

STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

Day: Monday
Date: 9 July 2018
Time: 2.00 pm
Place: Lesser Hall 2 - 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 12 March 2018 to be signed by the Chair as a correct record (Minutes attached).	1 - 8
4.	CAPITAL MONITORING OUTTURN 2017/18 Report of the Director of Finance attached.	9 - 30
5.	VISION TAMESIDE Report of the Director of Growth attached.	31 - 42
6.	ASSET MANAGEMENT Report of the Director of Operations and Neighbourhoods attached.	43 - 44
7.	EDUCATION CAPITAL INVESTMENT Report of the Director of Growth attached.	45 - 54
8.	SECTION 106 AGREEMENTS AND DEVELOPER CONTRIBUTIONS Report of the Director of Growth attached.	55 - 60
9.	ENGINEERING CAPITAL PROGRAMME 2018/19 UPDATE Report of the Director of Operations and Neighbourhoods attached.	61 - 80
10.	LEISURE ASSETS CAPITAL INVESTMENT PROGRAMME Report of the Director of Growth attached.	81 - 88

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

11. URGENT ITEMS

To consider any additional items the Chair is of the opinion shall be dealt with as a matter of urgency.

Agenda Item 3

STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

12 March 2018

Commenced: 2.00pm

Terminated: 3.15pm

Present:

Councillor Warrington (Chair)
Councillors Dickinson, Fairfoull, Gwynne, B Holland,
McNally and Taylor

Monitoring Officer:

Sandra Stewart

Section 151/Chief Finance

Kathy Roe

Officer:

Also in attendance:

Robin Monk – Director of Place
Stephanie Butterworth – Director of Adults Services
Tom Wilkinson – Assistant Director of Finance
Ian Saxon – Director – Operations and Neighbourhoods
Tom Wilkinson – Assistant Director of Finance
Peter Taylor - Head of Planning
Ade Alao - Head of Investment and Development
Councillor Cooney

Apologies for absence:

34. DECLARATIONS OF INTEREST

Members	Subject Matter	Type of Interest	Nature of Interest
Councillor Taylor	Agenda Item 9 – Leisure Assets Capital Investment Programme Update	Prejudicial	Chair of Active Tameside

35. MINUTES

The Minutes of the meeting of the Strategic Planning and Capital Monitoring Panel held on 27 November 2017 were signed as a correct record.

36. CAPITAL MONITORING – PERIOD 10 2017/2018

Consideration was given to a report of the Assistant Director of Finance, summarising the capital expenditure monitoring position at 31 January 2018. The report showed projected capital investment in 2017/2018 of £53.552 million by March 2018. This was £29.542 million less than the current capital budget for the year, which was in part due to project delays that were being experienced following the liquidation of Carillion.

Proposed re-profiling of £29.106 million into the next financial year was identified in an appendix to the report.

Details of the capital expenditure to date were shown by service area and Section 4 of the report referred to the most significant scheme variations.

Reference was also made to capital receipts and prudential indicators.

Members sought clarification with regard to Appendix 9 – reference to land at Cecil Street/Acres Lane and land at Acres Lane/Cecil Street and asked if this was two different sites?

The Director of Place agreed to investigate further and clarify this for Members in writing.

RESOLVED

That the following RECOMMENDATIONS be made to Council:

- (i) That the re-profiling to reflect up-to-date investment profiles be approved;**
- (ii) That the changes to the Capital Programme be approved;**
- (iii) The updated Prudential indicator position be approved;**
- (iv) That the current capital budget monitoring position be noted;**
- (v) That the resources currently available to fund the capital programme be noted;**
- (vi) That the updated capital receipts position be noted; and**
- (vii) That the timescales for review of the council's three year capital programme be noted.**

37. VISION TAMESIDE PHASE 2 PROGRESS UPDATE

The Director of Place submitted a report providing an update on progress made by the Council's strategic infrastructure partner Inspired Spaces (LEP) to secure an Early Works Agreement with Robertson Construction Group Limited, which would enable the prompt commencement of necessary protection works to arrest deterioration of already completed works on the project. It would also allow for an 8 week period for Robertson Construction Group Limited to carry out its due diligence on the project and enter into contract with the LEP to secure a prompt remobilisation for completing the project.

In addition, the report provided an update on the status of the construction project prior to Carillion Construction Limited entering into liquidation on 15 January 2018. It was reported that all construction work on the site of the Vision Tameside Phase 2 project stopped following the announcement of the liquidation of Carillion. The immediate uncertainty meant that all sub-contractors chose to suspend work until further clarification of the situation.

Sean Stafford, Independent Consultant, attended before Members to provide an update on the current situation in respect of the Vision Tameside Project.

It was explained that PwC had originally advised the LEP that they would see through the project to completion however they later confirmed that they were unable to support the project further and that the LEP should appoint an alternative contractor to complete the works. Most of the Carillion staff were made redundant by PwC on 5 February 2018. The LEP terminated the building sub contract with Carillion Construction on 6 February 2018, on the basis that being placed in compulsory liquidation, constituted a Contractor Default under the terms of the building sub-contract. Primarily this was to secure the site and retain key documentation. On 7 February 2018, the Council's Executive Cabinet approved a proposal from the LEP, to secure a prompt remobilisation of the Vision Tameside Phase 2 construction project.

The approval gave the LEP authority to engage Robertson Group Limited under an Early Works contract to undertake urgent protection works on the project, remobilise the site, re-engage a core team and sub-contractors, whilst at the same time undertake due diligence to agree a contract, programme and estimated cost of completing the project.

The Executive Cabinet also approved changes being made to the existing head contract. A further report with clear recommendations, based on an assessment of the latest position at the time, would be presented within the next 8 weeks once the due diligence under the Early Works Agreement, had been undertaken.

The financial implications of the LEP proposal were outlined and illustrated details of the Construction Milestone Schedule were appended to the report.

The report further provided an update on the status of the construction project prior to the announcement of the liquidation of Carillion Construction Limited on 15 January 2018. A summary of works in progress in early January 2018 was also detailed.

Following the tragedy at Grenfell Tower on the 14 June 2017, assurance had been sought from the LEP and Carillion that the specifications and method of installation of the proposed cladding material for the building did not pose unacceptable levels of fire risk. The Council had received confirmation from the designers and constructors that no ACM cladding material would be used in the building. As a third level of assurance, the Council had commissioned an independent technical review to confirm that the specifications, method of construction and overall fire strategy proposed for the building did not pose unacceptable levels of fire risk. This report was expected to be received in the next few weeks.

The high level programme, previously reported, was detailed in the report. The construction works were originally due to be completed on 15 June 2018. It was envisaged that staff would move into the new Shared Service Centre from June 2018. Following the liquidation of Carillion the project would now be delayed. The full impact of recent events would not be fully understood until Robertson Group Limited had remobilised the site and completed their due diligence. Details of the revised programme would be presented at a future meeting.

In respect of the streetscape improvement project, Members were informed that, at the last meeting of the Panel on 27 November 2017, the Council had been unsuccessful in securing the National Productivity Investment Fund bid and so the decision was taken to progress the project in line with the confirmed funds and to continue to bid for additional funds as and when available.

Previous reports had highlighted that most of the new public realm, around the new Shared Service Centre, would not be fully complete when the building opened due to logistical constraints with the build programme. A clear plan had been developed to ensure that the new building was fully operational and accessible when it opened. This was currently under review due to the recent delay in the Shared Service Centre's construction programme. An updated programme, including a visual plan, would be presented at a future meeting.

With regard to the recant plan, a detailed Vision Tameside Recant Plan was currently being developed to form part of a wider Council Office Accommodation Strategy, which would be implemented when the new Shared Service Centre was completed.

A draft Recant Plan was being developed for detailed analysis would need to take place with regard to the additional buildings to ensure that best fit and utilisation as achieved. Once a revised programme was available then logistical planning would start with key stakeholders, in order to develop a phased recant plan for the building as a whole. A comprehensive communication plan for staff would also be implemented from May 2018.

An analysis of furniture, fittings and equipment for all elements of the scheme, was completed as part of the Stage 2 submission. The original £1.5 million budget for the Council and partners had been confirmed to be sufficient at Stage 2. The last report to the Strategic Planning and Capital Monitoring Panel on 27 November 2017, highlighted that the projected FF&E contribution from the DWP and CCG, was anticipated to be £432,000. This figure was currently under review due to design changes which had been requested by DWP and changes agreed to the recant plan. These discussions and financial review were nearing completion and an update would be provided at a future meeting.

In respect of Variation Notices and impact on Contingency Budget, it was explained that the programme currently had a contingency allowance of £619,711.

In terms of risk management, it was explained that the Vision Tameside Phase 2 programme had a comprehensive risk register and issues log which was pro-actively managed by the Project team on a monthly basis. The primary risks and impact on the project associated with Carillion entering into liquidation were detailed.

In conclusion it was reported that, the Early Works Agreement with Robertson Construction Group, approved at the Council's Executive Cabinet on 7 February 2018, was intended to enable for

prompt commencement of necessary protection works to arrest deterioration of already completed works on the project.

The Early Works Agreement was intended to allow for Robertson Construction Group Limited, to carry out its due diligence on the project over an 8-week period and enter into contract with the LEP to secure a prompt remobilisation in order to minimise the delay in completing the project.

