completion	March 2018
Recant Phase	Recant commences	April 2018
Recant Phase	Recant completes	September 2018

6. FINANCIAL IMPLICATIONS

- 6.1 The projected costs of the scheme 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 LEP and Carillion Building.
- 6.2 There is still significant work to be undertaken to contain the project costs within the original budget and negotiations are ongoing with the LEP in order to reach a satisfactory commercial offer. These negotiations are in line with the recommendations made by Sweett Group as part of the Stage 2 cost review.
- 6.3 The costs approved by the Council's Cabinet Executive in December 2015 are shown in the table below:

Budget Heading	Approved Costs December 2015 £
Construction/Demolition	36,694,792
TMBC Furniture Budget	1,500,000
Inflation Contingency	2,294,291
Total Construction Costs	40,489,083
Additional Asbestos Removal Claim 1 & 2	706,997
Total	41,196,080

Less SFA grant	-4,000,000
Cost paid by partners for furniture	-287,000
TMBC Construction Contingency	250,000
Net Construction Costs	37,159,080
Decant / condition works	2,764,452
Co-op bank termination of lease	100,000
Programme Management	100,000
Fit out costs of temporary store re Early Lease termination – Wilkos	832,978
College Fixed Furniture and Equipment	300,000
Fit Out Costs - Early Wilko's Lease Termination	859,900
Public Realm Works	2,631,000
Document Scanning	250,000
Potential Loss of profits Wilko's	550,000
Legal Costs of Construction Works	50,000
IT Enablement	2,194,000
Programme Contingency	882,384
Total	48,673,794

- 6.4 One element of additional income that has not been taken into account in the table above is the projected £187,000 rental income from the proposed CCG and JCP tenancies. This income could potentially support an additional, £1.87 million capital expenditure, however this will need to be considered against the need to meet further revenue budget reductions in 2018 and future years.

7. PUBLIC REALM UPDATE

- 7.1 Improvement to the public realm is critical to the success of the Vision Tameside programme as the works will underpin current and future investment opportunities thereby creating a distinctive and high quality environment for the town centre.
- 7.2 One of the fundamental issues to resolve is the bus routing strategy in the Northern Core area of Ashton. The principle criteria is the need to establish a civic and educational zone in the area which creates the right environment for pedestrians, shoppers and students whilst providing clear flows between our public transport assets in this area. The northern bypass, will need to take a greater share of the private and public vehicle traffic utilising this area. Discussions are underway with TfGM, Mott MacDonalds and Stagecoach and First Group to plan for this.
- 7.3 Significant progress has been made to further develop the public realm project since previous reports, including:
- Monthly Task Group meetings involving representatives from the Council, Ryders Architecture, Tameside College and Carillion, to refine the project scope, costs and programme.
 - The Council has commissioned Mott MacDonalds to undertake an Options Review to consider a range of interventions to reduce the impact of vehicle movements on Wellington Road. This is in the context of emerging developments affecting footfall and public transport demands within the Wellington Road area.
 - Engagement with key stakeholders to identify a high quality material palette to be delivered across the public realm area.
 - Engagement with key stakeholders to identify a funding package. This is being

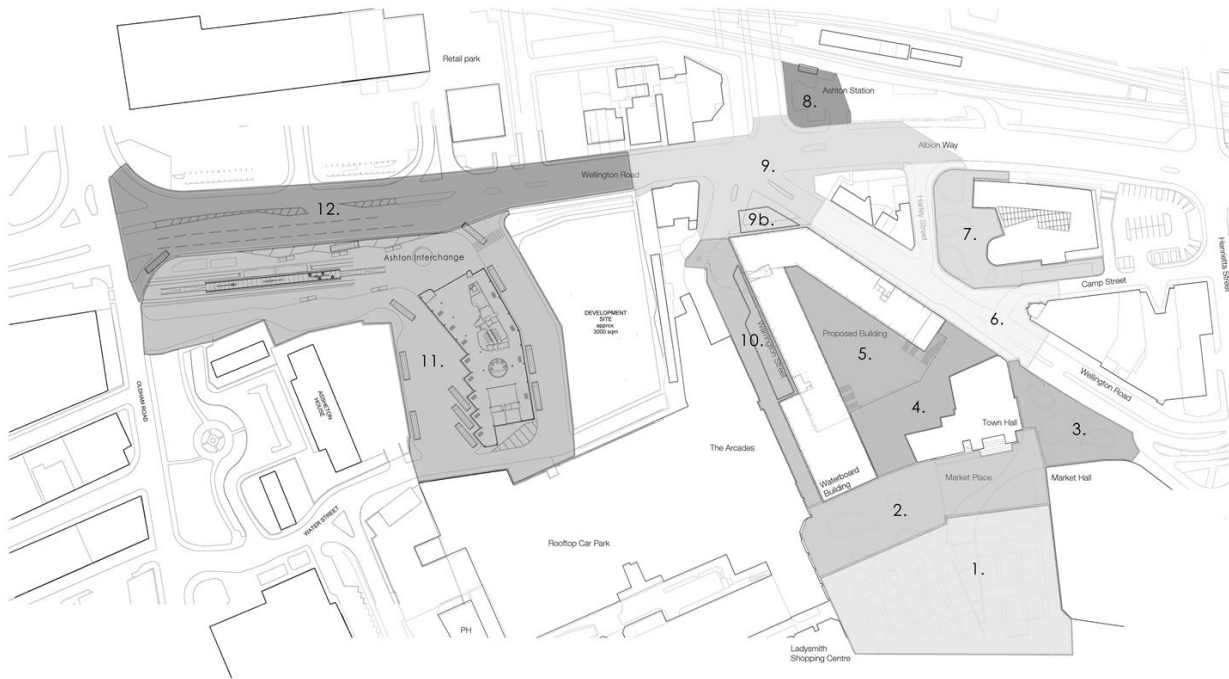
continually refined as the project is developed.

- Development of a draft public realm construction programme in consultation with Carillion Building.

7.4 The project area has been split into 10 Zones to effectively manage and co-ordinate project development, delivery and phasing. **Figure 2** provides a Zoning Plan for the project area and helps to demonstrate the impact and integration of the 10 identified Zones.

7.5 Zones 11 and 12 are currently outside the scope of the project but have been included to highlight the connection with the project area and ensure appropriate links are maintained.

Figure 2 – Public Realm Zones



7.6 The table below provides a summary of the outline proposals for each of the 10 Zones and a status and progress update respectively.

Outline Proposal by Zone			
Zone	Scheme	Outline Proposals	Next Steps
1	Market Square	New market stalls and kiosks, public realm and lighting	<ul style="list-style-type: none"> • Works on site and progressing well • Approval for revised project budget • Completion Summer 2016
2	Civic Square	High quality public realm including landscaped areas, trees, street furniture and lighting	<ul style="list-style-type: none"> • Concept Design complete • Complete detailed costings once design fixed • Completion post 2018 (site compound)
3	Market Square Approach (former mayoral	High quality public realm, street furniture, landscaping and lighting providing	<ul style="list-style-type: none"> • Concept Design complete • Complete detailed costings once design fixed

	parking area)	gateway into the new Market Square	<ul style="list-style-type: none"> • Completion post 2018 (site compound)
4	Rear of Town Hall	High quality public realm providing an attractive route from Wellington Road to Market Square	<ul style="list-style-type: none"> • Detailed design completed by Ryder's Architecture in consultation with the AMS project team to ensure materials complement the high quality being delivered at AMS • Planning approval secured • Decision to be taken on delivery of public realm within the red edge boundary by September 2016 • Works to be delivered to coincide with the opening of the VTP2 building
5	VTP2 Deck area	Decked area incorporating high quality public realm	<ul style="list-style-type: none"> • Detailed design completed by Ryder's Architecture in consultation with AMS project team to ensure materials complement the high quality being delivered at the AMS development site • Planning approval secured • Works to be delivered to coincide with the opening of the VTP2 building
6	Wellington Road, Harley Street, Camp Street	Pedestrianisation of an area along Wellington Road between VTP1 and VTP2 buildings. Options being considered to accommodate essential vehicle movements	<ul style="list-style-type: none"> • A range of intervention options have been considered and these are discussed in more detail at section 7.7 • Depends on bus routing strategy adopted
7	Camp Street in front of new College building	High quality public realm to complement the wider public realm enhancing links to the VTP2 building and train station	<ul style="list-style-type: none"> • Consultation underway with Tameside College to agree design of public realm • Works scheduled for June 2017 – September 2017 subject to exam timetable
8	Railway Station Plaza	Pedestrianised area in front of the entrance, creating an attractive, prominent and welcoming route into the station	<ul style="list-style-type: none"> • Arriva identified as new operator from April 2016, therefore negotiations planned to recommence, at this time, to secure agreement for improvements and associated funding • Bridge replacement by Network Rail in summer 2017. Discussions ongoing to negotiate additional works to improve the entrance plaza
9/9b	Turner Lane Junction	Redesign and rationalisation of the junction. Partial closure of Turner Lane	<ul style="list-style-type: none"> • UTC modelling of junction under two scenarios complete. Both involve reducing the number of

		being considered	“arms” at the junction <ul style="list-style-type: none"> • Further design development to be undertaken
10	Warrington Street	To provide a well-connected setting for new developments.	<ul style="list-style-type: none"> • Concept Design complete • Complete detailed design to complement wider public realm by April 2016 • Consider introduction of staggered tree planting along Warrington Street to improve pedestrian comfort as recommended by Arup, following completion of the wind analysis report • Completion likely to be post 2018 completion of the building in phases.

7.7 Wellington Road (Zone 6) is a key route within Ashton Town centre, providing access to key development sites and visitor attractions. The route is well used by buses, pedestrians and a mixture of service and access vehicles. This incompatible mixture of pedestrians and vehicular traffic, along with the volume and speed of vehicles using the route, has led the Council to commission Consultants to undertake an Options Review.

7.8 The Options Review considered a number of interventions to influence vehicle movements and associated conflict issues on Wellington Road itself. The options identified have been developed under the themes of reducing the impact of vehicles currently using the route, adapting the local environment to reduce the prominence given to the street’s movement function and reducing or removing traffic using the route.

7.9 The preferred option will address the impact of vehicle movements on Wellington Road by closing it to all vehicular movements between Harley Street and Camp Street.

8. PUBLIC REALM - COSTS AND FUNDING

8.1 The projected costs associated with indicative public realm zones were first reported at the Joint Meeting of Executive Cabinet and Overview Panel on the 4 February 2014.

8.2 Since this time approval was given, by the Executive Cabinet on the 21 October 2015, to develop the plans for the 10 zones identified in section 8.3 of this report. This work has included the development of a funding package to deliver an ambitious public realm programme.

8.3 The table below provides details of the potential funding package:

Zone	Total Estimated Cost	Potential Funding Source	Approved Budget	Variation / Funding Status Unconfirmed
	£		£	£
1	4,016,547	ATC PR	4,016,547	0
2	1,544,179	ATC PR	1,544,179	0
3	575,000	VTP2 PR	575,000	0
4	N/A	Included in VT Construction	N/A	N/A
5	N/A	Included in VT Construction	N/A	N/A
6	720,374	VTP2 PR	720,374	0
7	475,000	VTP2 PR	475,000	0
8	450,085	Network Rail	0	450,085
9	821,583	VTP2 PR	283,099	0
		TfGM Growth Fund	0	538,484
9b	N/A	VT Construction	N/A	N/A
10	438,178	VTP2 PR	438,178	0
Road alterations	422,284	TfGM Growth Fund	0	422,284
Design, supervision, contingencies	192,153	TfGM Growth Fund	0	192,153
Total	9,655,383		8,052,377	1,603,006

Key

ATC PR	-	Ashton Town Centre Public Realm
VTP2 PR	-	Vision Tameside Phase 2 Public Realm Budget
VT Construction	-	Vision Tameside Construction Budget
TfGM Growth Fund	-	Transport for Greater Manchester Growth Fund

8.4 The table below provides a summary of the potential funding package:

	Total Estimated Costs £	Total Potential Funding £	Approved Budget £	Unconfirmed Budget Awaiting Approval £	Variation £
Estimated Public Realm Costs	9,655,383				
Budget Approved – ATC PR			5,560,726		
Budget Approved – VTP2PR			2,631,000		
Sub Total			8,191,726		
Unconfirmed Budget – TMBC				0	
Unconfirmed Budget – TfGM				1,152,921	
Unconfirmed Budget – Network Rail				450,085	
Sub total				1,603,006	
Total Potential Funding		9,794,732			
Total Variation Estimated costs less potential funding(surplus) / deficit					(139,349)

- 8.5 In summary, the estimated costs to deliver the full public realm programme are approximately £9.7 million and to date confirmed Council budgets total £8.191 million.
- 8.6 The funding package relies on financial contributions of £1.603 million approximately from external sources, namely:
- i. GM Growth Fund programme (£1,152,921) - a business case has been submitted to TfGM for consideration through the GM Growth Fund programme and a decision is expected by early April 2016.
 - ii. Network Rail (£450,085) – negotiations are ongoing to encourage investment to improve the station plaza at the same time as they are carrying out bridge replacement works at Turner Lane and the train station.
- 8.7 If we are unsuccessful in securing partner contributions the scope of the project could be reduced in order to ensure works are delivered within the current budget allocation.
- 8.9 We are however keen to explore the potential for delivering a more ambitious public realm programme as a reduced scope is unlikely to create the transformational impact and benefits required for the economic growth of Ashton Town centre and Tameside.
- 8.10 It is important that any public realm works complement the high quality scheme being delivered at Ashton Market Square. Works are progressing well and the high quality kiosks and paving delivered to date is already having a positive impact on the area.
- 8.11 The original budget for the Ashton Market Square project was £4.5m based on estimated costs for completing Phase 1 in summer 2016 and projected costs for Phase 2. Since this time the costs have been refined and more detailed projected costs have been obtained for the works to Phase 2 which will be completed in 2019.

- 8.12 The current projected costs to complete Phase 1 and Phase 2 of this project are £5,560,726.
- 8.13 These increased costs can be contained in the funding envelope within the Ashton Town Centre corporate budget.

9. PUBLIC REALM - PROGRAMME

- 9.1 The emerging draft programme for the public realm project is as follows:

Zone	Target Start Date	Target End Date
1	On site	September 2017
2	July 2018	July 2019
3	April 2019	August 2019
4	August 2017	October 2017
5	Part of VTP2 Construction Programme	n/a
6	November 2017	April 2018
7	June 2017	September 2017
8	Negotiations ongoing with Network Rail	tbc
9b	October 2017	December 2017
9	Turner Lane Bridge replacement by Network Rail Summer 2017	tbc
10	December 2017	June 2018

- 9.2 This programme is based around Carillion's construction programme giving earliest start dates to the Zones that interface with their site boundary. However due to the need to ensure access for construction and maintaining pedestrian and vehicular access and safety around the town centre, the programme can only be finalised after the commencement of the construction phase of the Vision Tameside Phase 2 building.
- 9.3 For the same reasons, major elements of the programme can also only commence following the completion of the Vision Tameside Phase 2 building.

10. RISKS

- 10.1 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 the table below.

Risk	Potential Impact	Mitigation
Inflation	Increase in construction costs beyond funding levels approved in	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

	the capital programme.	building in 4 April 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	Clear project governance 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 delay in programme	Trial bore holes have not revealed any significant issues. A dark ground survey is due to start week commencing 22/02/16. A construction contingency of £250,000 has been provided.
Failure to sign the building contract with the TIP in April 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 in	Increase in scope and cost.	Lease negotiations have commenced and the Vision Tameside Working Group have clear milestones to achieve.

April 2016		
Works to the retained Ashton town Hall	Increase in cost and potential delay in programme.	The initial separation works undertaken revealed that there is a cavity between the TAC and Ashton Town Hall building. However an incident on site on the 9 February caused damage to the Old Town Hall. This has not however had an adverse impact on the demolition programme and the Council is awaiting costs to remedy the damage and protect the listed building against any further damage. These costs are expected to be borne by the demolition contractor.
Reduction of footfall during construction	Reduction in trade for local shops and businesses.	A shop local 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 the Council.
VAT	Increase in cost through irrecoverable VAT expenditure	Consultation with VAT specialist advisers in order to mitigate future risks throughout the project.

11. CONCLUSION

- 11.1 The Programme to deliver the Vision Tameside Phase 2 project is at a critical stage and is still subject to significant risks which are being closely managed but good progress is being maintained.
- 11.2 Ashton Town Hall is a key Council asset and good progress is being made with the development of a vision and business plan for the future re-use of the building.
- 11.3 Improvement to the public realm is critical to the success of the Vision Tameside programme and good progress is being made with the development of the public realm project.

12. RECOMMENDATIONS

- 12.1 These are shown at the front of the report.

Agenda Item 7

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	14 March 2016
Reporting Officer:	Damien Bourke - Assistant Executive Director (Sustainable Growth and Assets) Ian Saxon – Assistant Director (Environmental Services)
Subject:	CORPORATE ASSET MANAGEMENT PLAN UPDATE
Report Summary:	The attached report is intended to update members of the Strategic Planning and Monitoring Capital Panel with progress on the disposal of the Council's surplus assets, anticipated capital receipts that will be realised and investment that is required to maintain those buildings being occupied and retained or dilapidations arising from the termination of leases.
Recommendations:	That Strategic Capital Panel Members review the contents of the report and recommend to Cabinet: a) Approval of the list of disposals identified in Appendix 1 ; b) The allocation of £134,847 to undertake building condition replacement / repair projects as detailed at paragraph 3.2 c) The allocation of £92,500 to facilitate to commissioning of emergency generators relocated to Tame St. depot.
Links to Community Strategy:	To support the delivery of the objectives of the Community Strategy.
Policy Implications:	Expenditure in line with financial and policy framework. To assist in delivering a balanced budget and support the sustainability of the local economy.
Financial Implications: (As authorised by the Section 151 Officer)	Substantial work has been undertaken to vacate, market and dispose of a number of buildings. The schedule of 'properties for disposal but not yet completed' at Appendix 1 will allow the Council to further reduce its asset portfolio and reduce the ongoing revenue costs associated with these properties. Section 3.2 of this report sets out the reactive work which is required to buildings. There is currently no funding identified for these costs. The costs of £134,847 requires approval to be funded and included within the Capital programme. Any revenue costs associated with this investment must be met from existing revenue budgets. The current approach to repairs and maintenance is purely reactive which does not allow the Council to undertake works in the most efficient or effective way. A repairs and maintenance strategy should be developed, which would support condition surveys on buildings and allow for a forward plan of works to be produced. This would need to be supported with an appropriate budget which should be the subject of a future report. In addition to the above capital funding of £92.5k is being sought to undertake works to allow a generator to be made operational at Tame Street Depot. There is currently no funding identified for this, approval is sought through the panel to add this project to the capital programme. The associated revenue costs of the

generator will be funded through the service's existing revenue budget. Consideration must be given to any revenue costs arising as a result of the capital financing, it is anticipated that these would be funded through the service area.