Even though prompt action had been taken to secure an alternative Main Contractor, it was unlikely that the project would now be completed on time and to budget. A detailed analysis of the full financial programme implications for the overall project would be required to enable the advancement to a new contract to complete the project. This subsequent report would provide the Council with full clarity and seek approval to set a new fully costs budget to allow the completion of the project.

It was essential that all Reviewable Design Data were concluded as priority by the Council's Project Team and no further changes, unless absolutely critical, were agreed.

Following approval of the Recant Plan it was essential that a robust workforce communication plan be launched from May 2018.

Delivery of the Vision Tameside Phase 2 programme remained key to the achievement of the Council's overall strategic priorities and a new exciting future for Tameside attracting new businesses, creating new jobs and future opportunities for Tameside residents.

Detailed discussion ensued with regard to the Vision Tameside project and Mr Stafford commented on the scale of the Carillion collapse throughout the UK, the role of PwC and the importance of the engagement of independent consultants to give an accurate opinion of the value of the works on site.

In response to questions from the Chair, Sean Stafford explained the position with the sub-contractors and gave an approximate projection for the completion of the works, which would be incorporated into the recant plan, when a more definitive completion date was identified.

Members also sought reassurance with regard to the extent of any damage to the building following Carillion's liquidation, when work on site had ceased. Mr Stafford confirmed that there had been no significant damage to the building and that minor incidents of water ingress had been dealt with.

RESOLVED

- (i) That the progress being made by the LEP to secure an Early Works Agreement with Robertson Construction Group Limited be noted;**
- (ii) That the status of the construction project prior to Carillion Construction Limited entering into liquidation on the 15 January 2018 be noted;**
- (iii) That the financial position of the Vision Tameside Phase 2 project, which was set out in Table 3 of Section 9 of the report and recommends approval of the virements requested in Table 2 of Section 9 of the report, be noted;**
- (iv) That the excellent progress being made to drawdown the £4 million Skills Funding Agency Capital funding, as illustrated in Section 9 of the report, be noted;**
- (v) The potential increase in costs of the project and identified funding, be noted; and**
- (vi) That the Director of Place produce a recant plan for approval by members as soon as possible.**

38. CORPORATE ASSET MANGEMENT PLAN UPDATE

The Director of Place submitted a report updating Members of the Panel with 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 dilapidations arising from the termination of leases.

With regard to the disposal of assets, it was reported that in the financial year 2016/17 the total sales achieved amounted to £3,929,550. The Asset disposal process continued with a sum of £4,380,567 achieved since 1 April 2017.

It was reported that sale of the former Samuel Laycock school site completed 22 February 2018. The former Little Moss school site was now subject to an agreement for lease with the Laurus Trust for the construction of a new free school. Planning had been approved for the former Mosley Hollins school site and was still being processed for the former Hartshead school site. Offers had been received to purchase the former Hartshead school site and these were currently being evaluated.

A review of open space was being undertaken to determine both the value of sites and which were in council ownership to inform Cabinet to determine a strategy of retention and disposal. The review should be complete in May 2018 with a view to seeking governance and the wider consultation with elected members.

Properties being actively marketed for sale or lease would be advertised on the Council's website, in addition to the marketing agent's websites. Where potential disposals would impact on tenants, for example sale of garage or garden plots, which had become too expensive to administer, written notification would be given to tenants in advance for the proposed sale and the tenant would be given the opportunity to purchase.

In respect of leased buildings, as reported at previous meetings of the Panel, the Council's policy was to terminate leases it had for buildings owned by others and to relocate services to surplus space in Council owned properties, where this delivered value for money, to reduce the revenue cost of operating and occupying buildings.

A list of properties and assets identified at the Strategic Planning and Capital Monitoring Panel of 5 September 2016, which are in the process of being sold, was appended to the report.

Details of capital receipts realised since 1 April 2017 was also appended to the report.

In respect of Investment in Civic and Corporate Buildings, it was explained that a capital resource of £2 million over 3 years had been allocated in respect of Property Assets Statutory Compliance. This money would be used to ensure that our property assets complied with all statutory building compliance issues e.g. fire regulations, asbestos management, electrical checks etc. Money spent on these requirements would be summarised and reported to Strategic Capital Panel on a regular basis.

During October to December 2017, a total of £63,330.76 had been expended on a range of risk mitigation. This included £35.5k on remedial works emanating from fire risk assessments, £5.3k on asbestos remediation and £22.5k on various reactive remediation works required in relation to other statutory requirements.

A capital resource of £3 million over 3 years had been allocated in respect of Refurbishment of Capital Assets. This money was intended to be used to fund minor refurbishments of council buildings e.g. structural remodelling, replacement of essential infrastructure. Works funded by this capital would be deemed to be assisting the Council in its stated priority of the maximisation of use of the Council's building assets.

A detailed business case and strategy for the use of funds would be brought back to Members setting out how these resources would be prioritised and informed by the Estates Strategy and Asset Management Plan, to ensure effective use of limited resources and money spent on these requirements would be summarised and reported to Strategy Capital Panel on a regular basis.

RESOLVED

That the following RECOMMENDATIONS be made to Executive Cabinet that:

- (i) The list of disposals identified in Appendix 1 to the report be approved;**
- (ii) The capital schemes on corporate buildings detailed in Section 3 of the report, totalling £63,330.76 be approved; and**
- (iii) That a detailed business case and strategy for the use of funds set out in Section 3 of the report be brought back to Members, setting out how these resources would be prioritised and informed by Estates Strategy and Asset Management Plan, to ensure effective use of limited resources and once approved, thereafter these requirements be summarised and reported to Strategic Planning and Capital Monitoring Panel on a regular basis, be agreed.**

39. EDUCATION CAPITAL PROGRAMME UPDATE

Consideration was given to a report of the Director of Place, advising Members of the Panel on the latest position with the Council's Education Capital Programme 2017/18 and sought approval for amendments to the Education Capital Programme as detailed in the report and in appendices to the report.

The report gave details of:

- Funding allocation;
- Basic Need Schemes progress update;
- School Condition and Capital Maintenance progress update and requests for additional funding allocations/amendments;
- Procurement and value added; and
- Risk Management.

Information on the liquidation of Carillion was also provided and Members were advised that on 15 January 2018, the High Court appointed the Official Receiver as liquidator of Carillion Plc, Carillion Construction Limited and some 5 other associated companies on the petition of the company's directors. The Court also appointed PWC as special managers to support the Official Receiver in managing the affairs, business and property of the companies.

The Local Education Partnership (LEP) was the procurement vehicle through which school projects must be built. It was important and critical that the Council went through the necessary contractual processes with the LEP to determine whether they had capacity and ability to undertake the school work and only once such process had been properly undertaken. Should the LEP advise that they were not in the position to undertake the work, that alternatives could be progressed to avoid any unnecessary risk to the Council.

It was further reported that, although a significant part of the 2017/2018 school building works were carried out over summer 2017, a number of other schemes were due to start during February and Easter 2018 school holidays. Due to Carillion entering into liquidation these works had suffered delay as alternative delivery options were identified. The schemes affected were detailed in an appendix to the report.

The report concluded that there had been significant capital investment in schools over the recent past to support the Council's delivery of its statutory responsibilities connected with the provision of sufficient and suitable places. The work identified would enable the Council to meet its statutory duties.

In response to questions from the Chair and Members, Ade Alao, Head of Investment and Development gave further information in respect of works to the playing fields at Russell Scott Primary School, Denton and the proposed opening of the new Free School to be operated by the Laurus Trust.

RESOLVED

That the following RECOMMENDATIONS be made to Executive Cabinet:

- (i) That the allocation of Basic Need grant funding schemes as outlined in Section 3 and Appendix 1 be approved; and**
- (ii) The allocation of School Condition grant funding schemes as outlined in Section 5 and Appendix 2 and 3 be approved.**

40. SECTION 106 AGREEMENTS AND DEVELOPER CONTRIBUTIONS

Consideration was given to a report of the Director of Place, summarising the current position with regard to receipts received from Section 106 Agreements and Developer Contributions, and made comments for each service area. New Agreements made and requests to draw down funding were also detailed.

The report also provided a summary of the final audit report relating to Planning Obligations, which had identified a number of actions which needed to be taken including provision of additional resources to assist with effective monitoring of Section 106 Agreements and Developer Contributions.

It was reported that the summary position as at 31 January 2018 for Section 106 Agreements totalled £483,000, with Developer Contributions, as at 15 February 2018, totalling £294,000, less approved allocations of £147,000 leaving a balance of £148,000. The balance of unallocated section 106 funds and developer contributions were as follows:-

- Services for Children and Young People - £242,000 (s106) and £80,000 developer contributions;
- Community Services (Operations and Greenspace) - £210,000 (s106) and £44,000 developer contributions; and
- Engineering Services - £31,000 (s106) and £23,000 developer contributions.