Legal Implications:
(As authorised by the
Borough Solicitor)

The challenge to the Council is to ensure that its estate makes an effective contribution to improving the council's financial and business performance; the service delivery agenda; resolving the pressure on demands for estate capacity; and achieving change with minimal capital expenditure. We need to ensure that the buildings we need are fit for purpose and congruent with strategic service delivery. Accordingly, we need to have much more clarity and understanding as to the cost of ongoing repairs and maintenance and whether they are value for money. It may be the case that a new roof is more economical than continuing patch and repair. Consequently, there needs to be a more sustainable approach to repairs including authorization in advance when urgent.

Risk Management:

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

Access to Information:

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



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

1. INTRODUCTION

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

2. DISPOSAL OF ASSETS

Disposal Strategy

- 2.1 The reduction in government grant to the Local Authority means that all areas are being asked to contribute to maintaining vital services. The Council has previously taken the decision that all of its assets with the exception of the borough's prestigious buildings are to be considered in terms of potential receipts. It has been determined that at least a net £45M be generated from asset sales over the next 3 years.
- 2.2 Clearly this is a challenging target and good progress has been made to date towards the following profile with the majority of the large receipts profiled into 16/17.

	£000	£000
2015/16		
Original estimated receipt	15,000	
Actual to date	6,496	
Estimate to 31 March	5,388	
Total 2015/16		11,884
2016/17		
Original Estimated Receipt	15,000	
Underachievement from 2015/16	3,116	
Total 2016/17		18,116
Post 2016/17		
Original Estimated Receipt		15,000
Total Receipts		45,000

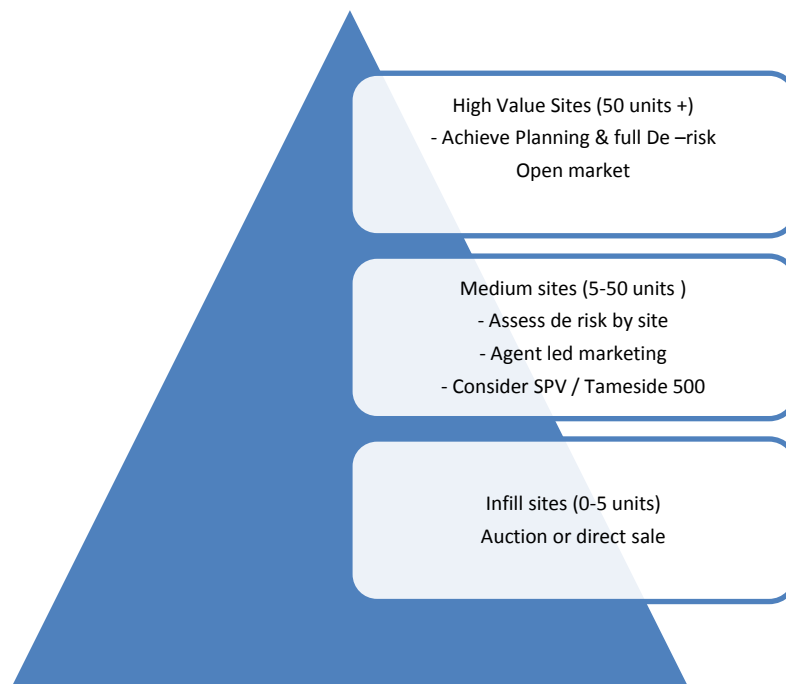
- 2.3 It should be noted that the prime former school sites (Stamford High School, Two Trees, Littlemoss, Hartshead, Samuel Laycock and Mossley Hollins) will provide the largest receipts for this programme, and as such work is underway to maximize the receipt through de-risking the sites, securing planning and preparing development briefs. Former agreements around the Building Schools for the Future programme require that £11m from the sale of these sites is already earmarked to repay borrowing. This means that the Gross Target for Disposals now sits at £56M.
- 2.4 This has now been re-profiled as follows:

2015/16 Est	2015/16 Act to Date	2016/17 Est	Post 2016/17 Est	Total over 3 Years
9,200	7,066	36,891	12,240	58,331

2.5 There are a number of principles which define our disposal strategy:

- **Maximize potential receipt** by weighing up cost of de-risking/Planning/Marketing vs potential uplift to be gained above simple Agent led marketing
- Identify the potential to achieve **significant strategic benefit** of dealing with the site in a different way (Relocations, Marriage value, Direct Development or Land Swap)
- **Maximise the effectiveness of** resources at our disposal (Estates team, LEP and Legal)
- **Ensure that the process is transparent and fair.**
- Ensure that as much as possible **the Assets / Land are developed** as a result of the transaction. This ensures that the council also benefits from the resulting development (council tax or business rates)
- Ensure that we are not unduely reducing the revenue income from leasehold reversions

2.6 The Disposal Pyramid



2.7 Disposal Mechanisms:

- De Risk / Planning and Development Brief. This entails undertaking site investigations, full title search, securing outline planning, demolition/remediation where required, developing a brief for developers providing a full sales pack with the above information
- Agent led sale. A planning brief is prepared to provide comfort of the end use, title search etc complete. An Agent would be appointed to lead the marketing based on a valuation of the site. The Agent would look to maximize site value – possibly through sealed bids or negotiation.
- SPV or partnership – this mechanism has most certainly of delivering end development. An SPV or partnership is procured and land / sites identified. An overarching agreement is reached to deliver out the sites with either a straight land receipt or a share in the profits from the resulting sale
- Auction – this mechanism has the most value where we are dealing with small infill sites. These sites often generate the most local interest where they have been parking sites or small green patches. Auction gives everyone an opportunity to bid, local builders the opportunity to acquire and with Pugh and Co currently cost free to the Council. It does generate significant levels of interest and recent auctions have generated bids in excess of the guide price for most sites. It is not however economical for the council to invest in a more involved disposal mechanism for the majority of these small sites.

- 2.8 General receipts are retained corporately and allocated in line with Council policy.
- 2.9 **Appendix 1** provides additional information in respect of properties that have identified for disposal or where tenants have sought to acquire the freehold of the properties that they lease.
- 2.10 Properties being actively marketed for sale or lease, are advertised on the Council's website, in addition to the marketing agents sites. Where potential disposals will impact on tenants, for example sale of garage or garden plots, which have become too expensive to administer, written notification will be given to tenants in advance for the proposed sale.

Leased Buildings

- 2.11 As reported at previous meetings of the Panel, the Council's policy is to terminate leases it has for buildings owned by others and to relocate services to surplus space in Council owned properties, where this delivers value for money, to reduce the revenue cost of operating and occupying buildings.
- 2.12 Where possible all Council leased properties have been vacated and in most cases dilapidations have been agreed and completed. The latest progress update is shown as follows:

Property	Former Occupant	Estimated Level of Dilapidations / Payment in Lieu of Work Being Undertaken	Status
Oldham Street	Children's services	£80,000	Building vacant. Negotiations for an early surrender of the Lease have fallen through. Lease expires in April 2017. Terminal Dilapidations claim anticipated from the Landlord prior to lease end.
Good Hope Mill	Drugs Intervention Programme	£40,000	Lease terminated 31 October 2014. Terminal Dilapidations claim received and provisional settlement reached at £39,542 subject to legal documentation.

- 2.13 The terminal dilapidations claim in respect of Goodhope Mill has now been provisionally agreed at a figure of £39,542. This has been reduced from the £80,000 provisionally allocated.
- 2.14 The Council still has long leases in respect of Plantation Estates, Portland Basin Museum and in addition leases the former St Ann's RC Primary School in Ashton, as a training centre.
- 2.15 The Council also hold a short-term Lease of office space at Aeroworks, 5, Adair Street, Manchester where the Greater Manchester Public Health Network (GMPHN) occupy having relocated there in December 2014. In accordance with instructions from GMPHN, a break-notice has been served by the Council terminating the lease on 3 June 2016.

3. INVESTMENT IN CIVIC AND CORPORATE BUILDINGS

- 3.1 There is no reactive maintenance budget included within the corporate landlord budgets and any repairs or upgrading of the buildings requires a request for additional investment to be made to the Panel for approval by Cabinet. In the past few months, a number of repairs have been requested for civic and operational buildings for which there is no revenue or

capital budget allocation. Analysis of capital spends for November 2015-January 2016 is £134,847. In addition there has been spend of £118,283 in regard of property related revenue type spend in the same period.

- 3.2 The analysis of the capital investment required in respect of health and safety /essential operational repairs is below In some cases these repairs have already had to be undertaken to allow the buildings to remain operational:

Building	Estimated Cost £
Linden Centre - replacement of heating system and costs associated with provision of temporary heating	21,891
Hyde Town Hall - uplift costs for repairs to tower ,clock and flag pole	20,746
Hyde Town Hall – remedials work from Fire Risk assessment , leak to roof and leak to heating system, essential repair to undercroft , repairs to doors , repairs to stairs	15,338
Two Trees – flooding damage remedial repairs, roof repairs, heating repairs.	12,276
Ashton Town Hall - Replacement fire alarm system/cables	4,500
Stalybridge Library - Repairs to heating system	5,500
Union Street – repairs to door portico	6,538
Stalybridge Civic Centre – replacement heating control system, repairs to leaks on roof .	8,146
Loxley House - various repairs and maintenance	3,324
Ashton Market Hall – repairs to heating systems and automatic doors , basement shower urgent repairs	7,016
Denton Centre – repairs to roof and wall	1,694
31 Clarence Arcade – replacement heating components , emergency light repair	1,461
Clough Road Children’s Home – roofing repairs	1,500
Ryecroft Hall- replacement gutters , repairs to roof	1,785
Portland Basin - heating repairs , CCTV repairs , ceiling grid repair	1,734
Denton Festival Hall – repair to pavement/patio space , repairs to roof leaks , repairs to damaged walls	1,435
Denton Town Hall – repairs visual entry system	1,305
Droylsden Resource Centre – repairs to bathroom floor	1,271
Boyds Walk Centre – damage to boarding requires replacement	1,277
Dukinfield Town Hall – replacement of heavy catering equipment	496
Concorde Suite – roofing repairs and emergency roof doors	2,927
Copley Resource Centre – repairs/replacement to security fencing	850
Dukinfield Library – heating repairs	525
Fairfield, Jubilee Gardens , Hyde Youth – shutter repairs	2,485
Audenshaw Children’s Centre – gutter replacement and flood damage repair	2,156
Hyde Market – heating repairs and flood damage repair	884
Mossley Youth Base – essential fire door repairs	457
Ridgehill Children’s Centre – repairs to moveable wall	636
Stamford Park Pavilion – hearing repairs and security measures	795
Ashton Library –electrical works post fire incident, shutter repair	678
Union Street Learning Centre – flooding	395
Waterloo Children’s Centre – emergency light failure	350
Grafton House – replacement water boiler	838
Tame St Depot – lighting/electrical repairs	738
George Lawton Hall – handrail replacement and lighting repairs	855
	134,847

4. EMERGENCY GENERATORS : TAME STREET DEPOT

- 4.1 The Council operates from two sites on either side of the road on Tame Street, Stalybridge. The Civil Engineering Depot and Stores on one side and on the other a Transport Depot, combining the vehicle workshop with offices for Environmental Services staff for Transport, Highways, Public Protection, Waste Services and Refuse Collection. This site is a key base for dealing with day to day operational business and out of hours emergencies, including winter maintenance.
- 4.2 Following the closure of the Council Offices in Ashton, the site has taken on a key strategic role and is the prime location for Environmental Services and its business continuity provision which in turn has a key role in assisting all other services deliver their business continuity plans. The opportunity to relocate the emergency electricity generator to Tame Street to support business continuity was taken prior to the demolition of TAC. This would allow for key Council employees to be located at Tame Street in the event of a power outage or emergency situation.
- 4.3 This element of the capital bid is for the costs of the ancillary works (provision of ducting/cabling) and commissioning of the generator.

Generator Location	Powering	Est Cost
Gritting Shed	Transport & Civils site	£92.5k

5. CONCORDE SUITE

- 5.1 As previously reported to the Panel the Concord Suite condition surveys have been completed which have identified that the building is in need of both external and internal refurbishment work. Project feasibility work is ongoing to assess the available options in regard to reoccupying this building. This feasibility work will take into account anticipated potential useful lifespan of the building, known and emerging accommodation requirements including the Joint Service Centre recant strategy, and cost benefit analysis to support the different options. Given the initial findings, the preferred option (as agreed at previous meeting of the Panel) will be to utilise the building into the medium term allowing for the sale of Two Trees.

6. RECOMMENDATIONS

- 6.1 These are set out at the front of the report.

APPENDIX 1

List of Property Identified for Disposal but Not Completed at 14 March 2016

Property	Town	Asset Type	Purchaser / Use	Sale Price (TBC if yet to be agreed)	Annual Lease Payment (Forfeited)/ Achieved
Johnson Brook Road, Hyde	Hyde	Land	Interest received from – site access licences issued to enable investigations to be undertaken	TBC	
Spring Gardens, Hyde	Hyde	Land	Interest received from site access licences issued to enable investigations to be undertaken	TBC	
High Street, Stalybridge	Stalybridge	Land	Interest received from site access licences issued to enable investigations to be undertaken	TBC	
Pine Road, Stalybridge	Stalybridge	Land	Interest received from site access licences issued to enable investigations to be undertaken	TBC	
Pickford Lane, Dukinfield	Dukinfield	Land	Interest received from site access licences issued to enable investigations to be undertaken	TBC	
Former Hartshead High School	Ashton	Former School Site	Outline planning application being developed	TBC	
Former Mossley Hollins School	Mossley	Former School Site	Outline planning application being developed	TBC	
Former Samuel Laycock School	Stalybridge	Former School Site	Outline planning application being developed	TBC	
Former Littlemoor High School	Droylsden	Former School Site	Outline planning application being developed	TBC	
Former Two Trees High School	Denton	Former School Site	Outline planning application being developed	TBC	
Pitt Street (1)	Hyde	Freehold Reversion	Portman Motor Co	35,000	

Site of 42-56 Audenshaw Road	Audenshaw	Freehold Reversion	Droylsden Glass	87,500	(5,000)
Land at Catherine Street / Manchester Road	Hyde	Freehold Reversion	Kwik Fit	27,000	(173.)
Land at Ripon Street	Ashton	Freehold Reversion	Mark One Autos	50,000	(3,080)
1 Broadway	Hyde	Freehold Reversion	Aspland	95,000	(7,200)
Unit 3 Hattersley Industrial Estate	Hyde	Industrial Building	Richard Oakley	120,000	
Land at Charlestown Industrial Estate	Ashton	Land	Berkeley (UK) Limited	50,000	
Marie Close, Denton	Denton	Land	Dave Godfrey	18,000	
Land rear of 25-27 Trafalgar Square	Ashton	Land	Dave Godfrey	20,000	
Cannon Burrows CoE Primary School, Oldham Road	Ashton under Lyne	Land	Diocese of School	0	
Land at Chapel Street	Audenshaw	Land	Edward Mellor - replacement turning head	16,000	
Land at junction Sandy Lane/Hyde Street, (including 19 Hyde Street)	Dukinfield	Land	Garden Land	1,200	
Land adj to Lidl Supermarket	Ashton	Land	Lidl	21,800	
Grosvenor St, Stalybridge	Stalybridge	Land	New Charter	0	
Cavendish Street	Ashton	Land	New Charter early payment of clawback provisions	141,960	
Katherine House	Ashton	Land	New Charter early payment of clawback provisions	296,849	
Wellington Road	Ashton	Land	New Charter early payment of clawback provisions	251,409	
Kynder Street	Denton	Land	New Charter early payment of clawback provisions	110,880	
Lake Road	Stalybridge	Land	New Charter early payment of clawback provisions	166,540	
Wakefield Road	Stalybridge	Land	New Charter early payment of clawback provisions	126,477	
Land at Midge Hill	Mossley	Land	Occupier of let grazing land	25,000	
Pitt Street (2)	Hyde	Land	Portman Motor Co	55,000	
Land rear of 22 Grey Street	Stalybridge	Land	Resident	1,250	
Land adj. To 39 Astley Street	Stalybridge	Land	Resident	0	
M66 Highways Settlement	Various	Land	Settlement of compensation claim	75,000	

Gorse Hall Day Centre	Stalybridge	Former Operational Building	Mr Stringer - Children's Nursery	150,000	(6,000)
Former Poplar Street Garage Site	Audenshaw	Land	Two local residents purchasing.	7,500	
Angel Street	Denton	Land	Sold at auction – completion late March	50,000	
Holland Street	Denton	Land	Sold at auction – completion late March	52,000	
Osborne Road	Denton	Land	Sold at auction – completion late March	36,000	
3A Lumn Road	Hyde	Land	Sold at auction – completion late March	5,000	
Sykes Street	Hyde	Land	Sold at auction – completion late March	7,500	
Botany Lane / Ripon Street	Ashton under Lyne	Land	Sold at auction – completion late March	27,000	
35 South Street	Ashton under Lyne	Land	Sold at auction – completion late March	10,000	
East Street	Audenshaw	Land	Sold at auction – completion late March	35,000	
Ashton Hill Lane, Droylsden	Droylsden	Land	Existing interest being resurrected	TBC	
Droylsden Library, Manchester Road	Droylsden	Current Operational Property	Interest being considered	TBC	
Land at Water Street	Hyde	Freehold Reversion	Potential sale to either or both tenants	TBC	
Land adj. 23 Providence Street	Ashton	Land	Encroachment.	TBC	
Land at Boodle Street	Ashton under Lyne	Freehold Reversion	Interest shown	TBC	
Land at Windsor Road	Denton	Freehold Reversion	Interest from developer	TBC	
Land adj. 15 Lodge Lane	Dukinfield	Land	Interest from adjoining owner / potential auction lot	TBC	
2.99 Acres Broadway	Hyde	Freehold Reversion	Part of adjoining housing scheme.	TBC	
Hyde Library & Union Street Building	Hyde	Vacant Building	Interest from medical consortium or TMBC own redevelopment	TBC	
Pole Bank Depot	Hyde	Current Operational Property	Interest linked to Pole Bank Hall.	TBC	
Pole Bank Hall	Hyde	Freehold Reversion	Interest from tenant	TBC	

Land rear of 5-9 Seel Street, Mossley	Mossley	Land	Grant of Right of Way	TBC	
Land at Acres Lane	Stalybridge	Land	Interest from adjoining owner	TBC	
Land adj 376 Huddersfield Road, Millbrook	Stalybridge	Land	Parking land for adjoining development	TBC	
Land rear 126 & 134 Stockport Road	Denton	Land	Garden Land	TBC	
Land at Cooper Street	Dukinfield	Land	Garden Land	TBC	
Land adj. 83 Danby Road	Hyde	Land	Garden Land	TBC	
Land adj. Feathers Public House, Set Street	Stalybridge	Land	Surplus land proposed sale to adjoining pub.	TBC	
Land at Hadfield/Astley/Globe Sq	Dukinfield	Freehold Reversion	MS Estates	TBC	
Plot 5 Windmill Lane	Denton	Freehold Reversion	Interest shown	TBC	
Astley Street / Hadfield Street	Dukinfield	Freehold Reversion	Globe Scaffolding	TBC	
26 and 28 Manchester Road	Hyde	Freehold Reversion	Interest shown	TBC	
Crown Street Car Park	Ashton	Land	New Office for Bardsley	TBC	
18 Spring Street	Longdendale	Shared Equity	Occupier to pay 15% of market value	TBC	
Land to rear of 83-85 Penny Meadow	Ashton under Lyne	Land	Surplus rear yard and gable.	TBC	
Roughtown Community Centre	Mossley	Land	Interest from nursery; building subject to lease	TBC	
Land rear 153 King Street	Dukinfield	Land	Interest from adjoining business	TBC	
Land rear of 1-8 Kensington Grove	Stalybridge	Land	Garden land	TBC	
Melbourne Street Car Park	Stalybridge	Land	Interest by supermarket	TBC	
Land at Woodend Drive	Stalybridge	Land	Garden land	TBC	
Land off Crowthorn Road	Ashton	Land	Adj. Birchcroft. Amenity land. 2.32 acres	TBC	
Land at Newmarket Grove	Ashton	Land	Former Sunday school plus playing field	TBC	
Land at Queens Road	Ashton	Land	Employment use land to be marketed for sale subject to SI surveys.	TBC	
Morningside / Fairfield Avenue	Audenshaw	Land	Housing development land to be marketed for sale subject to SI	TBC	

			surveys.		
Denton Plant Nursery	Denton	Vacant Building / Land	Unsolicited Offer received from two housing developers	TBC	
Land at Longlands, Mottram Road	Hyde	Land	Employment land. Poor access & topography	TBC	
Land rear of 55-113 Bennett Street	Hyde	Land	Surplus playing field flanked by licenced garages	TBC	
Land at Victoria Street, Hyde	Hyde	Employment Land	Vacant employment land. Interest from adjoining owner.	TBC	
Plot A Hatterlsey IE	Hyde	Employment Land	Employment use land to be marketed for sale subject to SI surveys.	TBC	
Plot B Hattersley IE	Hyde	Employment Land	Employment use land to be marketed for sale subject to SI surveys.	TBC	
Longdendale High School Bungalow	Longdendale	Current Operational Property	Tenant or Auction	TBC	
Land adjacent to 222 Manchester Road	Hyde	Land	Disposal – to be developed	TBC	
Land at Wakefield Road / Pennine View	Stalybridge	Land	Disposal to be developed.	TBC	
Villiers Street	Hyde	Land	Future auction lot	TBC	
West Street	Ashton	Land	Future auction lot	TBC	
Park Bridge Visitor Centre	Ashton	Current Operational Property	Potential disposal subject to review	TBC	
Land adj. Audenshaw Cemetery	Audenshaw	Land	Vacant land in greenbelt	TBC	
Denton Festival Hall & Library	Denton	Current Operational Property	Currently utilised for decant; disposal when vacated	TBC	
St. Lawrence Children's Home,	Denton	Current Operational Property	Possible disposal when vacated	TBC	
Land at Greenside Lane	Droylsden	Land	Lapsed playing pitch on former landfill	TBC	
Land at Leigh Street	Hyde	Land	Former school site	TBC	
Droylsden Canalside	Droylsden	Land	Periodic Payments	TBC	
Residual Garage Sites	Various	Garage Sites	c. 30 sites to be disposed on phased basis	TBC	
Grazing land	Various	Land	Review of grazing land to identify any suitable for sale and development	TBC	
Land at Marlborough Street	Ashton	Land	Potential auction lot	TBC	
Land at Oaken Clough	Ashton	Land	Potential auction lot	TBC	

Former Site 65-81 Ashton Hill Lane	Droylsden	Land	Potential auction lot	TBC	
Land at Mellor Street (Plot 1)	Droylsden	Land	Potential auction lot	TBC	
Land at Mellor Street (Plot 2)	Droylsden	Land	Potential auction lot	TBC	
Land at Peel Street	Droylsden	Land	Potential auction lot	TBC	
Rydal House	Hyde	Current Operational Property	Disposal when vacated	TBC	
Land at Arnside Drive	Hyde	Land	Potential disposal subject to investigation of adverse ground conditions. Could incorporate adjoining community centre land.	TBC	
Land at Stalyhill Dirve	Stalybridge	Land	Long term potential disposal.	TBC	
Holden Street	Ashton under Lyne	Land	Surplus school land.	TBC	
Nield Street	Mossley	Land	Potential housing development site.	TBC	
Land rear 159/161 King Street	Dukinfield	Land	Potential interest from adjoining owner	TBC	
St James Children's Centre	Ashton	Vacant Building	Interest from nursery provider (lease)	N/A	TBC
Longdendale Children's Centre	Hyde	Vacant Building	Exploring existing interest, may be marketed (lease)	N/A	TBC
Hattersley Market Garden	Hyde	Vacant Building	Letting as a Community Garden	N/A	£nil

APPENDIX 2

Capital Receipts Realised

Site	Town	Date Sold	Receipt Realised £
Land at Stamford Street	Stalybridge	08/10/2015	52,000
5 Newton Street	Ashton	08/10/2015	51,000
Hardwick Street / Moss Street West	Ashton	14/10/2015	35,500
Holden Street	Ashton	08/10/2015	30,500
Land at Wellington Street	Ashton	08/10/2015	106,000
Land at Margaret Street	Ashton	06/10/2015	60,000
Land at Board Street / Kings Road	Ashton	01/10/2015	20,000
Former Stamford High School	Ashton	TBC	4,250,000*
Beyer Peacock Centre,	Audenshaw	23/09/2015	90,000
Land adj 148 Moorside Street	Droylsden	08/10/2015	29,000
Land at Frances Street, Hyde	Hyde	08/10/2015	41,000
Land at Throstle Bank / Furnace Street	Hyde	14/10/2015	42,500
Land at Johnsonbrook Road / Ashton Rd	Hyde	07/10/2015	18,000
Mottram Court House (lost deposit at auction - buyer withdrew)	Longdendale		6,000
Compton Street Car Park	Stalybridge	08/10/2015	20,000
Cross Hope Street Car Park	Ashton	22/10/2015	10,000
Land at Hope Street	Dukinfield	22/10/2015	27,000
Grey Street, Car Park	Stalybridge	22/10/2015	31,000
Field Street, Car Park	Hyde	22/10/2015	49,000
Land at Huddersfield Road	Stalybridge	22/10/2015	45,000
Hallbottom Street Car Park	Hyde	22/10/2015	7,500
Wimpole Street	Ashton	22/10/2015	14,000
Land at Queens Road	Ashton	22/10/2015	35,000
Total excluding Stamford High School			820,000
Total with anticipated Stamford High School			5,070,000

*Completion imminent

Leases Completed

Property		Purchaser / Future Use	Annual Lease Payment (Forfeited) / Achieved
Werneth House	Hyde	Management Association	5,000

Report To: STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

Date: 14 March 2016

Executive Member/Reporting Officer: Councillor Peter Robinson – Executive Member Services for Children and Families

Dominic Tumelty – Assistant Executive Director (Services for Children and Families)

Subject: CHILDRENS RESIDENTIAL HOMES OPERATED BY TAMESIDE MBC – PROPOSAL FOR ALTERNATIVE USE OF CAPITAL FUNDING ALLOCATION

Report Summary

The Council agreed to a new service model around children's residential provision and the development of an "Edge of Care Facility" to support the delivery of the unprecedented savings targets across the Council.

The success of the delivery of the new model, and therefore the delivery of savings, is dependent on the delivery of three new 4 bedroom properties. These properties were pursued through the positive relationships the Council has with various social landlords though these have proved fruitless as the housing sector is now feeling the effect of delivering its own savings.

The opportunity for the Council to purchase these properties has been progressed. It is proposed that £0.912 million capital investment previously approved in 2008 for a new and expanded short stay facility which has not progressed, be used alternatively to purchase three properties to support the delivery of recurrent annual revenue savings proposals within Childrens Services.

Recommendations:

That approval is given to the alternative use of £0.912 million previously approved by the Strategic Capital Group in 2008 (to fund a replacement of Boyds Walk with a new and expanded building) to purchase three properties to support the implementation of the new residential provision service model within Children's Services subject to the revenue costs of borrowing being met from the service revenue budget.

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)

The existing capital programme includes an approved sum of £0.912 million for a Short Breaks Centre. The report requests an alternative use of this sum to purchase two new residential care properties and an 'edge of care' property. The capital resource will finance the cost of purchase and any associated remedial works to each property.

Section 3 within the report provides details of the associated annual expenditure of the existing Council Childrens Services residential provision together with the proposed model of residential provision. The proposed new model will cost an

additional £0.176 million per annum. However the additional two bedroom capacity within the new model will deliver an estimated annual saving of £ 0.260 million (based on an average weekly cost of current placements) on the existing cost of external residential provision.

The new residential model is therefore estimated to deliver a net annual saving of £0.084 million.

However, it should be noted that borrowing will be required to finance the investment in the proposed two new residential properties. The associated annual borrowing repayments will incur additional expenditure for the Council for which there is no provision within the Medium Term Financial Strategy. The annual revenue borrowing repayments are estimated to be £ 0.040 million (20 year repayment period) and will be an additional cost to the Children Services revenue budget.

Therefore the estimated net annual saving within the Childrens Services revenue budget (including the annual borrowing repayment cost) is £ 0.044 million.

It should be noted that the sale of the existing St Lawrence Children's home will generate a non recurrent capital receipt for the Council. However an estimate of the potential value is not available at the time of writing this report.

Section 3 within the report also provides details of the estimated additional annual cost of the proposed new Edge Of Care provision within Children's Services (based on an existing model at Blackburn with Darwin Council). The proposed new provision will cost an additional £0.368 million per annum. However the new provision will support the avoidance of greater cost placements (foster care and external residential) for children who will remain in their family setting. The estimated annual cost avoided is £ 1.280 million per annum. This will therefore deliver an estimated net annual avoidance cost of £0.912 million.

However, it should again be noted that borrowing will be required to finance the investment in the proposed new Edge Of Care property. The associated annual borrowing repayments will incur additional expenditure for the Council for which there is no provision within the Medium Term Financial Strategy. The annual revenue borrowing repayments are estimated to be £ 0.021 million (20 year repayment period). There is also no provision within the Medium Term Financial Strategy for the estimated additional annual revenue cost of £0.368 million for the new provision. Therefore the annual borrowing repayments and new Edge Of Care provision (estimated annual total of £ 0.389 million) will again be an additional cost to the Children Services revenue budget. It should be noted however that this provision is expected to realise an annual avoidance cost of £1.280 million.

It is essential that the investment and the cost of any associated remedial works in the three properties does not exceed the existing capital programme sum of £ 0.912 million should the report recommendation be approved.

Legal Implication:
(Authorised by the Borough Solicitor)

The Council has a statutory duty to provide adequate and satisfactory residential care for children in its care and this report sets out how that can be achieved with a view to ensuring value for money.

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 Dominic Tumelty, Assistant Executive Director, Services for Children and Families by:



phone: 0161 342 3354



e-mail: dominic.tumelty@tameside.gov.uk

1. BACKGROUND

- 1.1 Tameside MBC is currently responsible for the operation of three residential childrens homes across three properties at Chester Avenue, Clough Fold and St Lawrence Road. In addition, the Council also delivers respite support for children with a disability at Boyds Walk, the latter has recently transitioned to be a children's home for children with disability, reducing respite support as a consequence. St Lawrence, Clough Fold and Chester Avenue have all recently reduced status in OFSTED categories due to staffing issues which are being remedied but also in the case of St Lawrence Road due to it being deemed unfit for purpose by the regulator.
- 1.2 Demand has continued to be high for residential care which has meant that the Council has had to increasingly purchase placements from the independent sector, primarily out of the borough and at often at a premium in relation to the placement costs.
- 1.3 At present there are 34 young people in placements with independent sector providers with individual costs ranging from £1900 per week to £4975 per week - the different weekly costs and therefore rate of charge is dependent on the profile of the young person and the availability of beds. Not all of these homes are at the same standard as our own.
- 1.4 Approval has been given to replace the children's home at St.Lawrence Road with two new properties which will increase the number of places available in Council provision by two beds. One of these properties has been purchased and a second identified. Prior to this, the Council lost 3 homes due to the length of time taken by internal processes to make an offer.
- 1.5 In addition, approval has also been given to progress plans to develop an "Edge of Care" facility be developed to provide intensive support for young people who present such challenges that they would otherwise be placed in a costly external residential placement. A feature of this unit would be the integrated support from a range of partner agencies.
- 1.6 To support these plans, agreement was given that the Council should source three new properties to support this cost saving proposal.
- 1.7 In sourcing the three new properties, it is now proposed that an allocation of £0.912 million approved in 2008 to build a replacement property for Boyds Walk for the provision of short breaks for children with disabilities be used instead for the purchase of the houses.

2. CURRENT SITUATION

- 2.1 It is clear that St Lawrence Road is in need of change. As a building, it is owned by the Council but is not fit for purpose as a children's home due to its layout, state of repair and size. Outcomes for children in a 5 bedded unit are inevitably harder to achieve than in reduced size homes. In addition, St Lawrence Road had been designated as a place where young offenders could be placed in emergency, thus further destabilising those whose home it is.
- 2.2 As indicated previously it has been agreed that this provision be closed and in its place two smaller units, each with three beds, are opened thereby improving the standards for children in our care whilst increasing capacity.
- 2.3 The need to replace the property used on St.Lawrence Road has been heightened with the recent visit from Ofsted who have found the provision wanting in a number of areas, including the physical environment.

- 2.4 The savings proposals in respect of children's homes provision have relied heavily on the increased number of beds being available from the early part of 2016.
- 2.5 Efforts have been made to source properties through the positive relationships the Council has with a number of social landlords though these have stalled as the reductions in public funding are now big experienced in the housing sector. The result has been a lack of development money available to fund the building and purchase of new properties. This has been compounded with the recent government direction of reducing rents over the coming years. Social landlords have based all their financial predictions on continuing annual rent increases in line with inflation and this is now impacting on their willingness to take new projects on.
- 2.6 The focus of sourcing the properties required has therefore shifted to the Council purchasing properties to fulfil the plans going forward. The Council purchasing the properties directly will also remove any cost pressure of lengthy leasing agreements with the housing providers. As an approximate calculation, the type of property being sought is likely to cost on average £0.001 million per month in rent, which would provide an annual cost for the three properties of £0.036 million.
- 2.7 The proposal is therefore that the £0.912 million approved by the Strategic Capital Group in 2008 for the replacement of Boyds Walk with a new and expanded building be used instead to purchase three properties.
- 2.8 The original capital allocation approval was based on a new residential unit being built to provide short breaks for children with disabilities. It was planned that the new facility would complement the improvements to the special school stock in line with the "Building Schools for the Future" programme. The plan was that the young people who use the short breaks facilities would be able to make maximum use of the extended school facilities. The plan included offering short breaks in partnership with the Clinical Commissioning Group (Primary Care Trust at the time) during the daytime to children below school age who have complex medical conditions, many of whom have regular admissions to the Children's Ward at Tameside Hospital.
- 2.9 Ultimately this proposal has not progressed beyond the planning stage though the £0.912 million capital allocation still remains available within the capital programme. Reallocating this funding for use to purchase the three new properties required will support the delivery of significant savings initially, and with the Edge of Care facility ensure that Childrens Services can avoid the significant costs associated with placing young people in expensive residential placements.

3. FINANCIAL IMPLICATIONS

Residential Service

- 3.1 The current estimated 2015/16 cost to the Council of the existing residential service (Clough Fold, Chester Avenue, and St Lawrence Road) is **£1,235 million** per annum. This service currently has capacity for 10 residential beds per night. As indicated previously, operating a children's home with four or five beds severely hampers the outcomes that can be delivered for children, and has driven this review of provision and the resultant proposal to remodel the provision over four rather than the existing three properties whilst increasing capacity to twelve beds per night.
- 3.2 The proposal is that each property has the following indicative staffing structure:
- 1 x Practice Manager
 - 2 x Residential Child Care Worker

- 6 x Assistant Residential Child Care Worker

The service will then be overseen by two Team Managers to whom the Practice Managers will report.

- 3.3 The cost of this revised service model amounts to **£1.412 million** per annum, which equates to an increased cost of **£0.176 million**. Given that this effectively increases the number of beds available in Tameside by two the minimum saving this provides (based on an external placement cost of £2,500 per child per week) an annual gross saving of £260,000 per annum. The net annual saving would be **£0.084 million**. Work to date however has focussed on children in the more expensive residential payments currently which at an average of £4,500 per placement per week. This would increase the annual saving to **£0.292 million**.
- 3.4 However, it should be noted that borrowing will be required to finance the investment in the proposed two new residential properties. The associated annual borrowing repayments will incur additional expenditure for the Council for which there is no provision within the Medium Term Financial Strategy. The annual revenue borrowing repayments are estimated to be £ 0.040 million (20 year repayment period). Therefore net annual saving for the Council including the annual borrowing repayment cost is £ 0.044 million.
- 3.5 It should be noted that the sale of the existing St Lawrence Children's home will generate a non recurrent capital receipt for the Council. However an estimate of the potential value is not available at the time of writing this report.