It was reported that a Section 106 Agreements had been made on 9 November 2017, for an application relating to Land at Scout Green, Manchester Road, Mossley. The outline planning application sought consent for the demolition of buildings and erection of up to 41 dwellings and 6 live/work units with associated car parking and access arrangements. A green space contribution had been agreed for improvements to Egmont Street link path and infrastructure through Scout Green, replacement of teen play kit at Egmont Street Playing Fields and associated safety surfacing together with replacement of junior play kit at Egmont Street Playing fields and associated safety surfacing. An education contribution had been agreed for the extension of St George's C of E Primary School, Mossley. The sums for these contributions would be calculated at reserved matters stage using a formula based on size and number of dwellings in the final development. There would also be an access plan submitted at reserved matters stage, with a sum to be agreed for future maintenance of the bridge.

There were a number of resolutions where planning permission had been granted subject to agreements being entered in to which were currently being processed and finalised. When formally entered in to and active, these agreements would be reported to a future meeting of the Strategic Planning and Capital Monitoring Panel.

No new requests to draw down funding had been made since the previous report to the Panel.

Members were also informed that, following a review of Planning Obligations within the Development Management service, and the publication of the final audit report in April 2017, work had been on-going to monitor and review historic legal agreements and Developer Contributions by a newly appointed officer. The initial task had been to review the progress and status of schemes where Section 106 agreements had been signed and payments may be outstanding.

The review found that these schemes were at different points in the Section 106 process, and as such would require different actions going forward to make sure outstanding monies and future payments were collected promptly to minimise risks, as outlined in the 2015 Audit report. An overview of the schemes was detailed in the report.

RESOLVED

That the content of the report be noted.

Having declared a prejudicial interest, Councillor Taylor left the meeting during consideration of the following item and paid no part in the voting or decisions thereon.

41. LEISURE ASSETS CAPITAL INVESTMENTS PROGRAMME UPDATE

Consideration was given to a report of the Director of Place, summarising progress to date in relation to the delivery of the council's capital investment programme to improve sports and leisure facilities in Tameside.

Individual elements of the programme were highlighted in the report as follows:

- Active Copley Heating System Replacement (£0.369m)
- Active Copley Pitch Replacement (£0.177m)
- Active Medlock Roof Replacement (£0.120m)
- Active Hyde Pool Extension (£3.096m)
- Active Hyde Wave Machine Replacement (£0.060m)
- Tameside Wellness Centre, Denton (£13.674m Council Investment & £1.050m repayable loan by Active Tameside)
- Active Dukinfield (iTRAIN) (£1.3m Council Investment & £1m repayable loan by Active Tameside)
- Active Longdendale (Total Adrenaline) (£0.600m all repayable loan by Active Tameside).

In respect of Active Hyde Pool Extension, the Director of Place advised that a communication had been received from the LEP, just prior to the commencement of the meeting, advising that a further £90,634 would be required in order to deliver the scheme. It was agreed that a report would be prepared for the next meeting of Executive Cabinet to consider this additional funding request.

With regard to the Denton Wellness Centre, Members were informed that the Stage 1 submission, seeking a capital contribution of £1.5 million, had recently been approved by Sport England.

It was reported that overall, good progress was being maintained with the delivery of the Council's capital investment programme to improve sports and leisure facilities.

RESOLVED

- (i) **That the content of the report and the financial comments which set out a further report to Executive Cabinet to increase the Capital funding for the schemes be noted; and**
- (ii) **That a report be submitted to the next meeting of Executive Cabinet to consider the request for additional funding in the sum of £90,634 to deliver the Active Hyde Pool Extension scheme.**

CHAIR

Agenda Item 4

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	9 July 2018
Reporting Officer:	Tom Wilkinson – Assistant Director of Finance
Subject:	2017/18 CAPITAL OUTTURN
Report Summary:	<p>The Strategic Planning and Capital Monitoring Panel at its meeting on 9 October 2017 recommended to Cabinet a three year capital programme for the period 2017-2020 of over £174 million. Additional schemes were approved in February and March 2018, bringing the total programme to £185 million.</p> <p>This report summarises the 2017/18 capital expenditure outturn position at 31 March 2018, based on information provided by project managers.</p> <p>The report shows actual capital investment in 2017/18 of £51.385m at 31 March 2018. This is significantly less than the original budgeted capital investment for 2017/18, and is in part due to project delays that are being experienced following the liquidation of Carillion.</p>
Recommendations:	<p>Members are asked to approve the following:</p> <ul style="list-style-type: none">(i) The reprofiling to reflect up to date investment profiles(ii) The changes to the Capital Programme(iii) The updated Prudential Indicator position <p>Members are asked to note:</p> <ul style="list-style-type: none">(i) The capital outturn position(ii) The resources currently available to fund the Capital Programme(iii) The updated capital receipts position(iv) The need for a full review of the Capital Programme in early summer 2018
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 Implications:	These are the subject of the report. In summary:
(Authorised by the Section 151 Officer)	<ul style="list-style-type: none">• The outturn for 2017/18 is £51.385m compared to the revised 2017/18 budget of £55.370m• The original budget for 2017/18 was in excess of £89m but significant re-profiling was requested in previous reports due to slippage on a number of schemes. Some further slippage has occurred in the last two months of the year and further re-profiling requests of £3.449m into future year(s) to match expected spending profiles has been requested.• The remaining £0.530m under budget can be returned to

the central capital reserves and applied elsewhere.

Demand for capital resources exceeds availability and it is essential that those leading projects ensure that the management of each scheme is able to deliver them on plan and within the allocated budget.

Close monitoring of capital expenditure on each scheme and the resources available to fund capital expenditure is essential and is an integral part of the financial planning process. The liquidation of Carillion has resulted in some delays to a number of projects, resulting in slippage in the programme.

There is very limited contingency funding set aside for capital schemes, and any significant variation in capital expenditure and resources, particularly the delivery of capital receipts, will have implications for future revenue budgets or the viability of future capital schemes.

Legal Implications:
(Authorised by the Borough Solicitor)

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

Risk Management:


The Capital Investment Programme proposes significant additional investment across the borough. Failure to properly manage and monitor the Council's Capital Investment Programme could lead to service failure, financial loss and a loss of public confidence.

The liquidation of Carillion is having an adverse impact on the progression of a number of key schemes, including the Vision Tameside project and a number of key Education programmes to deliver additional school places.

Funding of the Capital Programme assumes the realisation of some significant Capital Receipts from land and property sales which if not achieved will require the reassessment of the investment programme.

Access to Information:

The background papers relating to this report can be inspected by contacting Heather Green, Finance Business Partner by:

 phone: 0161 342 2929

 e-mail: heather.green@tameside.gov.uk

1. INTRODUCTION

- 1.1 This is the final outturn capital monitoring report for 2017/18, summarising the outturn position on capital expenditure at 31 March 2018. The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2017/18 financial year.
- 1.2 The Strategic Planning and Capital Monitoring Panel at its meeting on 9 October 2017 recommended to Cabinet a three year capital programme which earmarked resources for schemes totalling over £174m for the period 2017-2020. Further schemes have since been approved, taking the total programme to £185m and there are other pressures on the programme which mean that demand for capital resources now significant exceeds expected resources. A review of the Capital Programme will take place in summer 2018.

2. CHANGES SINCE THE LAST REPORT

- 2.1 There have been changes to the 2017/18 Capital Programme since the period 10 report. These are largely due to the re-profiling of £27.725m into 2018/19 approved in period 10. **Appendix 1** provides a summary of changes to the 2017/18 programme budget since the period 10 monitoring report (table A1).
- 2.2 As noted in section 1 above, there are a number of pressures facing the programme which mean that demand for capital resources is now expected to significant exceed available resources. A review of the full three year Capital Programme will take place in summer 2018.
- 2.3 On 15 January 2018, the Council's main contractor on the Vision Tameside project, Carillion, was put into liquidation. Since then the Local Education Partnership (LEP), through whom Carillion were contracted, have worked to find an alternative contractor to take over the construction project to enable completion of the scheme. On 6 February 2018, the LEP terminated the Vision Tameside construction contract with Carillion and on 7 February 2018 entered into an Early Works Agreement with Robertson Group. The early works agreement allows works to recommence on site and due diligence to be conducted before arriving at a contract price to completion. The early works agreement has since been extended by the LEP until the beginning of July. A contract variation between the Council and the LEP will be in place before this date and in turn a final contract arrangement will have been agreed between the LEP and Robertson.
- 2.4 There is sufficient budget available within the existing allocation to cover the costs of the early works agreement. A high proportion of the costs to complete on the main contract are now known and have been verified by the Council's independent cost consultants, Cushman and Wakefield. The costs to complete are in the region of £13.5m, with Robertson, with additional costs that will be incurred by the Council outside of these contract arrangements. The overall additional funding required to enable the satisfactory completion of the project is likely to be around £8.5m.
- 2.5 A key area where further clarity is required is in relation to the costs outside of the contract with the LEP and in particular the recant arrangements. The increase in budget requirement will have to be met from a review of the resources allocated to the current capital programme, a review of existing reserves and contingencies, and/or asset sales. The report on this agenda outlines the future cost envelop for the Vision Tameside scheme. Proposals are being developed to revise the capital programme to align with the available resources in time for the meeting of Executive Cabinet in July 2018.