Edge of Care Facility

- 3.6 Based on the model used for each of the Childrens homes identified in 3.3 above, which accords with the model adopted by Blackburn with Darwen, the cost of this new service has been estimated at **£0.368 million** per year.
- 3.7 Based on an estimate that 40 young people per year will access the new service will equate to a cost of **£9,211** per young person.
- 3.8 Assuming that the proposed service would support 40 young people per year, and applying the 97% success rate of retaining people in their family setting against this, the implication is that the Council would need to find places for 39 young people in either foster care or residential care. When the current placement profile (current split is 86% of placements in foster care and 14% in residential care) is applied the Council would need to place 6 young people in residential care at an average total cost of £ 0.780 million per year, and 33 young people in foster care (internal) at an average total cost of £ 0.500 million per year. This equates to an additional annual cost of £1.280 million per year.
- 3.9 Given the assumptions the new service has the potential to save/avoid additional costs of **£0.912 million per year**. This is a minimum figure as the residential care cost has been calculated on the basis of the lowest residential placement cost currently being funded by the Council.
- 3.10 However, it should again be noted that borrowing will be required to finance the investment in the proposed new Edge Of Care property. The associated annual borrowing repayments will incur additional expenditure for the Council for which there is no provision within the Medium Term Financial Strategy. The annual revenue borrowing repayments are estimated to be £ 0.021 million (20 year repayment period). There is also no provision within the Medium Term Financial Strategy for the estimated additional annual revenue cost of £0.368 million for the new provision

Properties Required

- 3.11 The properties being considered are all in the £0.250 - £0.270 million price range – with the purchase price, property alterations and associated purchase costs it is expected that a capital allocation of £ 0.912 million as a maximum sum will be required..

4. RECOMMENDATIONS

- 4.1 As stated on the report cover.

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Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	14 March 2016
Reporting Officer:	Damien Bourke, Assistant Executive Director (Development, Growth and Investment)
Subject:	SMARTLY POOLED SECTION 106 AGREEMENTS AND DEVELOPER CONTRIBUTIONS
Report Summary:	The report summarises the current position with regard to receipts received from section 106 Agreements and Developer Contributions and contains recommendations on the release of receipts.
Recommendations:	<ol style="list-style-type: none">1. To note the contents of the report;2. Following consultation with the Executive Members for Transport and Land Use, and Learning Skills and Economic Growth it is recommended that Strategic Capital Panel recommend the Executive Cabinet give authority to release funds from the following available resources: Section 106 – None Developer Contributions:<ol style="list-style-type: none">1. Assheton Avenue Surfacing, Audenshaw (£10,000)2. War Memorial Cleansing and Maintenance, various wards across Tameside (£20,000)3. Tree Planting Programme, various wards across Tameside (£40,000).3. To note that a future report will be required to quantify resources required to effectively monitor the S106 system.
Links to Community Strategy:	Successfully implementing schemes funded through s106 agreements assists in supporting Community Strategy priorities concerning supportive communities, safe environment, prosperous society, learning community and attractive borough.
Policy Implications:	Works completed through obligations contribute to mitigating the impact of developments in three policy areas contained within the Councils adopted Unitary Development Plan.
Financial Implications: (Authorised By Section 151 Officer)	It is important that regular monitoring is undertaken to ensure that monies are paid to the Council when due; as per the individual S106 agreements. The S106 contributions and Developer Contributions must be spent within the agreed timescales and on the purposes specified within the individual agreements. A summary position of the S106 contributions and developer contributions is included in the report.
Legal Implications: (Authorised by the Borough	It is important that all the schemes proposed are reviewed to consider whether they meet the strategic priorities of the Council. Any receipts that are non-specific in nature should be

Solicitor) applied in line with the Council's wider priorities, rather than being earmarked to the immediate district. It is critical that Members receive a report that sets out the new legislative framework for infrastructure costs.


Governance Arrangements: Section 106 obligations requested are done so following the policy framework set out to support this approach contained within the Councils adopted Unitary Development Plan.

Risk Management: Developers will be entitled to claw back any contributions if they are not spent within the agreed timescales as per the agreements.

Contributions may not be received on time or at all without adequate monitoring. Any specific conditions included with S106 agreements must also be considered in the use of these resources to reduce developer challenges.

The continued implementation of the approach outlined beyond April 2015 is guided by professional judgement and as such is open to challenge. Keeping abreast of relevant legal cases and modifying the Councils approach accordingly will assist in minimising risk.

Access to Information: The background papers can be obtained from the author of the report, Graham Holland by

 Telephone: 0161 342 3102

 e-mail: graham.holland@tameside.gov.uk

1. INTRODUCTION

- 1.1 This report summarises the position at the period 31 January 2016 with regard to receipts for Section 106 (s106) agreements and developer contributions and makes comments for each service area. This is followed by a section on new agreements concluded.
- 1.2 Additionally the report provides an update following the implementation of section 106 (s106) Smart Pooling following the April 2015 deadline which brought to a close the requesting of developer contributions via the Councils now revoked Developer Contributions Supplementary Planning Document (SPD). Furthermore an update is provided in relation to the internal audit of the processes of collection, management and monitoring of the developer obligations system.

2. S106 UPDATE

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

Smart Pooling Section 106 agreements:

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

	Area					
	Total	(43)	(23)	(124)	0	(190)
S106 - Not yet reached trigger point		(593)	(370)	(721)	(22)	(1,706)

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

Developer Contributions	Green Space Contribution	Community Education Contribution	Integrated Transport Contribution	Totals (inc other)
	£000	£000	£000	£000
Brought Forward from 2014/15	(206)	(311)	(11)	(528)
Received Periods 1 - 3	(2)	(2)	(1)	(5)
Received Periods 4 - 7	(43)	(34)	(1)	(81)
Received Periods 8 - 10	(15)	(15)	(1)	(32)
Received Periods 10 - Outturn	0	0	0	0
Transferred to Service Area	0	0	0	0
Approved at previous SCP for release at year end	80	301	0	381
Total	(186)	(61)	(14)	(265)

Overall position

- 2.3 The current position for s106 agreements is £190,000 as at 31 January 2016 with developer contributions standing at £265,000.
- 2.4 **Services for Children and Young People**
- The balance of unallocated s106 funds stands at £124,000 on 31 January 2016
 - Developer contributions stands at £61,000 on 31 January 2016
- 2.5 **Community Services (Operations and greenspace)**
- The balance of unallocated s106 funds stands at £43,000 on 31 January 2016
 - Developer contributions stands at £186,000 on 31 January 2016
- 2.6 **Engineering Services**
- The balance of unallocated s106 funds stands at £23,000 on 31 January 2016
 - Developer contributions stands at £14,000 on 31 January 2016

New Section 106 Agreements

- 2.7 A section 106 agreement has been made for an application at East Tame Business Park, 15/00721/OUT, land at Rexcine Way, Hyde. The outline planning application comprises of up to 49 residential properties subject to reserved matters being approved and provides commuted sums to mitigate against impact the proposal may have on off-site Open Space and Education provision. The sums of £269 per 1 bed property, £846 per 2 bed property, £1,182 per 3 bed property and £1,296 per 4 bed property for Education will go towards enhanced facilities at Bradley Green Primary School. There will also be £674 per property for Open Spaced towards environmental improvements to footpath links to and within Hyde Park and along Clark Way.
- 2.8 **Requests to draw down funding**
- Three requests are made by Operations and Greenspace to drawdown funds from Developer Contributions for the purposes of:
4. Assheton Avenue Surfacing, Audenshaw (£10,000)

5. War Memorial Cleansing and Maintenance, various wards across Tameside (£20,000)
6. Tree Planting Programme, various wards across Tameside (£40,000)

3. SMART POOLING UPDATE

- 3.1 As previously presented at Strategic Capital Panel (SCP) the introduction of the Community Infrastructure Levy (CIL) modified the mechanisms and methods for collecting developer contributions via a CIL Charging Schedule. CIL is intended to run alongside the use of s106 agreements, with CIL being used for general infrastructure contributions and s106 for obligations for site-specific mitigation.
- 3.2 The aim of CIL is to allow local authorities to raise funds from developers to fund both the initial and ongoing costs of general infrastructure however as outlined within the CIL regulations, a Council is unable to adopt a CIL Charging Schedule without an up to date Local Plan.
- 3.3 The CIL Regulations also affect how s106 funds can be used, limiting local planning authorities to pooling no more than 5 obligations for site specific mitigation projects or infrastructure items. This became applicable in April 2015 and applied to retrospective agreements, dated back to April 2010.
- 3.4 Because the Council made use of a tariff based Developer Contributions SPD and generic s106 agreements during this time, from April 2015 the pooling limits imposed by CIL had been reached and the Council could no longer collect funds for generic infrastructure items.
- 3.5 As a result the Council is now only able to collect developer obligations for site specific mitigation via s106 agreements. It has to smartly pool them to avoid the 5 project limit restriction until such time that it may consider supplementing this with a CIL Charging Schedule for general infrastructure items.
- 3.6 For the avoidance of doubt, all obligations now requested take the form of s106 agreements. The policy framework set out to support this approach is contained within the adopted Unitary Development Plan (UDP), specifically policies;
 - H5 – Greenspace;
 - H6 – Education;
 - T13 – Highways.
- 3.7 This approach is not a significant departure to that used in the past; however projects funded through s106 obligation need to be specific in nature to avoid reaching the pooling limits. To address this, a working group has been established, meeting on a regular basis to identify specific projects and therefore not fall foul of the 5 project funding limits.
- 3.8 To assist, consultees have been provided with evidence of residential development sites likely to come forward sourced from the Councils adopted Strategic Housing Land Availability Assessment (SHLAA). The SHLAA details estimate dwelling yields for sites and timescales for delivery. Estimate s106 contribution amounts have been worked through the online obligation generator to inform consultees of possible contribution amounts. This process will continue to take place with the consultees as and when the Council revises its SHLAA.
- 3.9 Working with and through the consultees a project register has now been established and is shown at **Appendix A**. This is intended to be the first port of call for Development Management officers when negotiating with prospective applicants. It should be noted

however that project costings are estimates and the exact description and nature of projects will require validation with the appropriate consultee at the time of an application to ensure changing priorities are appropriately reflected before inclusion in any s106 Agreement.

- 3.10 To ensure the obligation amount remains fair and reasonable, related in kind and scale to the development, the developer contribution calculator which underpinned the revoked SPD continues to be used. This ensures s106 obligations take into account likely pupil numbers generated and pressure placed on existing greenspaces for instance. Albeit, it is recognised the online calculator requires continual updating to ensure inputs are robust and the figures it generates are reflective of real world costs, as detailed further below.

Monitoring and Audit

- 3.11 As previously reported to SCP to effectively manage the post April 2015 s106 smart pooling system, the Council has implemented a number of technical and policy changes. However alongside this a robust monitoring system is required as previously identified and brought to the attention of SCP.
- 3.12 The above processes and procedures are currently the subject of an internal audit. Although it was envisaged the outcome findings of the audit and appropriate responses would be in a shareable position the audit remains ongoing, albeit in its latter stages.
- 3.13 Draft outcomes of the internal audit are expected shortly which will assist in identifying an appropriate set of further actions requiring attention and the resources required to deliver on these. Ultimately officers will welcome the outcome findings of the audit and share them with SCP in due course in helping to further deliver a robust and effective process.

4. RECOMMENDATION

- 4.1 As stated at the front of this report.

APPENDIX A

PROJECTS REGISTER

Community Services (Operations and greenspace)

Site	Town	Easting	Northing	Works	Approximate Costs
Park Bridge	Ashton	393699	402697	Increase accessibility to the site by improving footpath network, signage, interpretation and enhancements to key entrance points.	£40,000
Park Bridge Rocher Vale	Ashton	393699	402697	Improved signage and links to cycle route 626	£5,000
Park Bridge Fennyfield Path	Ashton	393699	402697	Improvements to the path	£7,500
Pond at Park Bridge	Ashton	393699	402697	Improvements to the pond for use by local schools and families.	£20,000
Daisy Nook	Ashton	392523	400896	Upgrade surface of the bridle path to make it more user friendly for families with pushchairs, new cyclists and those with limited mobility.	£25,000
King George's Park	Ashton	394172	399724	Upgrade existing play area including new play equipment.	£40,000
Scout Green	Mossley	397537	401269	Improvements to bridleway	£10,000
Scout Green	Mossley	397537	401269	Level off land adjacent to toilet block	£10,000
Mossley Park	Mossley			Improvements to play kit and surfacing	£20,000
Werneth Low Road	Hyde	396041	393595	Enhance footpaths and riding tracks in the area to improve accessibility.	£60,000
Hurst Clough	Longdendale	398743	394829	Improvements to bridge and footpath works	£40,000
Lymefield, Broad Mills	Longdendale	399624	393554	Improve accessibility and use of the site through interpretation, improvements to the footpath network to make them more usable and additional signage.	£20,000
Tower Street	Dukinfield	394905	398188	New benches, enhanced entrance signage and street planters	£8,000
Tower Street	Dukinfield	394905	398188	Enhancements to play area	£20,000

Site	Town	Easting	Northing	Works	Approximate Costs
Lees Park	Droylsden	390844	398588	Improvements including additional footpath network to provide a link through to the Metrolink Station, additional signage and removing physical barriers to access.	£20,000
Hollinwood Branch Canal	Droylsden	392011	400450	Enhancements to pathways and signage	£10,000
Medlock	Droylsden	390622	398795	Upgrade paths, more whip planting, drainage gullies, replace some play kit, zip wire safety surfacing.	£10,000
Sunnybank Vale	Droylsden	389241	399111	Improvements to Greenside Lane entrance	£6,000
Floral Gardens	Droylsden	389856	398300	Improvements to kid's kick-a-bout area, retaining wall around it, refurb play kit.	£15,000
Silver Springs	Stalybridge	395536	400001	Access improvements	£50,000
Egmont Street	Stalybridge	397529	401638	Improve railings and frontage; improve play area; remove balsam	£30,000
Cheetham Park	Stalybridge	396568	398271	Remove old shrub beds, replace with birch copse	£10,000
Cheetham Park	Stalybridge	396568	398271	Improve access to the woodland through footpath improvements, interpretation and signage.	£15,000
Cheetham Park	Stalybridge	396568	398271	Drying shed – improve, open up, create shelter.	£40,000
Stamford Park	Stalybridge	395466	399046	New piece of play kit in toddler play area. Timber seating within toddler play area	£25,000
Brushes	Stalybridge	398009	399470	New boardwalks	£7,000
Shepley Wood	Audenshaw	392765	396650	Create footpath around edge of field.	£20,000
Haughton Dale	Denton	393555	393281	Tree planting, stiles, fencing.	£8,000

Services for Children and Young People

Site	Town	Easting	Northing	Works	Approximate Costs
Livingstone primary and nursery school	Mossley	397126	401956	Extension works to create two classrooms	£350,000
Aldwyn Primary and Hawthorns Special Schools	Audenshaw	391264	398133	Five new classrooms and associated works	£2,000,000
St John's CE Primary School	Dukinfield	395399	397647	Additional two classrooms	£450,000
Milton St John's CE Primary School	Mossley	397409	402652	Additional classroom and associated remodelling works	£40,000
St James' RC Primary School	Hattersley	397916	394915	Additional classroom	£175,000

Engineering Services

Site	Town	Easting	Northing	Works	Approximate Costs
Clarke Way	Hyde	394828	395264	Cycle and Pedestrian crossing improvements to improve accessibility to town centre	£40,000
Laburnum Rd	Denton	389800	395496	Traffic calming through the introduction of one-way operation system	£15,000
Manor Rd	Droylsden	389373	398287	Central separation	£15,000
Stamford St	Mossley	396844	402290	Pedestrian crossing facilities	£30,000
High St and Quarry St	Stalybridge	395826	398201	Provide pedestrian crossing facilities at signals	£12,000
Oxford Rd and Foundry St	Dukinfield	394767	397717	Contribution to provision of pedestrian crossing facilities at signals to improve accessibility for pedestrians	£12,000
Demesne Drive	Stalybridge	397299	398402	Carriageway widening to improve public transport links	£15,000
Borough wide	NA			Variable Message Signage for traffic calming	£20,000
Willshaw Lane	Ashton	393400	400269	Pedestrian Crossing	£30,000
Manchester Road	Denton	391434	395673	Rail station cycle link	£35,000
Fern Lodge Drive- Palace Road	Ashton	394966	400123	Cycle link	£10,000
Stamford Park	Stalybridge and Ashton	395403	398972	Core cycle route through the park	£8,000
Peak Forest Canal	Hyde	394323	394310	Improved direction and destination signage and enhance pedestrian and cycle routes	£1,200
Peak Forest Canal	Dukinfield	393897	396245	Improved direction and destination signage and enhance pedestrian and cycle routes	£1,200
Watson St and Manchester Road	Denton	393630	395409	Cycle link between	£5,000
Hyde Road	Denton	393555	395397	Segregated cycle lanes	£10,000
Tame Valley	Denton	393769	395536	Upgrade paths to cycling standard and upgrade footpath to bridleway	£75,000
Mellor Road and Stamford Park	Stalybridge and Ashton	395574	399756	Improve cycle route	£20,000

Site	Town	Easting	Northing	Works	Approximate Costs
Victoria St to Hickenfield Road	Hyde	395766	396009	Cycle track upgrade	£12,000
Bradley Green Road to Yew Tree Lane		395768	396788	Improved cycle link	£20,000
Ashton Norther Bypass to Romney Street	Ashton	394206	399299	Cycle link	£10,000

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Report To: STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

Date: 14 March 2016

Reporting Officer: Tim Rainey – Assistant Executive Director, Digital Services

Subject: SMART TAMESIDE: DIGITAL BY DESIGN

Report Summary: This report sets out the funding requirements for the Digital by Design (DbD) program. The DbD program aims to transform how the council manages contact with the public through the better use of new technology and in so doing save time, money and improving levels of service.

As more and more people turn to digital channels to access services and information there is an opportunity for the council to modernise how it deals with customer requests and contacts across all its main channels.

By implementing an improved digital offer we can make the Internet the channel of choice for an increasing large majority of residents. Increasingly the new Contact Centre will deal with all telephone, social and other electronic media including webchat coming into the Council, freeing up the back office to focus on delivering services.

The website will be improved to become more focused on the top transactions and to provide users a more personalized experience. The site will be specifically designed with mobile devices in mind and a complimentary series of Apps for iOS and Android devices will be developed.