3. SUMMARY

- 3.1 The service areas have spent £51.385m on capital investment in 2017/18, which is £3.979m less than the revised capital budget for the year. This slippage is spread across a number of areas, and is in part due project delays now being experienced as a result of the liquidation of Carillion who, through the Local Education Partnership (LEP) were delivering or managing a number of key projects.
- 3.2 The original budget for 2017/18 was in excess of £89m but significant re-profiling was requested in previous reports due to slippage on a number of schemes. Some further slippage has occurred in the last two months of the year and further re-profiling requests of £3.349m into future year(s) to match expected spending profiles has been requested. The proposed re-profiling into the next financial year is identified within the individual service area tables in **Appendices 2 to 7**.
- 3.3 Once re-profiling has been taken into account, the capital outturn position is £0.530m less than the capital budget for this year. This resource is therefore no longer required to be allocated to specific schemes and will be held to mitigate risks around being able to fully achieve the forecast capital receipts.
- 3.4 Section 4 of this report summarises the key messages from the capital outturn position. There are no significant variances where project spend is expected to significantly exceed budgeted resources, although there are some minor variations across a number of schemes. A number of variations have arisen where projected outturn is less than budget due to slippage in the delivery of the capital programme, resulting in a number of requests for re-profiling into the 2018/19 financial year.
- 3.5 Table 1 below provides a high level summary of capital expenditure by service area.

Table 1: Capital Outturn Statement 2017/18

CAPITAL OUTTURN STATEMENT 2017/18					
	Budget	Actual	Outturn Variation	Movement since P10	Reprofiling requests
	£000	£000	£000	£000	£000
Place					
AIPM	28,139	28,252	113	272	107
Development & Investment	2,517	2,245	(271)	(323)	(181)
Neighbourhoods and Operations					
Engineering Services	9,437	6,976	(2,462)	(1,763)	(2,462)
Transport	5,917	5,670	(247)	0	0
Environmental Health	737	396	(343)	(29)	(161)
Stronger Communities	454	418	(35)	(11)	(35)
Children's Services					
Education	5,932	5,070	(863)	(436)	(857)
Children	125	97	(28)	(28)	0
Finance & IT					
Digital Tameside	1,845	2,035	198	190	192
Population Health					
Active Tameside	257	226	(31)	(29)	(42)
Governance					
Exchequer	10	-	(10)	(10)	(10)
Total	55,370	51,385	(3,979)	(2,166)	(3,449)

- 3.6 Table 2 below shows the funding of the 2017/18 capital expenditure.

Table 2: Funding statement for 2017/18 capital expenditure

Resources	£000
Grants & Contributions	13,073
Revenue Contributions	1,326
Corporate:	
- Prudential Borrowing	0
- Capital Receipts	7,728
- Reserves	29,258
Total	51,385

4. CAPITAL OUTTURN 2017/18

4.1 This section of the report provides an update of capital expenditure in 2017/18, along with details of significant schemes and schemes with significant projected variations. A detailed breakdown of all schemes within each service area is included in **Appendices 2 to 7** of this report.

Place

4.2 The table below outlines the 2017/18 investment for Place. A detailed breakdown of all schemes within Place, including prior year spend on significant projects, future budgets and re-profiling is set out in **Appendix 2**.

Table 4: Detail of Place Capital Investment Programme

Capital Scheme	2017/18 Budget	2017/18 Outturn	2017/18 Outturn Variation
	£000s	£000s	£000s
Asset Investment Partnership Management (AIPM) Capital Programme			
Vision Tameside	20,442	20,708	266
Purchase of Guardsman Tony Downes House	7,000	7,000	0
Purchase of Plantation Industrial Estate	2	2	0
Other Schemes individually below £1m	695	542	-153
Total	28,139	28,252	113
Development and Investment Capital Programme			
Disabled Facilities Grants	2,002	1,720	-282
Other Schemes below £1m	515	525	11
Total	2,517	2,245	-271

4.3 The most significant capital project within the Place directorate is Vision Tameside. The liquidation of Carillion in January 2018 has resulted in an expected delay to this project of around 4 to 5 months. Re-profiling was approved at period 10 and these delays have also impacted the Public Realm scheme.

4.4 Re-profiling was approved at period 10 for the purchase of Plantation Industrial Estate as the sale has been delayed by the landlord following a fire.

- 4.5 Projected outturn on Disabled Facilities Grants is £0.282m less than budget. Budgeted resources for Disabled Facilities Grants is based on the annual grant allocation, and as reported in the quarter 1 monitoring report, delivery of adaptations has been restricted by limited employee resources. An additional full time equivalent post has now commenced within the service and this is having a positive impact on the delivery of adaptations. Re-profiling of £0.400m of the Disabled Facilities Grants budget into 2018/19 was approved at period 10. This is an important scheme as it funds adaptations and equipment in people's homes to allow them to live at home independently for longer and reducing the revenue burdens on the health and social care economy.
- 4.6 Re-profiling of budget has been requested for each of the projected outturn variations identified in table 4 above. Further detail on all the schemes within Place, including prior year spend, future budgets and re-profiling is set out in **Appendix 2**.

Neighbourhoods and Operations

- 4.7 The table below outlines the 2017/18 investment for Neighbourhoods and Operations. A detailed breakdown of all schemes within Neighbourhoods and Operations, including prior year spend on significant projects, future budgets and re-profiling is set out in **Appendix 3**.

Table 5: Detail of Neighbourhoods and Operations Capital Investment Programme

Capital Scheme	2017/18 Budget £000s	2017/18 Outturn £000s	2017/18 Outturn Variation £000s
Engineers Capital Programme			
Roads	3,541	2,501	-1,040
Street Lighting	1,812	1,799	-13
Retaining Walls	1,509	871	-638
Other Schemes individually below £1m	2,575	1,805	-770
Total	9,437	6,976	-2,461
Transport Capital Programme			
Refuse Collection Fleet	3,060	3,396	336
Other Fleet	2,857	2,274	-583
Total	5,917	5,670	-247
Environmental Services Capital Programme			
Various Schemes all individually below £1m	737	396	-343
Total	737	396	-343
Community Services Capital Programme			
Various Schemes all individually below £1m	454	418	-35
Total	454	418	-35

- 4.8 The most significant element of the Neighbourhoods and Operations Capital Investment Programme is Engineers. Expenditure in 2017/18 is significantly less than budgeted resources due to delays on several key schemes due to weather conditions. Regular detailed reports on progress with the Engineers Capital Programme are considered by the Strategic Planning and Capital Monitoring Panel.
- 4.9 Further detail on all the schemes within Neighbourhoods and Operations, including prior year spend on significant projects, future budgets and re-profiling is set out in **Appendix 3**.

Children's Services

- 4.10 The table below outlines the projected 2017/18 investment for Children's Services. A detailed breakdown of all schemes within Children's services, including prior year spend on significant projects, future budgets and re-profiling is set out in **Appendix 4**.

Table 6: Detail of Children's Services Capital Investment Programme

Capital Scheme	2017/18 Budget £000s	2017/18 Outturn £000s	2017/18 Outturn Variation £000s
Education Capital Programme			
Cromwell Enhancements	2,040	1,982	-58
Other Schemes individually below £1m	3,892	3,088	-804
Total	5,932	5,070	-862
Children's Capital Programme			
Purchase of two Children's Homes	125	97	-28
Total	125	97	-28

- 4.11 Regular detailed reports on progress with the Education Capital Programme are considered by the Strategic Planning and Capital Monitoring Panel agenda. The Education Capital Programme outturn is significantly less than the original budgeted resources. This is due to a combination of delay on a number of schemes and some unallocated funding.
- 4.12 The delay on the Education capital schemes has arisen due to restrictions on when some works can take place, usually during the holiday periods, and the complexity of some schemes. Additionally, several schemes were due to be delivered by Carillion through the Council's strategic procurement partner, the LEP. There also remains some unallocated grant funding which has not been allocated to specific projects. These grants have restrictions which mean only certain types of works are eligible for this funding.
- 4.13 Further detail on all the schemes within Children's Services, including prior year spend on significant projects, future budgets and re-profiling is set out in **Appendix 4**.

Finance and IT

- 4.14 The table below outlines the projected 2017/18 investment for Finance and IT. A detailed breakdown of all schemes within Finance and IT, including prior year spend on significant projects, future budgets and re-profiling is set out in **Appendix 5**.

Table 7: Detail of Finance and IT Capital Investment Programme

Capital Scheme	2017/18 Budget	2017/18 Outturn	2017/18 Outturn Variation
	£000s	£000s	£000s
Digital Tameside Capital Programme			
Tameside Digital Infrastructure	1,377	1,688	311
Schemes individually below £1m	468	347	-113
Total	1,845	2,035	198

Population Health

- 4.15 The table below outlines the projected 2017/18 investment for Population Health, under the banner 'Active Tameside'. A detailed breakdown of Active Tameside programme, including prior year spend, future budgets and re-profiling is set out in **Appendix 6**.

Table 8: Detail of Population Health Capital Investment Programme

Capital Scheme	2017/18 Budget	2017/18 Outturn	2017/18 Outturn variation
	£000s	£000s	£000s
Active Tameside Capital Programme			
New Denton Facility	170	145	-25
Extension to Hyde Leisure Pool	30	12	-18
Schemes individually below £1m	57	69	12
Total	257	226	-31

- 4.16 Regular detailed reports on progress with the Active Tameside Capital Programme are considered by the Strategic Planning and Capital Monitoring Panel. Actual expenditure in 2017/18 is significantly less than originally budgeted and significant re-profiling was requested in prior reports. Delays to these schemes are due to the Carillion liquidation, and also some amendments being made following a consultation ending November 2017.
- 4.17 A detailed breakdown of Active Tameside programme, including prior year spend, future budgets and re-profiling is set out in **Appendix 6**.

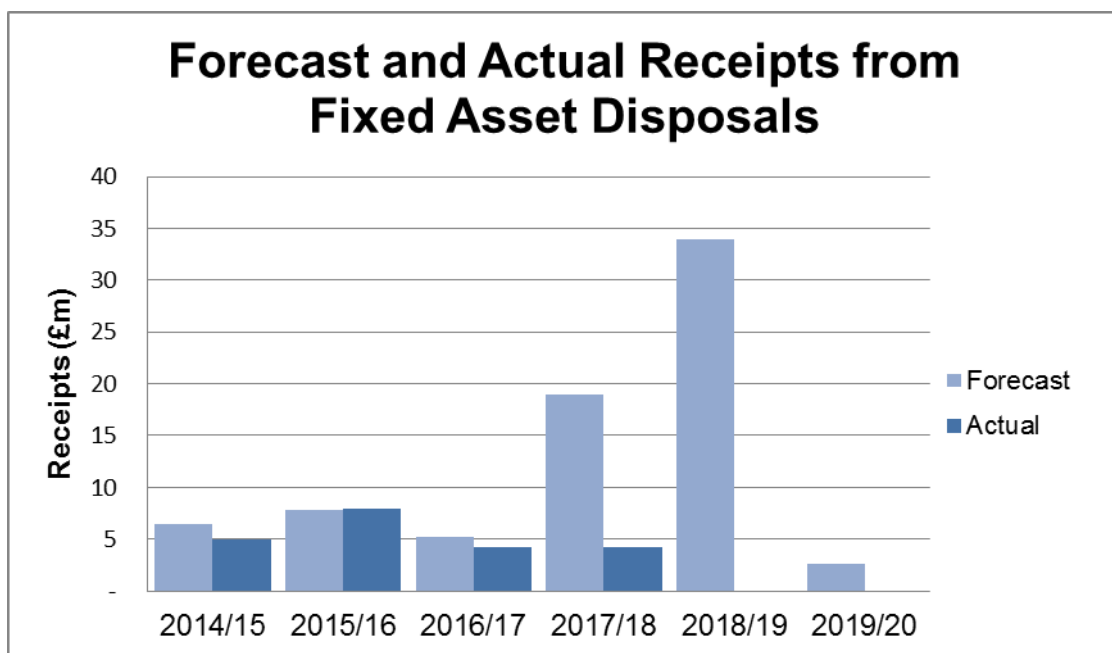
Governance

- 4.18 A breakdown of the Exchequer Capital Programme is provided in **Appendix 7**.

5. CAPITAL RECEIPTS

- 5.1 With the exception of capital receipts earmarked as specific scheme funding, all other capital receipts are retained in the Capital Receipts Reserve and utilised as funding for the Council's corporately funded capital expenditure, together with any other available resources identified in the medium term financial strategy.
- 5.2 Capital receipts achieved in 2017/18 are £4.177m, against an original forecast in excess of £19m. In addition to this a further £3.6m was available from receipts realised in 2016/17 that were not applied to fund that year's capital investment programme.

- 5.3 The Capital Programme is based upon capital receipts in excess of £55m being realised over the three years from 2017/18 to 2019/20. A further £33.930m of capital receipts has been forecast in 2018/19 and £2.635m in 2019/20. The planned review of the Capital Programme outlined in paragraph 2.5 will also include a review of assumptions in respect of capital receipts.
- 5.4 The land sales programme is ambitious and assumes capital receipts significantly in excess of those achieved in recent years. The level of receipts achieved in 2017/18 is significantly less than forecast. If the forecast level of receipts is not achieved, then the capital programme will need to be reassessed or financed from other sources which will have implications for revenue budgets. The below graph outlines what has been achieved to date compared to forecasts:



6. PRUDENTIAL INDICATORS

- 6.1 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 monitored to demonstrate that the objectives of the Code are being fulfilled.
- 6.2 The initial Prudential Indicators for 2017/18 and the following two years were agreed by the Council in February 2017. The Capital Expenditure indicator has been updated to reflect the latest position.
- 6.3 The latest Prudential Indicators are shown in **Appendix 8**.

Changes to the Capital Programme

Table A1 – Changes to the 2017/18 Programme since Period 10:

Changes to the 2017/18 Capital Programme	
	£0
Period 10 Capital Programme	83,095
Re-profiling into 2018/19	-27,725
Quarter4 Capital Programme	55,370

APPENDIX 2

Place Capital Programme

AIPM Capital Programme Statement								Proposed Budgets Following Reprofiting		
Capital Scheme	Spend in prior years £000	2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2017/18 Actual £000	2017/18 Outturn Variation £000	Re-profiling to be approved £000	2017/18 £000	2018/19 £000	2019/20 £000
Vision Tameside	19,206	20,256	7,821	0	20,496	240	236	20,492	7,585	0
Purchase of Guardsman Tony Downes House		7,000	0	0	7,000	0	0	7,000	0	0
Purchase of Freehold, Whitelands Road Ashton		2	5,397	0	2	0	1	3	5,396	0
Public Realm		186	3,805	0	212	26	26	212	3,779	0
Refurbishment of Concord Suite		17	533	0	24	7	7	24	526	0
Ashton Town Hall		300	50	0	226	(74)	(74)	226	124	0
Building Fabric Works		150	0	0	71	(78)	(78)	72	78	0
Mottram Showground (OPF)		45	114	0	45	0	0	45	114	0
Prep of Outline Planning Applications/Review of Playing Field Provision		17	99	0	14	(3)	(3)	14	102	0
Dukinfield Crematoria Clock Tower		54	0	0	45	(8)	(8)	46	8	0
Document Scanning		0	158	0	0	0	0	0	158	0
Statutory Compliance		102	0	0	102	0	0	102	0	0
Tame Street Emergency Generators		9	0	0	13	3	0	9	0	0
Opportunity Purchase Fund		0	500	0	0	0	0	0	500	0
Total		28,139	18,477	0	28,252	113	107	28,246	18,370	0

A2b: AIPM Re-profiling requests		£000s
Vision Tameside	Significant re-profiling of this budget took place at period 10, this request reverses a small amount of budget back into 2017/18 to reflect actual expenditure.	236
Other Minor Variations	Minor slippage and changes to the profile of expenditure across a number of schemes.	(129)
		107

Development & Investment Capital Programme Statement

Proposed Budgets Following Re-profiling

Capital Scheme	Spend in prior years £000	2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2017/18 Actual £000	2017/18 Outturn Variation £000	Re-profiling to be approved £000	2017/18 £000	2018/19 £000	2019/20 £000
Disabled Facilities Grant		2,002	1,151	0	1,720	(282)	(194)	1,808	1,345	0
Ashton Old Baths	3,671	362	17	0	361	0	0	362	17	0
Ashton Town Centre and Civic Square		61	1,499	0	42	(18)	(18)	43	1,517	0
Godley Garden Village		60	199	0	0	(60)	(60)	0	259	0
Hyde Town Centre		23	0	0	10	(12)	(12)	11	12	0
St Petersfield		6	187	0	110	104	103	109	84	0
Ashton Market Hall Incubator Units		3	0	0	0	(3)	0	3	0	0
Godley Hill Development and Access Road		0	110	0	0	0	0	0	110	0
Longlands Mill		0	21	0	0	0	0	0	21	0
Total		2,517	3,184	0	2,245	(271)	(181)	2,336	3,365	0

A2d: Development & Investment Re-profiling requests

£000s

Disabled Facilities Grants	This is a grant funded scheme and unspent monies can only be used on Disabled Facilities grants in future years.	(194)
Other Minor Variations	Minor slippage and changes to the profile of expenditure across a number of schemes.	(13)

APPENDIX 3**Neighbourhoods and Operations Capital Programme**

Engineers Capital Programme Statement							Proposed Budgets Following Reprofiting		
Capital Scheme	2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2017/18 Actual to date £000	2017/18 Projected Outturn Variation £000	Re-profiting to be approved £000	2017/18 £000	2018/19 £000	2019/20 £000
Street Lighting	1,812	639	0	1,799	(13)	(13)	1,799	652	0
Retaining Walls/Mottram & Hollingworth	1,509	0	0	871	(638)	(638)	871	638	0
Bridges & Structures	854	99	0	652	(202)	(202)	652	301	0
Principal/Nonprincipal Roads- Ashton	750	343	0	619	(131)	(131)	619	474	0
Principal/Nonprincipal Roads- Droylsden	680	20	0	414	(266)	(266)	414	286	0
Principal/Nonprincipal Roads- Dukinfield	650	0	0	331	(319)	(319)	331	319	0
Car Parking	300	650	0	76	(224)	(224)	76	874	0
Principal/Nonprincipal Roads- Denton	275	195	0	245	(30)	(30)	245	225	0
Principal/Nonprincipal Roads- Stalybridge	250	195	0	99	(151)	(151)	99	346	0
Roads- Borough Wide	246	28	0	263	17	17	229	11	0
Principal/Nonprincipal Roads- Longendale	200	70	0	111	(89)	(89)	111	159	0
Principal/Nonprincipal Roads- Hyde	180	220	0	197	17	17	163	203	0
Principal/Nonprincipal Roads- Audenshaw	160	90	0	145	(15)	(15)	145	105	0
Principal/Nonprincipal Roads- Mossley	150	150	0	77	(73)	(73)	77	223	0
Other Schemes	1,421	3106	0	1076	(345)	(345)	1,076	3,451	0
Total	9,437	5,805	0	6,976	(2,462)	(2,462)	6,907	8,267	0