Specific projects are being undertaken with services that generate high call volumes to reduce and in some cases remove telephone demand altogether including Refuse and Revenues and Benefits.

In doing all this the on-demand face-to-face customer service channel will be closed, moving instead to an appointment based service for the small number of highly complex cases that still require 1-2-1 face-to-face attention.

Recommendations: That the Panel recommend to Cabinet that Capital funding for projects identified below are approved.

Description	2016/17	2017/18
Webchat Software	27,700	0
Website Content Management System	19,700	0
Refuse In Cab App & technology	10,290	8,250
Contact Centre System Upgrade	10,000	0
Capital Connect Citizen portal	29,625	0
Capita Revs and Bens eForms	27,000	9,000
	124,315	17,250

Links to Sustainable Community Strategy: There are no direct Community Strategy implications within this report.

Policy Implications: There are no direct policy implications within this report.

Financial Implications: There is currently no funding identified for this project. The project cost of £141,565 requires approval to be funded and included within the Capital programme as follows:

(Authorised by the Section 151 Officer)

£124, 315 - 2016/17

£17,250 – 2017/18

The ongoing revenue costs associated with the investment will be funded from existing Council budgets within the funding envelope for Digital Tameside.

It is envisaged that the investment of £141,565 will generate revenue savings of £250,000 per year. More clarity needs to be provided as to these savings namely:

- What they are
- The phasing
- Their cash-ability.

There needs to be some understanding of the invest to save nature of this bid compared with business as usual.

Consideration must be given to any revenue costs arising as a result of the capital financing, it is anticipated that these would be funded through the service area.

Legal Implications:
(Authorised by the Borough Solicitor)

Digital will play an important part moving forward in service redesign making services cheaper and more effective and accessible. It is important going forward there is a clear overarching strategy setting out what are the priorities and timescales for service delivery together with cost benefit analysis and how those savings will be captured to ensure they are not lost within service.

Access to Information:

The background papers relating to this report can be inspected by contacting Tim Rainey, Assistant Executive Director, Digital Services:-



Telephone:0161 342 3299



e-mail: tim.rainey@tameside.gov.uk

1. INTRODUCTION

- 1.1. This report sets out the funding requirements for the Digital by Design (DbD) program. The DbD program aims to transform through the better use of technology both service delivery and customer contact.
- 1.2. The decant from the old TAC building meant the work force needed the ability to work in a more agile and flexible way. As part of the Vision Tameside project and managed ICT service over the last 2 years staff have seen their ICT desktop equipment completely refreshed. Over 1500 new laptops are now helping our work force working in different ways which along with an extensive Wi-Fi network in all main Council buildings and mobile phones, including 4G smartphones now enabling people to work seamlessly at home, on the move and across the Councils entire building Estate.

Case Study Mobile Working – Adults Social Services

In September 2015 a 3 month pilot project involving a group of volunteer Social Workers Home Care Assessment staff concluded. During the pilot the group were equipped with the latest mobile technology including laptop and 4G iPhone and encouraged and supported to use it throughout their working days to improve their own efficiency and improve the service they deliver to their clients.

There was no prescriptive approach to how the technology should be used and members of the pilot each developed their own approach to working differently. Some were happy to work from their car in between client visits, others worked from touch down points in nearby council buildings and some from local cafes and other Wi-Fi hotspots.

The group quickly began to see benefits to the use of mobile technology. Being able to access their back office systems remotely not only improved the service they delivered to their clients; it also changed the way they worked with partner organisations. Having direct on-line access to key information and services during meetings in partner's offices led to dramatic improvements in outcomes and decision making timescales.

During the pilot a typical mobile working day meant less "dead time" travelling to and from the office base. Instead of having to return to the office following each client visit to update paperwork and the back office system, this was now done whilst on the road. The time saved meant it was often possible to schedule an additional home visit into the working day – a 25% increase in capacity.

During the pilot each of the group members kept a daily log of their activities and benefits accrued. Analysis of these diaries showed the mobile technology was saving on average £2,461 per person for an additional investment of £246 per year. This mobile technology and new approach to mobile working is now being rolled out across wider groups of workers in Adults Social Care Services.

- 1.3. Alongside our work force transforming the way they work the Internet has also transformed how people access information and services. This change has seen a reduction in the need for face to face customer services. Whilst it is recognised that for some residents face to face is a necessary access channel, for the vast majority the telephone, internet and smartphone applications are channels of choice to access services. UK Government figures estimate that 85% of the population now have access to the internet either directly or via a friend, family member or advocate. Access is available via public computer facilities within our libraries.

- 1.4. As more and more people turn to digital channels to access services and information there is an opportunity for the council to modernise how it deals with customer requests and contacts across all its main channels.
- 1.5. By implementing an improved digital offer we can make the Internet the channel of choice for an increasing large majority of residents. Increasingly the new Contact Centre will deal with all telephone, social and other electronic media including webchat coming into the Council, freeing up the back office to focus on delivering services.

2. WEBSITE

- 2.1. The principle of digital self-service is already well established and well used in Tameside. During 2014/15 alone there were more than 3 million individual visits to the Council's website, with people looking at over 5.6m pages. This represents a 25% increase from the previous year. On top of this a further 1.8m transactions were carried out through the Council's Bin App. The website is not only important for those people who self-serve via the Internet, it also underpins the calls centre and customer services functions.
- 2.2. That said the current website is looking dated and needs investment to improve its functionality and integration with back office systems. The current site does not meet high levels of accessibility and needs considerable re-development to comply with new regulations around the use of cookies.
- 2.3. The website will be improved to become more focused on the top transactions and to provide users with a more personalized experience. It will be limited to around 1/10 of its current size. Pages will be regularly reviewed to ensure that as new one's are added or existing pages age, the site remains tightly focused on what visitors are accessing/using. The site will be specifically designed with mobile devices in mind and a complimentary series of Apps for iOS and Android devices for the top transactions will be developed.
- 2.4. A new **Content Management System** (CMS) will be required which will deal with the accessibility and cookie issues and also provide a simpler interface through which the website can be managed directly by the central team and also by individual services.
- 2.5. People's expectations around what they should be able to do on-line, and how the online experience is delivered are constantly rising. Shopping on sites like Amazon, eBay and Tesco's provide people with fast, intuitive and joined up online experiences. They have single secure online accounts – often linked to social media accounts to make the process simpler of shopping easier and customisable.
- 2.6. The implementation of the **Capita Connect Portal** will provide the website with secure customer account facility. The system is already used within Revenues and Benefits Service to provide access to information such as Council Tax billing. A corporate deployment will allow links into other key systems such as Planning and Libraries to be developed.

3. CONTACT CENTRE

- 3.1. A professional high performing Contact Centre is capable of effectively and efficiently dealing with all front facing public contact. It not only delivers economies of scale in terms of management overheads, but also enables the council to better deal with seasonal and one-off peaks in customer contact such as Bin Swap and Election time. It also frees up the back office from answering phones and instead focus on delivering services.

- 3.2. March 2016 will see the introduction of a single Contact Centre for the council that will begin the process of dealing with not only all customer telephone calls, but also electronic contacts and service requests including Social Media.
- 3.3. It is replaces the Council's existing call centre and through the use of newer and better **Contact Centre System** including **Webchat**, skills based call routing and integration with the website all direct back office, starting with Revenues and Benefits contacts will be systematically moved into the professional front office environment.
- 3.4. As part of the transition into the contact centre work to reduce or eradicate low value calls will also be carried out. This process is already underway in regard the refuse calls and Revenues and Benefits. The implementation of new **In-Cab Technology** in refuse vehicles linked to a new improved bin App, along with a replacement **Housing Benefits Application eForm** which will link into the Capita Connect Portal will all contribute towards shifting people from telephone the cheaper self-service digital channel.

Case Study: Demand Reduction – Refuse Collection Service

In order to dramatically reduce, or eradicate altogether, low value and repeat calls to the contact centre relating to request for new or replacements bins and to report missed bins a series of steps/actions was needed.

In March a pilot involving 6 refuse vehicles equipped with new In-Cab technology will get underway. Initially the pilot will be used to “road test” the iPad Mini’s that will be fitted into the vehicle cabs and to familiarise the drivers with the use of the equipment. The In-Cab App will provide the driver with real-time location based information on issues such as “pull and returns” and other reminders. Drivers will be prompted when an action is required as they approach a specific address and they will use the In-Cab App to confirm the action is complete.

Alongside this pilot, in April a new updated Bin App combined with new In-Cab functionality is being developed and tested. This will enable residents to request new bins, report missed bins and receive updates direct from the driver in the cab, contact centre or back office relating to their request.

Reports of missed bins within the vicinity of each vehicle will immediately be displayed within the cab. The driver will then be able to confirm that they are going to revisit and collect the missed bin through in-cab-app and a message pushed back to the individual who reported it to let the know. Outstanding reports of missed bins will automatically receive a message at the end of day informing the individual that the missed bin will not be collected until the next scheduled date. Whilst the resident may not like this answer, they know what is going to happen, and they know to move their bins back from the collection point.

The system will automatically flag where bin has been reportedly missed on successive occasions and depending on colour of bin and frequency of collection a crew will prioritise a revisit. (e.g. landfill bin missed on 2 or 3 successive occasions or a green bin missed on 3 successive occasions).

In conjunction with the In-Cab technology people ringing the Call/Contact Centre with regard to a missed bin or request for a new or replacement bin will be asked to select an option from a top level menu. They will then be told that if they are reporting a missed bin they should do so via the App, Social Media or via Webchat on the website. Otherwise the bin will be collected on the next scheduled delivery date. The call will then end unless they want to request a new or replacement bin in which case they will be automatically directed to voice messaging service and asked to leave name, postcode and house number and colour of bin required. The back office will then access these calls and schedule delivery. If people do not choose the appropriate option on the top level menu and get through to a call/contact centre agent they will either be put through to the voice message service to leave details for new/replacement bins or told that the bin will collected on the next

schedule date, and encouraged to use digital channels.

Key to success of this approach to demand management is a consistent message regarding the circumstances when a crew will return to a property to empty a missed bin must be in place. In all cases a bin will not be collected until the next scheduled collection date - the only exceptions being:

- Where a crew have been unable to access a street/road due to blockage or vehicle breakdown and they have time to go back and complete the round
- Where an individual has reported a missed bin via the App and crew via the in-cab technology have agreed to return and empty because they are still in immediate vicinity.
- Where a bin has been reported on successive occasions as being missed and has been flagged as priority and an appropriate crew is in the vicinity.

4. PROGRAMME OF ACTIVITY

4.1. The initial programme of activity is detailed in the table below along with current status and delivery dates. A systematic programme will be developed to ensure that the DbD deliverables and principles are applied to all areas of council services.

Website

Task	Status	Complete
Removal of direct telephone numbers from website	Complete	
Analysis of top transactions and webpages hits for new site design.	Complete	
Replacement Content Management System selection.	Complete	
Web page review process (top 10% of pages)	Underway	31 Mar
Website home page re-design	Complete	
Content Management System implementation		w/c 30 May
Website Content moved		w/c 27 Jun
Website Live		w/c 18 Jul
Top transaction Apps (iOS and Android) commissioned		w/c 18 Jul
Web Payment system development	Complete	
Web Payment system sign/off and go-live	Underway	31 Mar
Capita Connect Portal ordered	Complete	
Connect Portal Live		w/c 18 Jul
• Integration to Uniform (planning, Enviro and Licensing)		w/c 18 Jul
• Integration to Revenues and Benefits		w/c 18 Jul
• Integration to New Civica Libraries System		w/c 22 Aug

Contact Centre

Task	Status	Complete
MacFarlane Contact+ system upgraded and test/train system created.	Complete	
Webchat system integration	Underway	w/c 22 Feb
Webchat Training		w/c 29 Feb
Webchat Live		w/c 7 Mar
Stalybridge Civic Hall identified as location for Contact Centre.		
• IT cabling and room setup Stalybridge.		w/c 7 Mar
• Call Centre move to Contact Centre Location		w/c 14 Mar
Contact+ Social Media setup and training		w/c 21 Mar
Contact+ Social Media feed live		w/c 28 Mar

Revenues and Benefits Contacts

Task	Status	Complete
Orders Capital Connect Portal for Corporate Website	Complete	
Specification and order for additional eForms	Underway	
Call reduction work/Plan	Underway	
Identify staff to move to Contact Centre	Underway	w/c 14 Mar
Move calls to Contact Centre.		w/c 04 Apr

Refuse and Recycling Contacts

Task	Status	Complete
Plan agreed with Leader to reduce calls to Call Centre relating to refuse	Complete	
Phase 1 In-Cab technology in development		
<ul style="list-style-type: none"> Back office by internal web development team 	Complete	
<ul style="list-style-type: none"> In-Cab App development (external developers) 	Underway	w/c 21 Mar
<ul style="list-style-type: none"> In-Cab hardware 	Complete	
<ul style="list-style-type: none"> Phase 1 In-Cab testing 		w/c 28 Mar
Phase 2 In-cab technology Define/Specify	Complete	
<ul style="list-style-type: none"> Phase 2 development 	Underway	April

Uniform and Lalpac

Task	Status	Complete
Contracts for upgrade to Uniform signed	Complete	
Oracle and Uniform system upgrades (phase 1)	Underway	w/c 15 Mar
<ul style="list-style-type: none"> New Planning portal Live 		TBC
<ul style="list-style-type: none"> New Document Management System for Planning and Enviro. 		TBC
<ul style="list-style-type: none"> Back scanning planning applications for on-line search 	Underway	
Taxi Licensing (Phase 2)		
<ul style="list-style-type: none"> Begin Data Extract from Lalpc 		w/c 04 Apr
<ul style="list-style-type: none"> New On-line application process Live 		w/c 30 May

5. COSTS AND RETURN ON INVESTMENT

- 5.1. The Digital by design programme will support services as they move to new delivery models and will deliver both direct and in-direct cost savings for the organisation. It is envisaged that the initial programme (detailed above) will save £250,000 per year for the investment detailed in table 1 below.

Table 1.

Description	2016/17	2017/18
Webchat Software	27,700	0
Website Content Management System	19,700	0
Refuse In Cab App & technology	10,290	8,250
Contact Centre System Upgrade	10,000	0
Capital Connect Citizen portal	29,625	0
Capita Revs and Bens eForms	27,000	9,000
	124,315	17,250

6. RECOMMENDATIONS

- 6.1. See front page of report

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Report To: STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

Date: 14 March 2016

Reporting Officer: Tim Rainey – Assistant Executive Director, Digital Services

Subject: SMART TAMESIDE: TOWN CENTRE WI-FI

Report Summary: The Tameside Digital Infrastructure is a vendor neutral dark fibre network which runs in and around Ashton Town Centre and St Petersfield. It has been operational for over 12 months delivering connectivity for data and telephony for Council staff and services in various locations.

The Council installed this new digital technology infrastructure to transform public services by offering new and superior service at lower cost. It also saw digital technology as a driver for economic growth, directly through the development of digital sector and related businesses, and indirectly through the impact on productivity in the wider economy.

There is an opportunity to link these objectives for digital transformation by working with partners from the public and private sectors to jointly expand the infrastructure that now exists so it can be shared with other organisations and businesses to help economic regeneration in the Tameside area and promote digital inclusion.

This report details an ambitious project to overlay a free-to-use Town Centre Wi-Fi infrastructure on top of the dark fibre network which will provide the public in Ashton and Droylsden Town Centres with ubiquitous internet access.

The report goes on to detail the costs associated with expanding this Wi-Fi network across the other 7 Town Centres in Tameside using both the dark fibre network and the Council's existing Wide Area Network to provide the internet connectivity.

Recommendations: That it is recommended to Cabinet that Capital funding for the phase 2 expansion of the free to use public Wi-Fi network into Audenshaw, Denton, Stalybridge, Hyde, Hattersley/Longdendale, Dukinfield and Mossley of £134,951 is approved.

Links to Sustainable Community Strategy: There are no direct Community Strategy implications within this report.

Policy Implications: There are no direct policy implications within this report.

Financial Implications: There is currently no funding available for this project. The project cost of £134,951 requires approval to be funded and included within the Capital Programme.

(Authorised by the Section 151 Officer)

The capital investment will assist with the delivery of the council's pledges and will assist with enabling service users access Council services. Although this is difficult to quantify at this stage it is anticipated that this investment will assist

with the delivery of savings.

The ongoing revenue costs associated with the investment will be funded from existing Council budgets within the funding envelope for Digital Tameside.

Consideration must be given to any revenue costs arising as a result of the capital financing, it is anticipated that these would be funded through the service area.

The report sets out work which is being undertaken alongside third parties such as New Charter Housing Trust. Any costs arising as a result of this work will be funded by the relevant third party.

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

The report doesn't set out how the provision will be procured or installed and this must therefore comply with all necessary legal requirements before any liability is incurred should this expenditure be approved.

Risk Management:

The service will need to create a risk register to ensure deliverables achieved within the cost approved.

Access to Information:

The background papers relating to this report can be inspected by contacting Tim Rainey, Assistant Executive Director, Digital Services:-



Telephone:0161 342 3299



e-mail: tim.rainey@tameside.gov.uk

1. INTRODUCTION

- 1.1. Tameside Metropolitan Borough Council has installed new digital technology infrastructure to transform its own public services, offering new and superior service at lower cost. It also sees digital technology as a driver for economic growth, directly through the development of digital sector and related businesses, and indirectly through the impact on productivity in the wider economy.
- 1.2. There is an opportunity to link these objectives for digital transformation by working with partners to jointly expand the infrastructure that now exists so it can be shared with other organisations and businesses to help economic regeneration in the Tameside area. Alongside the Council using the new infrastructure to link 7 of its sites in Ashton Town Centre, Dark fibre is also being installed into the Ashton Old Baths development and it will be used to provide connectivity to the businesses based there.
- 1.3. In addition other public sector partners are also investing in the network. Greater Manchester Pension Fund have agreed funding to help extend the fibre network into their new HQ in Droylsden and Tameside College have funded an £80k extension of the network to link its Beaufort Road site with their new Ashton Town Centre facility. The Pennine Care Trust has recently commissioned a link into their St Petersfield HQ and Ashton Pioneer Homes are using the network to provide their high rise tenants with access to the Internet. Others such as Tameside General Hospital and New Charter Housing are also actively engaged and keen to exploit the opportunities that connectivity brings with plans to extend the network to Globe Lane industrial estate, and in so doing connect Dukinfield Town Hall and Town Centre and also the main hospital site being developed.

Case Study: York City Centre Wi-Fi

In July 2014, York introduced a Free, unlimited public Wi-Fi network across the City Centre consisting of 14 City Connect Zones the network was funded by the Department of Culture Media and Sport as part of York's Super Connected Cities project.

Along with free Wi-Fi in the City Connected Zones, they also have public access in their libraries, corporate buildings and 6 park and ride sites. Alongside supporting local business and public, through the Purple Wifi analytic tools the network is also proving to be an invaluable resource in supporting the council's work to further understand and monitor how the city centre is used to help future prosperity and growth.

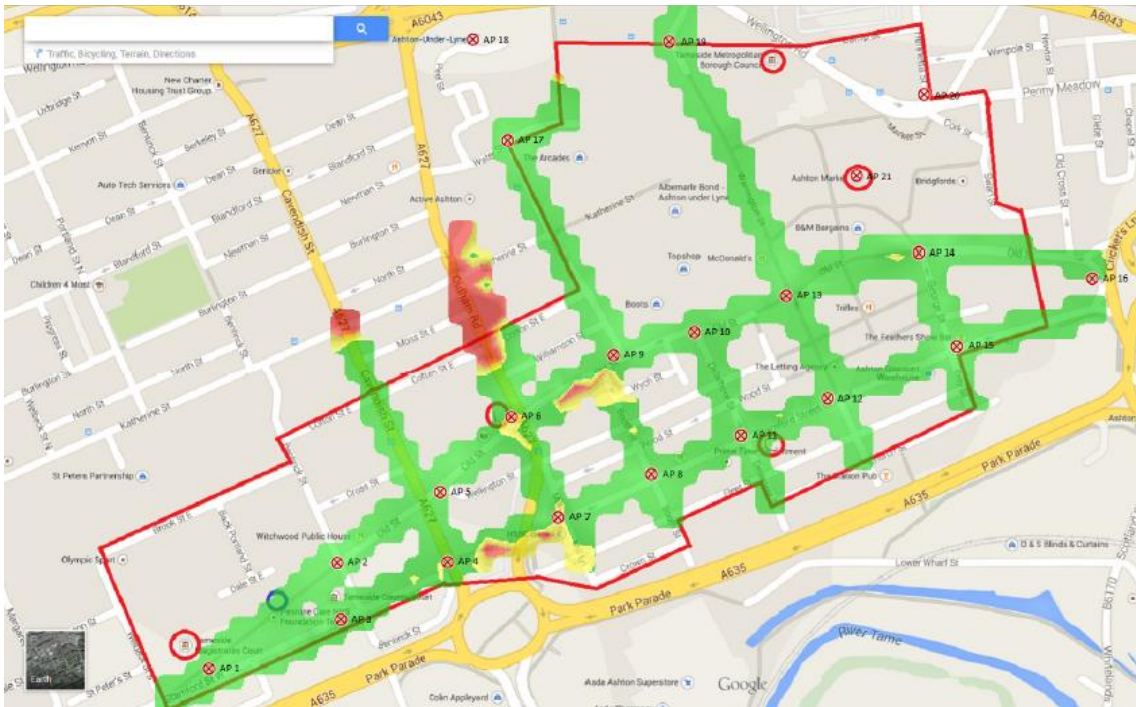
In the first 3 months of operation the network received more than 1 million hits.

2. PHASE 1: TOWN CENTRE FREE-TO-USE PUBLIC WI-FI

- 2.1. The advent of the dark fibre network in Ashton and Droylsden Town Centres brings with it the opportunity to use the cheap, fast and accessible Internet connectivity to support the roll out of an extensive free-to-use Town Centre Wi-Fi network.
- 2.2. Building on the Council's existing Wi-Fi infrastructure free-to-use public Wi-Fi is initially being made available across the two Town Centre's (as shown below). Supporting the same browsing policies as our Libraries, the network will seamlessly connect users in any library, Market Hall, council building or either Town Centre to the internet as they move around. The first phase of the work is underway and will be complete in Spring 2016.

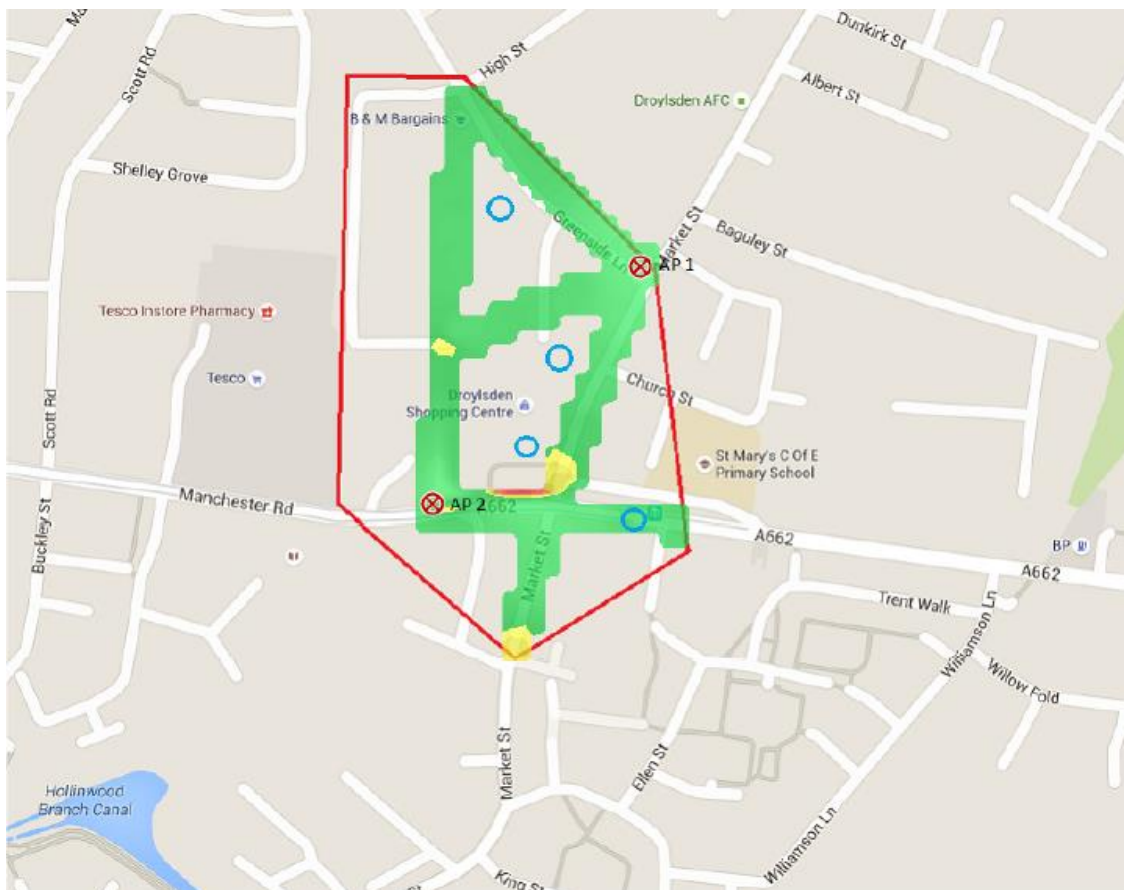
Ashton Town Centre – Wi-Fi coverage

- 2.3. 21 new external access points will be installed across the Town Centre providing extensive high quality Wi-Fi service throughout. Including the existing Wi-Fi access points in council and college buildings will be this will create 25 connection zones.



Droylsden Town Centre – Wi-Fi coverage

- 2.4. In addition the Wi-Fi already available at the library and Pension Fund building 3 external connection zones will be installed around the Town Centre.



3. PHASE 2: OTHER TOWN CENTRE FREE-TO-USE PUBLIC WI-FI

- 3.1. Costings for the wider roll out of free-to-use Town Centre Wi-Fi for Audenshaw, Denton, Stalybridge, Hyde, Hattersley/Longdendale, Dukinfield and Mossley are detailed below. The first stage of the implementing Wi-Fi into each Town Centre is to undertake technical surveys in each Town Centre to accurately map signal coverage. Each Wi-Fi access point can transmit a signal over a 200m radius; however the quality and penetration of the signal is dependent on local environmental variables such as height and density of buildings.
- 3.2. Following the survey work heat maps will be produced for each Town Centre detailing the coverage and options for the location of access points. These will then be discussed with the appropriate Elected Members and Town teams to finalise positions.
- 3.3. It is intended to initially install 3 Wi-Fi access points in each Town Centre outside of Ashton, however more points can be added later if and when required. In each case the first “master” access point will be located on a council building which will act as the gateway to the internet for other access points. The proposed locations for each of the “master” access points are also included in table below.
- 3.4. Each “master” access point can support 2 “slave” access points running off it. These “slave” access points will be fixed to street lighting columns or other suitable structures and will only need the host structure to provide power. They will need to be sited within 200m of another access point and will then daisy chain back to the master access point which provides the Internet connectivity. All the access points will be physically installed by the in-house Street Lighting Team.
- 3.5. The table below details the capital costs that would be required to complete the Wi-Fi project. Revenue costs for the ongoing support and maintenance of the equipment will be met from existing service budget.

Master AP Location	No's of AP's	Unit Cost	Total AP Cost	Power and Install	Wifi Survey	Infra-structure	Total Cost
Audenshaw Rycroft Hall	3	£2,826	£8,479	£4,800	£600		
Hattersley Hub	3	£2,826	£8,479	£4,800			
Denton Festival Hall	3	£2,826	£8,479	£4,800	£600		
Hyde Town Hall	3	£2,826	£8,479	£4,800	£600		
Stalybridge Civic	3	£2,826	£8,479	£4,800	£600		
Dukinfield Town Hall	3	£2,826	£8,479	£4,800	£600		
Mossley George Lawton	3	£2,826	£8,479	£4,800	£600		
Fortisgate Server						£18,400	
Purple Wifi						£20,000	
			£59,351	£33,600	£3,600	£38,400	£134,951

- 3.6. The initial Town Centre surveys will be undertaken during April 2016 with the heat maps available for agreement in early May. The physical installation of the access points will begin in May and be completed by mid-July with the entire network available for public use during August.

Case Study: Tameside Wi-Fi Network

The Tameside Public Wi-Fi Network will be one of the most extensive free-to-use public Wi-Fi networks outside of major City Centre in the UK. Coverage will include 9 major Town Centres with 45 external connection zones, further supplemented by connectivity in 30 other Council buildings across Tameside.

Working with partners including Tameside College, Pennine Care Mental Health Trust, Tameside Hospital, Ashton 6th Form College and Transport for Greater Manchester this coverage will be further extended to provide seamless connectivity for the public, patients, students and businesses.

Using the powerful analytical data produced from the Purple Wifi system, usage of the network can be used to help better understand visitors to the Town Centre's, where they come from, where they shop and the routes they take.

4. PHASE 3: OTHER PARTNER WI-FI NETWORKS

- 4.1. Once the Free-to-use Wi-Fi network has been established across Tameside it can then be linked to other Wi-Fi networks operating in Tameside. Federated access can be setup which would allow students at Ashton 6th Form College and Tameside College to remain connected to their campus Wi-Fi's as they travelled through our Town Centres. Similarly patients and visitors at Tameside hospital could remain connected to the Town Centre Wi-Fi network when at the hospital site.

5. PHASE 4: SOCIAL INCLUSION - TENNANTS WIFI NETWORKS

- 5.1. As part of the Ashton Town Centre Wi-Fi project, work is progressing with New Charter Housing Trust (NCHT) to install Wi-Fi connectivity in to the St Petersfield Estate, off Bentick Street in the Town Centre. The pilot project will see free connectivity offered to tenants on the estate via a secure private Wi-Fi service running alongside the publicly available service. Tenants will be able to use this network to access a number of pre-approved sites with higher data speeds, less contention and access to services not available on the wider public network (e.g. film streaming etc.).
- 5.2. NCHT are funding the scheme, the results from which will be used assess the benefits of a wider roll-out across the wider estate.

6. RECOMMENDATIONS

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

- Report To:** STRATEGIC CAPITAL PANEL
- Date:** 14 March 2016
- Reporting Officer:** Ian Saxon Assistant Executive Director for Environmental Services
- Subject:** REPLACEMENT OF REFUSE COLLECTION FLEET
- Report Summary:**
- Waste Services currently delivers its service to a growing population as well as requiring a change in operational delivery due to the need to improve recycling. The Waste Service currently operates a fleet of 31 refuse collection vehicles to deliver its services. This fleet is broken down into two age ranges, those being 22 vehicles purchased in 2009 currently aged 6 years and 9 vehicle purchased 2012 now aged 3.5 years. The optimum operational life expectancy for a refuse vehicle is 8 years (with an interim refurb program at 6 years). This report is to put in place the authorisation to replace the 22 vehicles purchased in 2009, which will be due for replacement in January 2017. In order for the Council to maintain its service delivery and continue to increase its recycling rates to reduce landfill use and generate savings via a reduced waste levy it is essential that this fleet is not allowed to operate as a front line fleet passed the 8 years optimum life.
- Due to the specialist nature of these vehicles, the procurement process and the manufacturers build times (currently 6-9 months). It is essential that work on replacing the fleet must begin immediately, to ensure orders can be placed as early into 2016 as possible to ensure delivery for 2017.
- Based on previous build prices with an estimated inflationary increase in manufacturing costs it is anticipated that the purchase price will be approximately £3,059,700.
- Recommendations:**
1. Approval is sought form the Strategic Capital Panel to purchase the Refuse Collection vehicles, using the best value funding option, Option 2, via Prudential Borrowing, use of reserves and residual values.
 2. That the new borrowing/hire costs are met by Waste Service revenue budget over the 8 year period via vehicle rentals issued through Transport Services, charging as outlined in Option 1 and any saving that materialises by funding using Option 2 is added to the Vehicle Replacement Reserve.
- Links to Community Strategy:** The purchase of these vehicles will enable Environmental Services to continue to provide its refuse collection to the growing citizens and businesses of the borough for the next 8 years up to 2025 years, with savings accruing to the service area / Council.
- Policy Implications:** This report supports the Council policy and statutory duty to ensure the Borough has a waste collection service for its

residents.

Financial Implications:
(Authorised by the Section 151 Officer)

An affordability evaluation has been undertaken to ensure that Environmental Services can afford the replacement of the 22 Refuse Collection vehicles. It is proposed that the purchase of these vehicles is funded via Prudential Borrowing, use of reserves and vehicle residual values financed over a period of 8 years.

The funding options available to the Council are detailed below:

	Option 1- Replace All Fully fund via Prudential Borrowing	Option 2- Replace All Part fund Prudential Borrowing, Use of Reserve and Vehicle Residual Values
Purchase Price	£3,059,700	£3,059,700
Less: Use of Reserve	0	£420,277
Less: Vehicle Residual Values (Estimated)	0	£119,240
Subtotal	£3,059,700	£2,520,183
Interest	£306,259	£252,256
Cost to the Council	£3,365,959	£2,772,439
Annual rental cost	£876,039	£801,849

The best value funding option is Option 2 which includes a contribution from the Vehicle Replacement Reserve of £420,277 and £119,240 vehicle residual values.

The estimated annual rental cost to Environmental Services is £876,039. This returns an annual saving of £49,619 to the directorate and an overall saving of £396,952 over the 8 years of the life of the vehicles, and provides an annual contribution for future vehicle replacements of £74,190 to the reserve; this will enable the Council to repeat Option 2 in 8 years time.

All costs will be funded from existing revenue budgets within Environmental Service and will assist with the achievement of savings.

This approach of utilising different options for both funding and recharging provides the most effective and cost efficient solution for the Council.

Legal Implications:
(Authorised by the Borough Solicitor)

The value of the proposed procurement exceeds the OJEU threshold. Accordingly a competitive procurement will be required involving either a tender exercise or a mini-competition under an authorised framework in accordance with the Public Contracts Regulations 2015. This report is premised upon the fact that the service have in place the most cost efficient and effective working arrangements.

Governance Arrangements:

All procurement activities undertaken as a result of this report will be done in accordance with the Council's financial standing orders in line with public procurement regulations.

Risk Management:

Set out in the report - see section 6

Access to Information:

The background papers can be obtained from the author of the report, by Alan Jackson, Head of Environmental Services (Highways and Transport)



Telephone: 0161 342 2818



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

1. INTRODUCTION AND SUMMARY

- 1.1 The Council operates a complex and varied fleet of refuse collection vehicles to enable it to collect domestic, commercial and recyclable waste from the citizens and businesses of the borough. The refuse collection fleet is currently made up of 31 vehicles purchased via prudential borrowing. 22 vehicles were purchased in 2009 and 9 vehicles were purchased in 2012.
- 1.2 The vehicles purchased in 2009 are now due replacement 2017. Due to tender process times and extensive manufacturer build times work needs to commence on the vehicles replacement program now in order for orders to be placed in time for delivery 2017.
- 1.3 The profile of the refuse collection fleet is as below in **Table 1**.

Table 1 – Refuse Collection Fleet Profile

No Vehicles	Age (years)	Replacement date	Description
18	6	2017	Dennis Elite 26 Tonne Refuse Collection Vehicles
2	6	2017	Scania 26 Tonne Trade Waste Collection Vehicles
2	6	2017	Daf 12 Tonne Rural Refuse Collection vehicles
9	3.5	2020	Dennis Elite 26 Tonne Refuse Collection Vehicles

Fleet Options

- 1.4 There are various configurations of fleet that have been considered in order to determine the optimum fleet profile to deliver the service and the above configuration of vehicles has proved to be the best option, being the most effective and operationally viable.
- 1.5 Prior to any purchases lengthy specification meetings are held with Waste Service to discuss the best product available and to ensure any purchases deliver the best operational outcome for the Council and the service.
- 1.6 Other options considered and rejected are detailed below;

a) Use of Larger Vehicles

The introduction a larger vehicle with higher payload capacity with a view to reducing fleet size and number of drivers required.

The current large vehicle option is a 6 x 2 with mid lift axle. This vehicle is in essence a 26 ton vehicle with a payload of 11,500kg it has 3 x axles one to steer one to drive and an additional one to carry part of the load. The direct larger replacement would be an 8 x 4 32 ton vehicle with a payload of 18,000kg. This vehicle has two front axles for steering and two rear axles to drive and carry the load.