A3b: Engineers Re-profiling requests		£000s
Retaining Walls/ Mottram & Hollingworth	Pre and post-Christmas weather conditions have delayed the commencement and progress with these works.	(638)
Principal/Nonprincipal Roads Various areas	Pre and post-Christmas weather conditions have delayed the commencement and progress with these works.	(1,040)
Car Parking	Work was delayed by amendments required to planning application and need for re-consultation. Bad weather at start of calendar year resulted in further delays. Discovery of Japanese Knotweed required involvement of specialists for appropriate treatment.	(224)
Other Schemes	Minor slippage across a number of schemes.	(560)
		(2,462)

Transport Capital Programme Statement							Proposed Budgets Following Reprofiling		
Capital Scheme	2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2017/18 Actual £000	2017/18 Outturn Variation £000	Re-profiling to be approved £000	2017/18 £000	2018/19 £000	2019/20 £000
Refuse Collection Fleet	3,060	0	0	3,396	336	0	3,060	0	0
Fleet Replacement 17/18	2,256	0	0	1,722	(534)	0	2,256	0	0
Procurement of 58 Fleet Vehicles	601	362	0	552	(49)	0	601	362	0
Total	5,917	362	0	5,670	(247)	0	5,917	362	0

Environmental Services Capital Programme Statement

Proposed Budgets Following Reprofiling

Capital Scheme	2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2017/18 Actual £000	2017/18 Outturn Variation £000	Re-profiling to be approved £000	2017/18 £000	2018/19 £000	2019/20 £000
Guide Lane Former Landfill Site	441	0	0	264	(176)	6	447	6	0
Allotment Railings & Infrastructure Improvement	63	0	0	56	(7)	(7)	56	7	0
Infrastructure Improvements	0	60	0	0	0	0	0	60	0
Retrofit (Basic Measures)	50	272	0	7	(43)	(43)	7	315	0
Tree Planting Programme	30	0	0	23	(7)	(7)	23	7	0
Dukinfield Park Improvements	25	0	0	4	(22)	(22)	3	22	0
Children's Play	20	300	300	14	(6)	(6)	14	306	300
Egmont St Fencing	14	0	0	12	(2)	(2)	12	2	0
War Memorials	2	9	0	6	3	3	5	6	0
Rocher Vale & Hulmes and Harry Wood	0	10	0	4	4	4	4	6	0
Audenshaw Environmental Improvements	0	9	0	0	0	0	0	9	0
Highway Replacement Tree Planting Access Works	1	2	0	1	0	0	1	2	0
Sunnybank Park- Landscaping	2	0	0	2	0	0	2	0	0
Riding Track & Footpath	30	0	0	0	(30)	(30)	0	30	0
Sam Redfern Green	17	0	0	0	(17)	(17)	0	17	0
Oxford Park Play Area	40	0	0	0	(40)	(40)	0	40	0
Silver Springs Infrastructure Improvements	2	0	0	2	0	0	2	0	0
Total	737	662	300	396	(343)	(161)	576	835	300

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A3f: Environmental Services Re-profiling requests		£000s
Other Schemes	Minor slippage across a number of schemes.	(161)
		(161)

APPENDIX 4

Children's Services Capital Programme

Education Capital Programme Statement								Proposed Budgets Following Re-profiling		
Capital Scheme	Spend in prior years £000	2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2017/18 Actual to date £000	2017/18 Projected Outturn Variation £000	Re-profiling to be approved £000	2017/18 £000	2018/19 £000	2019/20 £000
Unallocated Funding Streams		170	5353	0	38	(132)	91	261	5,262	0
Cromwell Enhancements	829	2,040	0	0	1982	(58)	0	2,040	0	0
Devolved Schools Capital		432	0	0	432	0	0	432	0	0
Primary Capital Programme		256	0	0	356	100	0	256	0	0
St Georges CE Primary School		197	0	0	124	(73)	(73)	124	73	0
Wildbank Primary School - Main Scheme		176	0	0	178	2	0	176	0	0
Minor Schemes (Under £150K)		2,661	4,535	0	1,959	(702)	(875)	1,786	5,410	0
		5,932	9,888	0	5,070	(863)	(857)	5,075	10,745	0

Children Capital Programme Statement								Proposed Budgets Following Re-profiling		
Capital Scheme	Spend in prior years £000	2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2017/18 Actual to date £000	2017/18 Outturn Variation £000	Re-profiling to be approved £000	2017/18 £000	2018/19 £000	2019/20 £000
Purchase of Two Children's Homes	533	125	0	0	97	(28)	0	125	0	0
Total		125	0	0	97	(28)	0	125	0	0

A4b: Education Re-profiling requests		£000s
Unallocated Funding Streams	A number of funding streams have not yet been allocated to specific projects and are therefore unlikely to be spent in 2017/18.	(132)
Other minor variations	Minor slippage on a number of schemes.	(1,006)
		(1,138)

Digital Tameside Capital Programme Statement								Proposed Budgets Following Re-profiling		
Capital Scheme	Spend in prior years £000	2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2017/18 Actual to date £000	2017/18 Projected Outturn Variation £000	Re-profiling to be approved £000	2017/18 £000	2018/19 £000	2019/20 £000
Tameside Digital Infrastructure		1,377	348	0	1,688	311	311	1688	37	0
Tameside Data Centre		37	803	0	21	(16)	(16)	21	819	0
ICT- Vision Tameside	202	122	1,140	0	47	(75)	(75)	47	1215	0
Working Differently- IT Hardware & Software		221	50	0	221	0	(4)	217	54	0
Digital by Design		20	40	0	23	3	5	25	35	
CCTV Fibre		60	118	0	31	(29)	(29)	31	147	
Disaster Recovery Site		8	0	0	4	4	0	8	0	0
Total		1,845	2,499	0	2,035	198	192	2,037	2,307	0

A5b: Digital Tameside Re-profiling requests		£000s
Tameside Digital Infrastructure	Significant re-profiling of this budget took place at period 10, this request reverses a small amount of budget back into 2017/18 to reflect actual expenditure.	311
Other minor variations	Minor slippage on a number of schemes.	(119)
		192

Population Health Capital Programme

Active Tameside Capital Programme Statement								Proposed Budgets Following Reprofiting		
Capital Scheme	Spend in prior years £000	2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2017/18 Actual £000	2017/18 Outturn Variation £000	Re-profiling to be approved £000	2017/18 £000	2018/19 £000	2019/20 £000
Active Tameside Wellness Centre & Wider Investment	5,441	0	0	0	0	0	0	0	0	0
New Denton Facility		170	14,554	0	145	(25)	(25)	145	14,579	0
Extension to Hyde Leisure Pool		30	2,923	0	12	(17)	(17)	13	2,940	0
Hyde United Football Club		0	0	0	10	10	0	0	0	0
Wave Machine at Hyde Leisure		0	60	0	0	0	0	0	60	0
Roof Replacement at Medlock		32	0	0	32	0	0	32	0	0
Replacement Pitch at Copley		25	0	0	26	1	0	25	0	0
Total		257	17,537	0	226	(31)	(42)	215	17,579	0

Exchequer Capital Programme Statement							Proposed Budgets Following Reprofiling		
Capital Scheme	2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2017/18 Actual £000	2017/18 Outturn Variation £000	Re- profiling to be approved £000	2017/18 £000	2018/19 £000	2019/20 £000
Online Forms	10	0	0	0	(10)	(10)	0	10	0
Total	10	0	0	0	(10)	(10)	0	10	0

APPENDIX 8

Prudential Indicators

Actuals v limits as at 4th October 2017

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Operational Boundary for External Debt	£212,528	£112,157	-£100,371
Authorised Limit for External Debt	£232,528	£112,157	-£120,371

- The Authorised Limit for External Debt sets the maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council.
- The operational boundary for External Debt comprises the Council's existing debt plus the most likely estimate of capital expenditure/financing for the year. It excludes any projections for cash flow movements. Unlike the authorised limit breaches of the operational boundary (due to cash flow movements) are allowed during the year as long as they are not sustained over a period of time.
- These limits include provision for borrowing in advance of the Council's requirement for future capital expenditure. This may be carried out if it is thought to be financially advantageous to the Council.