In 1995 the Council procured two of these vehicles on fleet for trial purposes. Unfortunately, this turned out to be a costly unbeneficial exercise, due to the vehicles not being used for a large portion of time and the vehicles were disposed of. This was due to the fact that they were not compatible with the Borough's highway network, mainly narrow streets and housing estates, as the turning circle on these large vehicles is poor and subsequently could not access a large proportion of the properties.

b) Use of Smaller Vehicles

The Council could also consider the use of smaller vehicles. However, this would require additional vehicles to collect the volume of waste generated, as well as the need to employ additional drivers and loaders.

The Council has two 12 ton vehicles on fleet and these are the largest vehicles available providing the highest payload with the ability to access the rural areas. Vehicles any larger cannot access the required rural properties due to the terrain and restrictions on access (small country paths etc).

- 1.7 Total number of vehicles employed within this service area is 31. The 22 vehicles with a 2017 replacement date are the vehicles covered within this report.
- 1.8 Waste Services provides a collection service to residents and business users utilising the above vehicles, currently over 31 operational rounds, (given that one round equals one vehicle). Each vehicle is designed to collect domestic and recyclable waste, the rounds are
 - 27 x Domestic waste and recycling collection rounds (Black/Green/Blue and Brown bin)
 - 2 x Commercial waste collection rounds (Trade)
 - 2 x Rural domestic waste collection rounds (Black/Green/Blue and Brown bin)
- 1.9 The Council has introduced its new bin swap initiative to increase its recycling rates and reduce landfill use this is expected to generate savings of approximately £3 million per annum. In order to maintain the impetus of this programme of change it is essential that the Waste Service fleet maintains its high performance levels in fleet availability and reliability.
- 1.10 The original fleet size of 31 vehicles provided for the operation of 29 rounds. The two additional vehicles provided immediate cover for safety and statutory maintenance and repair operations.
- 1.11 For example a refuse vehicle is out of service for 1 week of every year for statutory maintenance MOT, test preparation, tachograph certification and LOLER (Lifting Operations and Lifting Equipment Regulations) certification this equates to the loss of 1 vehicle for 31 weeks of every year when taken as a fleet total, without a small amount of spare capacity the refuse collection operation will encounter difficulty in maintaining its service resulting in missed bins/rounds due to vehicles being off the road. Although the majority of preventive maintenance and repairs are carried out during non-operational hours, it is inevitable that this work will spill over into normal working hours, therefore impacting on Waste Services.
- 1.12 Due to operational reasons and the need to increase recycling opportunities; the Waste Services operation increased the total number of rounds undertaken to 31, removing this support element.
- 1.13 In order to support this, it is the intention for 3 of the 22 vehicles to be retained as maintenance support vehicles for periods of downtime due to servicing, repairs and MOT's etc., as the fleet is currently without any provision in this area. This is in line with industry standards.
- 1.14 In addition the cost of replacement hire vehicles is in the region of £1,000 per week. However, there is a major reduction in the availability of hire vehicles across the industry. Securing a replacement vehicle when required takes an average of three days with a minimum three day hire; and each hired vehicle requires a three hour pre use inspection mandatory by law before it can be put into service. (Very frequently these hired vehicles fail the pre use inspection).
- 1.15 During 2015/16 hire costs for one replacement vehicle alone have been in excess of £40,000, therefore in comparison to £18,908 per annum for retaining 3 vehicles provides the most cost effective and efficient option.
- 1.16 It is the intention that the 3 retained vehicles will be similarly replaced in 3 years time with the next programmed fleet replacements.

- 1.17 New vehicles of a specialist nature inevitably go through an intense running in phase, with replacing such a large proportion of the fleet then it would be prudent to ensure adequate cover is available to absorb the impacts of any teething problems that might occur.
- 1.18 The cost of the upkeep and maintenance of these three retained vehicles for maintenance support is included in the base rentals to the Waste Services.

2. PROCUREMENT METHOD

- 2.1 It is the intention to procure the 22 vehicles via a tendering exercise through either an approved framework let by the Yorkshire Purchasing Organisation or the Council's own OJEU Tender exercise and finance these items over 8 years.
- 2.2 The previous price paid for the 9 refuse vehicles replaced in 2012 was £135,700 each. A 5% uplift has been added to this price to formulate the financial information in **Table 2** below in the financial summary section.
- 2.3 It should be noted that the purchase prices for the above option are those prices obtained by using the AGMA fleet framework, which has now expired with no current replacement in place.

3. FINANCIAL SUMMARY

- 3.1 This procurement exercise will assist Waste Services to deliver its recycling savings by ensuring it continues to operate a modern up to date fleet.
- 3.2 The costs of replacing the 22 vehicles are detailed in **Table 2** below.

Table 2 - Purchase Costs

No. req.	Description	Category	Est Purchase Price	Borrowing Rate @ 2.17%	Purchase + Borrowing
2	Daf LF45 12Ton Geesink	Domestic and recycling	£210,000	£21,020	£231,020
18	Dennis 26ton 6x2 Elite Phoenix	Domestic and recycling	£2,564,730	£256,715	£2,821,445
2	Scania 26Ton Geesink	Commercial (Trade)	£284,970	£28,524	£313,494
Totals			£3,059,700	£306,259	£3,365,959

- 3.3 The total cost associated with the 3 maintenance support vehicles has been calculated at £18,908 per annum for a period of three years. This increase has been included in the base rentals of the 22 new vehicles which equates to a cost of £859 per annum per vehicle.
- 3.4 The estimated resale value of the current 19 vehicles to be disposed of is £119,240 this value is an estimate based on the condition of the 19 vehicles. This figure will go to offset the borrowing. However the re-sale price cannot be guaranteed due to re-sale being governed by external market forces and demand. The values are determined by the amount paid and the likely auction price (there is no 'book' value for these types of vehicles) based on the age and expected condition of the vehicle. These are therefore only indicative figures as values can fluctuate significantly, depending on the state of the second hand vehicle market etc.
- 3.5 The estimated value of £119,240 will need to be provided from reserves until the sale of the vehicles is realised. Upon the sale of the vehicles the receipt will transferred back to the reserves.

- 3.6 Based on these costs there are two funding options. Option 1 Fully fund via Prudential Borrowing and Option 2 Fund via Prudential Borrowing offset by Use of Transport Reserves and Residual Values of the 19 vehicles to be disposed of, as detailed in **Table 3** below.

Table 3 Funding Options

	Option 1- Replace All Fully fund via Prudential Borrowing	Option 2- Replace All Part fund Prudential Borrowing, Use of Reserve and Vehicle Residual Values
Purchase Price	£3,059,700	£3,059,700
Less: Use of Reserve	0	£420,277
Vehicle Residual Values (Estimated)	0	£119,240
Subtotal	£3,059,700	£2,520,183
Interest	£306,259	£252,256
Cost to the Council	£3,365,959	£2,772,439
Annual rental cost	£876,039	£801,849

- 3.7 The proposed funding option is Option 2, which provides the most cost effective purchasing option for the Council.

- 3.8 To ensure provision is made to contribute to the vehicle replacement reserve which will assist in funding future fleet purchases it is proposed that services will be charged Option 1 (making a saving of £925,658 - £876,039 = £49,619); as outlined in **Table 4** below and the difference paid into the Vehicle Replacement Reserve.

Table 4 – Service Recharge

		Recharge (Annual rental with contribution to reserves)					
No.	Description	Current Annual Cost to Service	Proposed Actual cost to the Council	Variation/ (Saving) to the Council	Variation/ (Saving) to the Service	Contribution to Reserve	Proposed Annual Cost to Service
2	Daf LF45 12Ton Geesink	£62,825	£ 57,971	(£4,854)	£1,740	(£6,594)	£64,565
18	Dennis 26ton 6x2 Elite Phoenix	£776,679	£669,525	(£107,154)	(£46,318)	(£60,836)	£730,361
2	Scania 26Ton Geesink	£86,154	£74,353	(£11,801)	(£5,041)	(£6,760)	£81,113
	Totals	£925,658	£801,849	(£123,809)	(£49,619)	(£74,190)	£876,039

4. AFFORDABILITY/FINANCIAL IMPACT

- 4.1 Based on the information provided, it has been confirmed that the budgets held by the Head of Waste Services, is able to afford the revenue costs in respect the rental charges over the 8 year rental period for the vehicles required as indicated in Table 4 above, including an annual saving of £49,620 on current budgets.

5. RISK MANAGEMENT

The main risks associated with this decision are:

- 5.1 The above recommendations are in line with the current service review being undertaken by Environmental Services, which will help increase recycling rates utilising existing resources. In the future, further reviews may be necessary which may require the release the potential of these resources and in such cases, should demand be different, there is still options to dispose of one or more of the vehicles before the end of the borrowing period. In this event, vehicles returned by the service will be sold (initially being offered to other AGMA authorities, who now operate with a similar specification of vehicle), with the receipts of the sale going to offset the outstanding borrowing. The short fall (if any); will then be recharged to the Service returning the vehicle.
- 5.2 Residual values may not be realised as expected, due to market conditions at the time of sale.
- 5.3 If authorisation to replace the vehicles contained within this report is not given, then the affected service will struggle to deliver its services. The use of short / medium term hire vehicles will increase and become unsustainable, and the escalating maintenance costs of the 22 vehicles and consequential increased downtime would seriously impact on Waste Services capability to deliver its services and adversely impact on the current Waste Services refuse and recycling initiatives.
- 5.4 Waste Services is currently conducting a review of its commercial waste with a view to reducing the two allocated vehicles down to one. If this transpires as a viable change then one less vehicle will be required. This review will be completed in advance of the completion of any tendering process and before any vehicles are ordered. Any reduction can be taken into account before any order for vehicles is placed.

6. RECOMMENDATION

- 6.1 As set out at the front of the report

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	14 March 2016
Executive Member / Reporting Officer:	Councillor Gerald P Cooney, Executive Member – Healthy and Working Angela Hardman – Director of Public Health
Subject:	HYDE UNITED FOOTBALL CLUB – CAPITAL DEVELOPMENT PROPOSAL
Report Summary:	Hyde United Football Club is seeking financial and technical support from the Council to convert its existing natural turf (grass) pitch at Ewen Field Stadium to a Fédération Internationale de Football Association (FIFA) 2 Star synthetic turf pitch for the start of the 2016/17 football season. This report details the Clubs proposals which include the requirement for a financial contribution from the Council's Capital programme of £0.415m in 2016/17.
Recommendations:	<p>It is recommended that the report be considered. If the decision is taken to support the scheme as set out in the report and subject to planning approval, that a recommendation is made to Cabinet that:</p> <ol style="list-style-type: none">1) the Council enters into a community use agreement with Hyde United Football Club in a form to be approved by the Borough Solicitor, which will include a performance regime with deductions for non-availability or non-delivery under the agreement.2) a capital budget of £0.415m be established in 2016-17 Capital Programme.3) the former Leigh Primary School site be disposed of subject to the necessary planning consents and the receipt be used to fund the proposed scheme.
Links to Community Strategy:	<p>The Community Strategy 2012-22 (and the Corporate Plan 2013-18) outlines the priorities for improving the borough of Tameside.</p> <p>This proposal directly links to the Tameside Sustainable Community Strategy objective of 'Healthy Tameside'.</p>
Policy Implications:	This proposal supports the Tameside Health and Wellbeing Strategy and, specifically the strategic priority pertaining to reducing Physical Inactivity and improved Physical Activity levels across the Borough.
Financial Implications: (Authorised by the Section 151 Officer)	<p>The Council's 2015/16 Capital Programme has provision for a scheme at Hyde United FC costing £0.405m to be funded by unsupported borrowing.</p> <p>£0.125m has been spent by the Council on the surrender of a long term lease with Hyde United FC. The balance remaining in the 2015/16 Capital Programme for this scheme is therefore £0.280m.</p> <p>SPCMP, at its meeting on 30 September 2015, supported a</p>

new bid for support for facilities at Hyde United FC, which is the subject of this report. The cost of the new scheme is estimated to be £0.415m.

The development at Hyde United FC creates a disposal opportunity at the former Leigh Primary School site. The potential capital receipt is subject to planning consent but, if realised, no unsupported borrowing would be required for this scheme, if approved.

The table below provides a summary of the cost implications :

	£ m
Estimated cost of proposed scheme	0.415
Current expenditure	0.125
Sum to be funded	0.540
Estimated potential capital receipt from the disposal of the former Leigh Primary School site (subject to planning consent)	0.800
Estimated net gain to the Council	0.260

The table above details that if an estimated capital receipt of £0.800m is realised no unsupported borrowing would be required to support the related expenditure associated with this scheme if approved. In addition an estimated residual sum of £0.260m would be available to support the financing of the Council's capital programme.

If the capital receipt is not realised unsupported borrowing of £0.415m would be required to fund the scheme, if approved. It should be noted that this would be additional annual revenue expenditure for the Public Health Directorate of the Council from 2016/2017 onwards. The Directorate is required to ensure appropriate revenue budget is provided to finance this liability.

There is financial risk for the Council associated with this scheme as there are doubts over Hyde United FC's ability to generate £0.025m per year over a 10 year period (total £0.250m) to fund a replacement pitch at that time. Failure on the part of Hyde United FC provide for this sum would result in the Council needing to fund any outstanding balance. Again there is no provision for this potential additional expenditure within the Council's Medium Term Financial Strategy or the Public Health Directorate revenue budget.

It is essential that the accounts of Hyde United FC are reviewed on an annual basis to ensure £0.025m provision has been made over a 10 year period to finance the future pitch replacement liability. The Council should be advised if the annual sum has not been provided to enable alternative action to be considered to avoid a future Council liability.

If this scheme is not approved, abortive costs of £0.009m, as detailed in section 2 of this report, will be incurred by the Council. This will again be an additional liability for the Public Health Directorate of the Council.

Legal Implications:
(Authorised by the Borough Solicitor)

It will be important to have very clear objectives and requirements that need to be delivered under the Community Agreement so it is delivered and there can be clarity as to the failure to achieve the required outcomes.

It is important that the Council is able to use public health money to improve health inequalities and is able to evidence this.

Risk Management:

This report sets out the key risks of the proposals in order to support decision-making.

Access to Information:

The background papers can be obtained from the author of the report, Angela Hardman



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

1. INTRODUCTION

- 1.1 On 22 June 2011 the Council approved a £1.0m capital investment scheme for Hyde.
- 1.2 Phase 1 of this scheme incorporated plans to:
- Re-drain and resurface the natural turf pitch at Hyde United FC / Walker Lane.
 - Reclaim and clear redundant land between the Leisure Pool and Hyde United FC.
 - Extend the existing Active Hyde Leisure Pool car park to provide 198 spaces.
 - Install a Multi-Use Games Area at Millennium Green.
- 1.3 The above works were successfully completed in December 2011 at a cost of £0.595m leaving a residual balance of £0.405m in the 2015/16 capital programme.
- 1.4 The Council decision also made provision for a phase 2 element which included the development of facilities at Hyde United Football Club including a synthetic 3G pitch and a community building. The original planned completion date for Phase 2 was July 2012.
- 1.5 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.
- 1.6 Due to the 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.

- 1.7 Funding was not 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.
- 1.8 The Club, having considered its options, then sought financial and technical support from the Council to utilise the remaining capital funding to convert the current stadium pitch at Ewen Fields to a synthetic turf pitch in time for the start of the 2016/17 football season at a cost of £0.405m. The matter was set out a report to Strategic Planning and Capital Monitoring Panel on the 30 November 2015. At the meeting it was resolved:
- (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.*

- 1.9 The Club, having evaluated its position based on the outcome of the Strategic Planning and Capital Monitoring meeting, has decided to take up the Council's offer of considering a new capital bid for the development. The Club has asked that the matter to be considered by the Council as soon as possible to meet their challenging timescale for the project. If approved the scheme needs to be fully completed by the start of the 2016/17 football season.
- 1.10 This report sets out the aspirations of the Club, the proposed scheme and its longer term viability, how the scheme could be delivered and the likely benefits and risks associated with the development.
- 1.11 There is a statutory duty to address health inequalities. 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.
- 1.12 The Club has no match funding and the entire financial liability for the scheme would rest with the Council. Members should note that any approved proposal will need to be financed by borrowing which will require an annual revenue repayment. There is no provision within the Council's Medium Term Financial Strategy for this additional expenditure.
- 1.13 The development at Hyde United FC creates a significant disposal opportunity at the former Leigh Primary School site. A sizable capital receipt is envisaged subject to planning consents.
- 1.14 The risks associated with the scheme are significant and need to be considered against the likely benefits of the scheme.

2. HYDE UNITED FOOTBALL CLUB - PROPOSAL

- 2.1 This section of the report has been reproduced from information supplied by Hyde United FC in support of the proposal. Hyde United Football Club currently plays at step 3 in the football pyramid. The Club is seeking to convert its existing stadia natural turf (grass) pitch to a Fédération Internationale de Football Association (FIFA) 2 Star synthetic turf pitch for the start of the 2016/17 football season. Ewen Fields (the ground) has capacity for 4,000 spectators; it is floodlit and is served by a large car park. The ground has changing rooms for players and officials.
- 2.2 The existing stadia natural turf pitch is not generally available for community use. The pitch is primarily used by the first team for match play but is made available for junior league finals at the end of each football season. The pitch is used on average for circa 2/3 hours per week. The limited availability of the pitch constrains the development of local football and the Club in general. A synthetic turf pitch with floodlights would be available for an extensive community use programme of at least 90 hours per week.
- 2.3 The Clubs aspirations for the proposal are as follows:
 - Provide a home ground for Hyde United FC that will also be a genuine community facility.
 - Provide Hyde United FC with a sustainable business model which is grounded in the heart of the community.
 - The development of the site will meet a need to create a hub for football development in Hyde, including key targets of retaining and creating pathways for players (especially at 16+), developing skills and workforce, encouraging new participation (women/girls and disability football), and development of small sided and 9v9 football.
 - The development is also needed to provide a home for junior football in Hyde.
 - It will form a core site for the delivery of Hyde United FC's Community Programme generating significant additional benefits in football, sport and wider community

development (delivering outcomes in health, education, well-being, participation and volunteering).

- Furthermore, the Hyde area suffers from significant deprivation. The creation of a football ground with community sports facilities as well as community education facilities will be a catalyst for ongoing regeneration of the area and be a focus for community development.
- Hyde United's constitution as a fan owned Community Club means that core company objectives of the Club are to generate community benefit and this site will enable it to realise its ambitions.