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Upper Limit for fixed	£185,355	-£16,749	-£202,104
Upper Limit for variable	£61,785	-£96,930	-£158,715

- These limits are in respect of the Council's 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). These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Capital Financing Requirement	£185,355	£185,355	£0

- The Capital Financing Requirement (CFR) measures the Council's underlining need to borrow for capital purpose, i.e. its borrowing requirement. The CFR is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.
- The CFR increases by the value of capital expenditure not immediately financed, (i.e. borrowing) and is reduced by the annual Minimum Revenue Provision for the repayment of debt.

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Capital expenditure	£128,514	£51,385	-£77,129

This is the total capital expenditure incurred in 2017/18.

Gross borrowing and the capital financing requirement	CFR @ 31/03/17 + increase years 1,2,3	Gross borrowing	Amount within limit
	£000s	£000s	£000s
	£185,355	£112,157	-£73,198

- To ensure that medium term debt will only be for 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).

Maturity structure for borrowing 2017/18		
Fixed rate		
Duration	Limit	Actual
Under 12 months	0% to 15%	0.29%
12 months and within 24 months	0% to 15%	0.30%
24 months and within 5 years	0% to 30%	1.73%
5 years and within 10 years	0% to 40%	6.20%
10 years and above	50% to 100%	91.49%

- These limits set out the amount of fixed rate borrowing maturing in each period expressed as a percentage of total fixed rate borrowing. Future 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, it is felt it is acceptable to have a long maturity debt profile.

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Agenda Item 5

Report To: STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

Date: 9 July 2018

Reporting Officer: David Moore, Interim Director of Growth

Subject: VISION TAMESIDE PHASE 2 (TAMESIDE ONE) COMPLETION PLAN

Report Summary: Vision Tameside is a flagship development for Tameside aiming to provide much need economic growth and investment in the Borough's young people.

The pioneering project comprises of a new 7,000 m2 Advanced Skills Centre for Tameside College, a new Joint Public Service Centre for Tameside Council and its partners and retail space for Wilko's.

Based on Wellington Road, Ashton-under-Lyne, on the former site of the Tameside Council administration building, the new Joint Public Service Centre will also provide residents with more cost effective and customer friendly facilities under one roof.

Vision Tameside will bring thousands of new staff and students to the town centre, boosting the retail economy. At the inception of the project an independent economic analysis identified that it will bring £300million of economic growth to the area through the creation of jobs, increased apprenticeships and increased footfall to shops and retailers.

Replacing the ageing Council administrative building, which was too large, no longer fit for purpose and too expensive to run, with a smaller building incorporating the latest energy-saving technology and shared with partners, is expected to save taxpayers £1.5million a year.

Work has been ongoing to ensure that our original vision of additional employment and investment in the young people in the Borough is realised despite the unfortunate collapse of Carillion. In doing so we would secure work for the local supply chain and deliver on our pledge for apprentices working on the development to be able to complete their apprenticeships.

Following the liquidation of original building contractor Carillion, the Council moved swiftly to agree that Robertson's replace Carillion and the LEP entered into an early works agreement to undertake necessary due diligence and to secure the employment of key construction staff and bring subcontractors back on site.

By moving the project forward Vision Tameside will be one of the first public sector projects of its scale affected by Carillion's liquidation to have agreed arrangements to completion, with similar projects reporting delays of up to two years.

This report outlines proposals for completing the Vision Tameside Phase 2 (VTP2) project, following the appointment of the Official Receiver as liquidator to Carillion plc, who were

contracted by the LEP to deliver the VTP2 project. The LEP and Robertson Construction Group, and have worked with original sub-contractors to review the remaining work required to complete the Vision Tameside Phase 2 project, with a view to remobilising the site to enable the completion of the construction project. This report seeks Executive Cabinet approval of the approach set out therein and a recommendation to Council to vary the Capital Programme to provide additional funds to complete the project, some as a consequence of the Carillion liquidation and the remainder which would have been required at this stage to complete the project.

Previous reports to Executive Cabinet have explained the strategic importance of the Vision Tameside Phase 2 project, emphasising that the move is part of a wider strategic asset management plan to invest in retained civic buildings across the Borough whilst most importantly noting the strength of the strategic, economic and commercial business case for the development in the interests of creating a thriving borough and opportunities in particular for our young people.

The Strategic Business Case was reviewed independently by Genecon (a nationally recognised company specialising in economic development and place making) and confirmed that the project could generate net additional Gross Value Added benefits with a net present value of over £140 million, over a 30 year project lifetime.

The programme includes the demolition of the previous Council administration building (which was 70% larger than required for staff and partners), and had a maintenance backlog of £4million, with a further £8million expected cost for refurbishment. The site is being redeveloped to include the proposed Advanced Skills Centre for Tameside College as well as a Shared Service Centre for the Council and its partners and new retail premises (proposed to be leased to Wilkinson's).

The development is expected to bring additional footfall and vitality into Ashton Town Centre and will secure the future of Tameside College as well as improving the provision of skills and supporting growth and regeneration across Tameside.

The LEP has worked with Robertson and their sub-contractors to review the remaining packages of work, and to determine the additional costs of re-mobilising the site and completing the programme. The costs have been independently verified by Cushman and Wakefield, construction management specialists to check that the costs provide "value for money" and the costs outlined in this report are believed by the LEP and its advisers to be as complete a representation of the costs to be incurred to complete the project as is possible in the circumstances presented by the collapse of Carillion.

This report is asking Council to agree proposals set out in the report and to allocate additional budget to complete the Vision Tameside Phase 2 project, particularly given the strategic importance and expected benefits that the project is expected to bring to the Borough.

Recommendations:

That Panel Members note the following recommendations approved by Executive Cabinet at its June 2018 meeting:

1. Notes that the LEP entered into an early works Agreement with Robertson Construction Group to enable due diligence to be undertaken and has remobilised the site to enable the completion of the Vision Tameside Phase 2 construction project and the LEP has submitted a proposal to the Council (dated 1 June 2018) outlining its plans to complete the Vision Tameside Phase 2 construction project.
2. Recommends to Council that an additional budget allocation of £8.289m from the Capital Programme for the Vision Tameside Phase 2 project from resources available to the Council, pending the outcome of a bid for additional Skills Capital funding to GMCA.
3. Recommends to Council a provisional risk and insurance budget up to £1.100m to manage any residual contract risk such expenditure to be approved by the Director of Finance subject to final due diligence; and
4. Authorises the Director of Growth in consultation with the Borough Solicitor, to negotiate and approve the final terms of all associated agreements and oversee the delivery of the project to completion within the approved funding and to submit bids for external funding towards the additional costs of the project as appropriate.

Links to Community Strategy:

Prosperous Tameside

Policy Implications:

In line with approved policy

Financial Implications:

(Authorised by the Borough Treasurer)

The Vision Tameside Phase 2 project to build the new Tameside One building in the centre of Ashton is expected to require a further £9.4m additional as a result of the Carillion collapse and need to engage with a new contractor to complete the works. Within this amount there are a number of provisional sums, contingencies, risks and insurance allowances to mitigate the risk of further cost requirements. Section 4 details the financial position.

Total risk allowances and contingencies within the project are:

- £75k unspecified provisional sums within the contract
- Robertson contingency of between 2-5% (c£250k)
- A contingency, risk mitigation and insurance fund of £1,687k

In addition to the cost to complete the building, the delay to the completion of the construction phase and the prioritisation of effort to restart the programme has resulted in the delay of the recant phase of the project to move staff in to their long term accommodation. A recant plan is being developed, but as this is not yet finalised, there are risks that the buildings due to be vacated once the Tameside One building opens may still be required for further occupation. This would result in revenue costs being incurred in the form of running costs and extended

leases.

The savings made from the exit of such buildings were intended to be used to fund the running costs of the new building. It currently costs £526K per annum to operate Two Trees, Margaret Street, Shirley House and Clarence Arcade. These costs were due to be released once Tameside One was operational. If progress is not made on these there will be a recurrent revenue shortfall of £322K per annum that will have to be found from making savings in other areas. The sale of the Two Trees site is budgeted to release a significant capital receipt, which is required to fund the capital programme.

In addition, it is unclear as to the exact recant costs and the extent of work required on the buildings which staff from Two Trees, Clarence Arcade and Shirley House in particular are going to be placed.

Legal Implications:
(Authorised by the Borough Solicitor)

Clarity will need to be provided going forward in respect of Public Realm and Recant costs, accepting that the Public Realm costs were always outside this project's financial envelope. Once the contract is resolved and the building programme back on track, it will be necessary to address the recant plan expediently to ensure service delivery, and estate costs for service delivery going forward. Contract changes are expected to only reflect minor changes of revised costs and programme delivery using insurance to manage any contingent risks.

The early works agreement between the LEP and Robertson's enabled due diligence to be carried out and remobilisation on site to continue works. The early works analysis is fundamental to the insurance contingency of £1.1m and how this will be used to ensure any contingent building risks are managed into the future as Carillion's demise affects the latent building defect warranties provided by them, which will now have little or no value. Clearly, the effect of not agreeing additional capital and a way forward would be to create additional cost and risk to the Council as well as failing to achieve the economic outcomes this project seeks to achieve for taxpayers. That said the revised capital requirement for this project requires the whole capital programme to be reviewed to ensure it remains affordable and the legal obligation to achieve a balanced budget. Once the construction phase has been approved and funding agreed. A further report on the operation of the whole administrative estate will need to be presented to Executive Cabinet outlining the recant strategy

Risk Management:

The primary risks associated with scheme are set out in the report.