2.4 The project will provide new and improved facilities to encourage the development of football. It will help young footballers realise their full potential by providing improved coaching, sustained participation particularly at 16+, volunteering opportunities and coach training, as well as supporting the development of opportunities for adults to participate. Hyde United Academy will work closely with the junior football Clubs and community groups to ensure the facility is the heart of the local community and offers football opportunities to all ages and abilities in their locality. The facility will be a community hub for local residents, community groups and football Clubs to engage in football. The new pitch will ensure all community groups have access to high quality training and playing facilities, reducing barriers to participation.

2.5 This project will allow Hyde United FC to create new teams at under 18s, under 16s, women's and disability as well as new adult small sided leagues to retain participation and develop new pathways from junior to adult football. This will support key objectives to retain players at 16+, create exit routes from junior football and increase adult participation, fundamental to this is the dovetailing of junior structure and development.

2.6 Hyde United FC will work closely with the County FA to maintain Football Association Adult Charter Standard status, improve Club welfare and continue to support the "RESPECT" and "Kick It Out" campaigns, the Club will also work with junior Clubs, including assisting them in achieving FA accreditation and addressing issues of poor behaviour.

2.7 Hyde United FC has an existing Academy, which is based at a facility in Knutsford, Cheshire. This would relocate to the new facility. Hyde United FC has an extensive community and education programme, which secured over £200,000 DFE & EFA funding in the last year and engaged over 100 individuals. This included a new Foundation degree programme which started in September 2015 and has 11 students.

2.8 The Club is also looking to install a portable classroom at the ground to support the Clubs educational offer. The facility will be rented by the Club and its installation will be subject to landlords consent and planning permission. This element of the scheme will not be managed by the Council.

3. STRATEGIC CONTEXT

3.1 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.

3.2 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.

- 3.3 Physical inactivity is the fourth leading cause of many of the most significant health problems in the UK today.
- 3.4 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”.
- 3.5 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.
- 3.6 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/>
- 3.7 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. 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.
- 3.8 Only 50.7% of adults in Tameside undertake 150 minutes of physical activity per week, compared to a national average of 57%. 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.
- 3.9 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. 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.
- 3.10 The Council and its partners are continually looking at new and innovative ways to stimulate participation in physical activity particularly amongst hard to reach groups who do not traditionally attend fitness gyms, swimming pools and sports centres in a typical local authority setting.
- 3.11 The development of the Synthetic turf pitch and Ewen Fields is supported by the Council’s Draft Playing Pitch Strategy, which has been approved by Sport England, Manchester County and Cheshire County FA. Hyde United FC falls under the auspices of Cheshire County FA. The development of the synthetic turf pitch is clearly set out in the current Draft Playing Pitch Strategy Action Plan.
- 3.12 The Football Association (the FA) considers high quality astroturf pitches to be an essential tool in promoting coach and player development. They support intensive use and as such are great assets for both playing and training. Primarily such facilities have been installed

for community use and training they are, however, increasingly being used for competition – a standpoint that the FA wholly supports.

- 3.13 The FA's long term ambition is to provide every affiliated team in England the opportunity to train once per week on a floodlit astroturf surface, alongside giving priority access to Charter Standard community Clubs via a partnership agreement.
- 3.14 The development at Ewen Fields clearly supports the FA's aspiration for the development of astroturf pitches to satisfy current and future demand projections.

4. PROPOSAL APPRAISAL

- 4.1 Hyde United FC has supplied a financial plan in support of their proposal. A summary of the financial plan is attached as **Appendix 1**. The 5 year budget projections for the synthetic pitch have been incorporated from 2016/17 and indicates a modest year on year profit. The income projections supplied by the Club are based on detailed usage matrix which includes an element of free community use including free use by local primary schools between 3pm and 5pm, Monday to Friday. The pricing schedule is based on local affordability and current market rates and have been set on the principle that cost should not be a barrier to participation.
- 4.2 The free community use hours will be 3pm - 5pm Monday to Friday (during term time) and 3pm - 6pm during school half term holidays. During the school summer holiday period there will be an extended period which would include Friday evenings until 7pm and Saturdays & Sundays 3pm - 5pm. All community hours will be supervised by the full time community manager and qualified coaching staff with up to date DBS certificates as well as students who will be completing their BTEC Level 3 and Foundation Degree qualifications. In addition, the students based at the ground on the Academy Football Program would all have to complete 70 hours community coaching over the course of the academy year, with this supplied in schools for free by the students. The predicted annual footfall over the next 3 years is as follows;
- 2016-17 49,282
 - 2017-18 65,709
 - 2018-19 82,136
- 4.3 It is important that the commitment made by the Club to support aspects of free community use and free use for local schools is protected and guaranteed. If the scheme proceeds a Community Use Agreement will be required between the Council and the Club in a form to be agreed by the Borough Solicitor, which will include a performance regime with deductions for non-availability or non-delivery under the agreement.
- 4.4 The Clubs ability to achieve the levels of income indicated in the financial plan needs to be carefully considered. Although there isn't a similar facility in the immediate area there are existing synthetic pitches within a 2 mile radius, namely; Alder High School (not currently available for community use), Hyde Community College, Ken Ward Sports Centre, and Astley Sport College. There is a risk of over-provision in the locality creating sustainability issues for this proposal and existing facilities.
- 4.5 The Club currently utilises the former Leigh Primary school site for training etc in order to minimise overplay on its existing stadium pitch. The development of a synthetic turf pitch would eliminate the need for the Leigh Street site as a training venue potentially freeing it up for disposal. However, it should be noted that the site is currently designated as protected green space meaning the development of the site for alternative uses would be required to satisfy a criteria based planning policy, OL4, contained within the Councils adopted Unitary Development Plan. The policy seeks to retain greenspaces ranging from

amenity spaces through to those in use for sports, unless a number of criteria can be satisfied.

- 4.6 The site extends to approximately 1.96 acres and is considered viable for a small residential development scheme, subject to the necessary consents. On the basis of no adverse ground conditions and acceptable planning consents, the Council can reasonably expect to achieve in the region of £0.800m in respect of a freehold sale. The site can be brought to the market within a period of 12 to 16 weeks to allow the Council time to procure a suite of site investigation surveys to assist in the sale. The recommended method of sale is through conducting an active marketing campaign utilising an appropriate selling agent. It would be envisaged that a sale could be completed within 20 weeks of the date of the agent's appointment.
- 4.7 It is worth noting that a comprehensive title check would need to be undertaken before any sale could be progressed and it would also need to be established whether any Secretary of State consent was required to a disposal given the land's previous use as a school.

5. DELIVERY AND CAPITAL COST PLAN

- 5.1 If the proposal is approved and in order to support the Clubs development plans there is an imperative to install the new synthetic pitch at the end of the current football season in readiness for the start of the 2016/17 football season in August of this year. In order to meet the challenging timescale an amount of pre report planning has been undertaken which will result in abortive costs if the scheme does not go ahead, specifically:
- Planning Application Fees £0.001m
 - Ground investigation surveys £0.001m
 - Technical consultant fees £0.005m
 - Other Fees (Engineers) £0.002m
 - Total potential abortive cost **£0.009m**

It is anticipated that the costs will be met from the Capital Programme.

- 5.2 The delivery timescale (as set out in the following table) is challenging and not without risk. The risks associated with the scheme are further explored in section 6 of this report.

Delivery Timescales

Dates - 2016	Action/Comments
8 February - 10 February	Site Investigation and Topographical Survey
8 February - 4 March	Design Development
8 February - 15 April 2016	Planning Application submission and consideration The scheme requires planning permission before it can proceed. Sport England is a statutory consultee for planning applications in relation to the development playing fields.
22 February - 4 March	Prepare Tender Documents
7 March - 1 April	Tender Period
14 March	Report to Strategic Planning and Capital Monitoring Panel
15 April	Community Use Agreement to be signed between the parties.
25 April	Appoint Contractor
16 May - 15 August	Construction Period
8 August	Testing and Handover

- 5.3 The scheme requires planning permission before it can proceed. Sport England is a statutory consultee for planning applications in relation to the development playing fields. The planning application has been submitted to Sport England on the basis that the proposed development meets exception E5 of Sport England's policy:

The proposed development is for an indoor or outdoor sports facility, the provision of which would be of sufficient benefit to the development of sport as to outweigh the detriment caused by the loss of the playing field.

- 5.4 Ewen Fields is owned by the Council and leased to the Club. In order to minimise the risk of increasing costs or programme overrun it is proposed that the Council procures and delivers the scheme to practical completion at which point the Club will take responsibility for managing and operating the facility including all operational costs in keeping with the existing lease arrangements. The Council will have no financial liability for the scheme beyond practical completion and the settlement of the final account with the pitch installation contractor.
- 5.5 In order to establish the capital budget for the proposal a capital cost plan has been produced. The capital budget requirement, including all fees and a 5% contingency provision is £0.415m. The funding will be required in 2016/17 Capital Programme. It should be noted that the Cost Plan, although robust in its development, is only indicative and the budget requirement may change when the outcome of the procurement process is known.

6. RISKS

- 6.1 There are number of risks associated with the proposal that need to be considered by members before a final decision is reached:

Risk Table

Risk	Mitigation Measure
The Club would need to generate at least £0.025m per year (for a 10 year period) as a "sinking fund" to replace the carpet at the end of its design life. If the sinking fund is not established or ring fenced in the Clubs accounts for the astrotrurf replacement then this could result in the pitch being lost at the end of the 10 year term of a requirement for the Council to fund the replacement at a cost of £0.250 at current prices.	The financial plan provide by the Club makes provision for a sinking fund at the required level. However, the Clubs ability to generate the required sum is based on challenging income targets. The Club needs to make provision for this in its audited accounts as an Earmarked Reserve.
The Club has no available match funding and no financial reserves. As such, the entire installation cost liability rests with the Council. If the Club ceases to trade then the facility would return to the Council with all the ongoing revenue liabilities.	The scheme will be procured and managed by the Council. Control of costs and the installation programme will be effectively managed.
If the development went ahead, the Club could not be promoted to the National Conference League based on the latest FIFA guidance. Currently, the Club has no aspirations to be promoted back to the National Conference League. However, this may change under any new regime at the Club resulting in the need to reinstate a grass pitch.	The Club has no aspirations to be promoted to the National Conference League. However, a change of regime and success on the pitch may result in a promotional opportunity to the National Conference League. The Club would need landlords consent to convert the pitch back to natural turf. There is the potential for conflict between the Club

	and the Council at some point in the future.
There is a reputational risk to the Council that such an investment, in a period of such considerable financial challenge, could be viewed as profligate by the general public.	None
This proposal may not have any significant impact upon the health and wellbeing of the wider Hyde and Tameside communities.	It is likely that the scheme will result in community health improvement, support a reduction in anti-social behaviour and promote improvements in educational attainment in the immediate locality. The issue is to what extent and if the Council's investment will be offset with a reduction in demand for other high cost services in the locality.
The timeline for completion, to enable the new surface to be in place for the start of the 2016/17 football season, is short and the risk of aborting the project at considerable cost to the Council remains. The installation period is circa 12 weeks. If the installation programme is delayed due to heavy rain etc then the handover of the facility may be delayed resulting in fixture interference at the start of the 2016/17 football season.	There is a risk that Sport England will object to the Planning Application for the development of the pitch which may delay the start of the scheme. The development of the Synthetic turf pitch and Ewen Fields is supported by the Council's DRAFT Playing Pitch Strategy (Draft Playing Pitch Strategy) which has been approved by Sport England, Manchester County and Cheshire County FA.
The development may result in over-provision of similar facilities within a 2 mile radius resulting in non-achievement of usage and income targets.	The Club is confident that its pitch will be fully utilised for its own use, by existing Clubs in the locality and to promote community development. However, the new pitch planned for Astley Community College may be impacted upon by the development at Hyde United.
The Council may not be able to dispose of the Leigh Street site if it so wishes due to planning constraints.	A development brief is required to fully understand disposal opportunities.
The Club does not deliver on its commitment to provide free use for community groups and local schools.	A Community Use Agreement will be established between the Council and the Club in a form to be approved by the Borough Solicitor.
The scheme requires planning permission before it can proceed. Sport England is a statutory consultee for planning applications in relation to the development playing fields. Planning approval cannot be guaranteed either in the required timescale or at all.	The planning application has been submitted to Sport England on the basis that the proposed development meets exception E5 of Sport England's policy; The proposed development is for an indoor or outdoor sports facility, the provision of which would be of sufficient benefit to the development of sport as to outweigh the detriment caused by the loss of the playing field.

6.2 The risks associated with the scheme are significant and need to be considered against the potential benefits of the scheme.

7. SUMMARY

- 7.1 There is a strategic need for developments such as this as set out in section 3 of this report. However, the benefits and outcomes of the proposal, and other schemes like it, are difficult to accurately quantify. The proposal is likely to have a significant impact in the immediate locality; it's to what extent the wider community of Tameside will benefit. 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.
- 7.2 The development at Hyde United FC creates a significant disposal opportunity at the former Leigh Primary School site. A sizable capital receipt is envisaged subject to planning consents.
- 7.3 The risks associated with the scheme are significant and cannot be fully mitigated.

8. RECOMMENDATIONS

- 8.1 As set out at the front of this report

APPENDIX 1

HYDE UNITED ASSOCIATION FOOTBALL CLUB LIMITED

5 YEAR PROJECTED INCOME AND EXPENDITURE ACCOUNT

	Budget 2015-16	Projected 2016-17	Projected 2017-18	Projected 2018-19	Projected 2019-20	Projected 2020-21	5 year Total
	£	£	£	£	£	£	£
<u>INCOME</u>							
Season tickets (achieved)	15,400	15,554	15,710	15,867	16,025	16,186	79,341
Gate receipts (based on 350 per game)	45,000	45,450	45,905	46,364	46,827	47,295	231,841
Transfer fees received (Connor Hughes - completed)	5,000	-	-	-	-	-	-
League sponsorship	2,000	2,000	2,000	2,000	2,000	2,000	10,000
Advertising boards income (sold to date)	17,500	17,675	17,852	18,030	18,211	18,393	90,160
Fixture poster / programme adverts	4,750	4,798	4,845	4,894	4,943	4,992	24,472
Programme sales	4,000	4,040	4,080	4,121	4,162	4,204	20,608
Team sponsorship (LadBible)	5,000	5,050	5,101	5,152	5,203	5,255	25,760
Match sponsors	7,500	7,575	7,651	7,727	7,805	7,883	38,640
Hire of pitch (Rochdale Reserves/Hyde Academy - confirmed)	9,000	-	-	-	-	-	-
Club merchandise	6,000	6,060	6,121	6,182	6,244	6,306	30,912
Proceeds of crime (received)	8,400	-	-	-	-	-	-
3G pitch revenue	-	122,340	163,120	203,900	203,900	203,900	897,160
3G classroom revenue	-	17,256	23,008	28,760	28,760	28,760	126,544
Grant income	-	20,000	20,000	-	-	-	40,000
	129,550	267,798	315,392	342,996	344,080	345,174	1,615,438
<u>DONATIONS AND FUND RAISING EVENTS</u>							
Social Club contributions	12,000	12,120	12,241	12,364	12,487	12,612	61,824
Donations incl Supporters Club activities	28,000	28,280	28,563	28,848	29,137	29,428	144,256
	169,550	308,198	356,196	384,208	385,704	387,214	1,821,519
TOTAL INCOME							

EXPENDITURE

Player budget (implemented)	60,000	60,600	61,206	61,818	62,436	63,061	309,121
Management team (implemented)	24,000	24,240	24,482	24,727	24,974	25,224	123,648
Admin and support salaries (implemented)	5,000	5,050	5,101	5,152	5,203	5,255	25,760
Expenses	2,500	2,525	2,550	2,576	2,602	2,628	12,880
Match officials	4,500	4,545	4,590	4,636	4,683	4,730	23,184
Coach hire (less fares)	5,250	5,050	5,101	5,152	5,203	5,255	25,760
Laundry	-	240	242	245	247	250	1,224
3G - hire of classrooms	-	24,000	24,000	24,000	24,000	24,000	120,000
3G - community manager	-	15,000	15,150	15,302	15,455	15,609	76,515
3G - coaching staff	-	20,000	25,000	30,000	35,000	40,000	150,000
Tameside Ladies management costs	-	15,000	15,000	15,000	15,000	15,000	75,000
3G - other costs	-	17,216	35,259	32,361	24,807	17,253	126,896
Sink fund	-	24,000	24,000	24,000	24,000	24,000	120,000
Match refreshments	4,000	4,040	4,080	4,121	4,162	4,204	20,608
Playing kit (provided as part of merchandise deal with Makron)	-	-	-	-	-	-	-
Hire of training facilities	8,000	-	-	-	-	-	-
Advertising boards	-	1,200	1,200	1,200	1,200	1,200	6,000
Medical supplies / St John Ambulance	2,500	2,525	2,550	2,576	2,602	2,628	12,880
Annual subscriptions / entries	-	1,000	1,000	1,000	1,000	1,000	5,000
Rent (agreed)	2,200	1,500	1,500	1,500	1,500	1,500	7,500
Rates (fixed)	2,215	1,860	1,879	1,897	1,916	1,936	9,488
Ground maintenance - fixed fee	1,000	15,000	15,000	15,000	15,000	15,000	75,000
Repairs and renewals	3,000	1,570	1,586	1,602	1,618	1,634	8,009
Heat & light	3,500	2,800	2,800	2,520	2,268	2,041	12,429
Water (now have own bore hole to reduce costs)	4,500	5,750	5,750	5,750	5,750	5,750	28,750
Telephones	1,100	1,111	1,122	1,133	1,145	1,156	5,667
Postage, printing & stationery	2,400	2,424	2,448	2,473	2,497	2,522	12,365
Insurances	3,200	3,495	3,530	3,565	3,601	3,637	17,828
Legal and professional fees	8,500	8,500	8,500	8,500	8,500	8,500	42,500
Community support activities (including Community Matters)	4,000	4,040	4,080	4,121	4,162	4,204	20,608
Depreciation (non-cash item)	39,000	37,000	35,000	33,000	31,000	29,000	165,000
Depreciation - sports equipment	-	2,400	4,800	7,200	9,600	12,000	36,000
Amortisation of deferred grants (non-cash item)	(27,000)	(27,000)	(27,000)	(27,000)	(27,000)	(27,000)	(135,000)

	163,365	286,681	311,507	315,126	314,132	313,175	1,540,621
PROFIT FOR THE YEAR	6,185	21,516	44,689	69,083	71,572	74,039	280,898

ADDITIONAL INVESTMENT INCOME

Target for 2015/16 from Share Issue / Community
Benefit Scheme
to provided additional working capital

50,000

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