Access to Information:

The background papers relating to this report can be inspected by contacting the report writer: Ade Alao, Head of Investment and Development.



Telephone: 0161 342 2795



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

1. INTRODUCTION

- 1.1 In previous reports in October 2013 and February 2014, the Council agreed to the development of the second phase of the Vision Tameside project, which was to include the demolition of the TAC building in Ashton and the redevelopment of the site to accommodate the proposed Advanced Skills Centre, office development and permit the relocation of Clarendon College from Hyde into Ashton and support the development of Ashton Market Square as well as the new Transport interchange and extension of the Metrolink to Ashton.
- 1.2 The project was part of the Council's wider strategic asset management plans (agreed in 2012) to reduce the amount of surplus buildings and invest in the retained Civic buildings in Audenshaw, Denton, Hyde, Dukinfield, Mossley, Stalybridge, including plans for the new £7.5 million Greater Manchester Pension Fund building in Droylsden as well as plans for the redevelopments in Ashton Town Centre.
- 1.3 In February 2014, the Council noted that the strategic business case was reviewed by Genecon, a nationally recognised company specialising in economic development and place making, who confirmed that the Vision Tameside programme had a sound Strategic, Economic and Commercial business Case. The business case pointed out the need to invest further in Further Education, to improve the skills and learning facilities in the Borough. The programme will bring state of the art college facilities into Ashton Town Centre and increase the number of learners staying in Tameside.
- 1.4 The report also pointed out that the previous TAC building in Ashton under Lyne cost circa £2million per year to run, including day to day repairs. The building was 70% larger than required for staff and partners, and was facing a cost of £4million repairs to maintain health and safety requirements as well as a further £8 million cost of refurbishing toilets, kitchens flooring, decoration, roofing repairs and costs to improve Disability Discrimination Act access requirements.
- 1.5 The economic business case in the report highlighted that the programme was expected to generate net additional GVA benefits of over £140million over a 30 year project lifetime, including additional employment from the construction and additional staff employed in the College and in retail, as well increased expenditure in local businesses and the town centre.
- 1.6 Vision Tameside Phase 2 incorporates the creation of a new Shared Service Centre for the Council and its partners, a new Advanced Skills Centre for Tameside College as well as additional retail space. Executive Cabinet authorised the award of a construction contract for the VTP2 project on 29 June 2016.
- 1.7 In November 2016, the Council entered into a Design and Build contract with Inspired Spaces Tameside Limited (known as "the LEP") and the LEP simultaneously entered into a subcontract with Carillion Construction Limited to act as main contractors to deliver the Vision Tameside Phase 2 project.
- 1.8 However, on 15 January 2018, without warning and with much surprise to the financial markets, the High Court appointed the Official Receiver as liquidator of Carillion Plc and some associated companies on the petition of the company's directors. The Court also appointed PwC as special managers to support the Official Receiver in managing the affairs, business and property of the companies.
- 1.9 Carillion was a major supplier to the public sector in addition to its work in Tameside and was delivering over 450 contracts at the time of its liquidation. In total, the company owed around £2 billion to its 30,000 suppliers, sub-contractors and short-term creditors who risk getting nothing back from the liquidation.

- 1.10 On 7 February 2018, Executive Cabinet acknowledged that the LEP had terminated the subcontract with Carillion Construction Limited, and intended to enter into an Early Works Agreement with Robertson Construction Group Limited to allow for due diligence works and remobilisation of the site to complete the building works agreed under the main contract between the LEP and the Council and to approve the replacement of the Building Contractor in the Main Contract. Executive Cabinet agreed to receive a further report once the due diligence work is completed under the early Works Contract to advise on the cost position and the terms being sought by the LEP under the new subcontract with Robertson to secure the completion of the Vision Tameside Phase 2 construction project and understand the cost and programme implications for the Council.
- 1.11 This report therefore presents a progress update since the Executive Cabinet decision in February 2018 and attempts to provide a more holistic financial position for the whole project and provides the financial summary based on the LEP Proposal and other known costs.

2. PROGRESS UPDATE

- 2.1 All construction work on the site of the VTP2 project stopped following the announcement of the liquidation of Carillion on 15 January 2018. The immediate uncertainty meant that all the sub-contractors chose to suspend work, pending further clarification of the situation.
- 2.2 The LEP signed an Early Works Agreement with Robertson Construction Group Limited on 13 February 2018, initially for an 8-week period and the LEP subsequently advised the Council that it had signed further variations to extend the Early Works Agreement until 2 July 2018.
- 2.3 The LEP has worked with Robertson and their sub-contractors to review the remaining packages of work, and to determine the additional costs of re-mobilising the site and completing the programme.
- 2.4 Cushman & Wakefield were appointed as the Council's Independent Client Advisers to undertake Value for Money Assessments and Project Monitoring. A process has been established whereby Cushman & Wakefield carry out an independent review of each individual sub-contractor package submitted by the LEP and make recommendations to the Council before approval. 24 sub-contractor packages have been approved to date.
- 2.5 The costs have been independently verified by Cushman & Wakefield, to check that the costs provide "value for money" and the costs outlined in this report are believed by the LEP and its advisers to be as complete a representation of the costs to be incurred to complete the project as is possible in the circumstances presented by the collapse of Carillion.
- 2.6 The site has now been remobilised with the full complement of the site team in place and all health and safety arrangements, including plans, signage and audits completed. A number of sub-contractor work packages have recommenced including roofing, cladding and M&E. Other work packages are due to commence over the coming weeks.
- 2.7 Three payment applications have been submitted by the LEP to date. One application has been certified and paid, the second application has been certified and the third application is currently being reviewed by Cushman & Wakefield before a recommendation is made to the Council.
- 2.8 The additional budget allocations requested in this report are based on the work undertaken by the LEP, Robertson and its sub-contractors, with contingencies built in, as is normal for major projects of this size, to allow for unforeseen cost over-runs. The budget

allocations are explained below, in paragraph 4.1 The Council, the LEP and Robertson will work closely together through various project-related governance meetings to ensure that any cost over-runs are minimised and any un-used contingencies will be retained within the Council's budgets.

- 2.9 It should also be noted that the Council is currently expecting to contain the costs of moving back into the new Tameside One building ("recant" costs) within other specific identified capital and revenue codes.

3. LEP PROPOSAL

- 3.1 The LEP Proposal for completing the construction works was submitted to the Council on 1 June 2018.
- 3.2 The LEP Proposal has been considered by the Council and its Independent Client Advisers, Cushman and Wakefield and it is following their assessment (para 7 refers) and recommendation that the recommendations for a final sum to complete the project are being made in this report.

4. FINANCIAL IMPLICATIONS

Table 1 below summarises the budget position for the whole VTP2 programme, showing a requirement of £9.389m to complete the project. The key headlines are summarised as:

- a. At the time of Carillion's liquidation the total construction budget was £38.925m, following a number of change orders that had taken place since the start of the project.
- b. Costs in relation to the project of £32.247m have been incurred to date.
- c. The Robertson cost to complete is £13.52m, and includes a number of contingencies of between 2% and 5% depending on the risk of the sub-contract package.
- d. On review of the contract, and due to the change of contractor, there are some elements that require change for which a provisional sum of £0.5m in relation to the Robertson contract and £0.140m of extra costs incurred with the LEP.
- e. This results in a shortfall against the construction element of £7.741m.
- f. Demolition costs have mostly been incurred but a provisional sum of £0.075m has been included for the final tidy up.
- g. There are additional costs outside the LEP contract that will result in further cost pressures of £0.522m. These include:
 - i. Cushman and Wakefield cost consultancy - £0.128m
 - ii. Public realm works that have been excluded from the LEP contract to be completed by the Council - £0.329m
 - iii. Works for the café facilities - £0.015m
 - iv. This is offset by releasing a £0.05m contingency for Dark Ground.
- h. Project contingencies, risk management reserve and insurance to limit risks and further financial liability

Budget Heading	Approved Budget	Latest Invoiced Cost Position 20/4/18	Remaining budget	Additional Cost to Complete plus Other Programme Costs	Total Projected Costs	Variance under spend/ over spend
	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)
Construction Contract	38,425	32,006	6,419	-	32,006	-6,419
Construction Agreed Change Orders	500	230	270	270	500	-
Robertson Cost to Complete	-	11	-11	13,509	(c) 13,520	13,520
Additional LEP Costs to Complete	-	-	-	640	(d) 640	640
Total Construction Cost	(a) 38,925	(b) 32,247	6,678	14,419	46,666	(e) 7,741
Demolition	3,298	3,249	49	(f) 75	3,324	26
Total Construction and Demolition Costs	42,223	35,496	6,727	14,494	49,990	7,767
Project Costs Outside of LEP Contract	10,581	5,424	5,157	5,679	11,104	(g) 522
Project Costs Before TMBC Contingency	52,804	40,920	11,884	20,173	61,094	8,289
Contingency Risk Management and Insurance	587	-	587	1,687	1,687	(i)1,100
Total Project Costs	53,392	40,921	12,471	21,860	62,781	9,389

- 4.1 The Council's currently approved £185m capital investment programme in the borough is fully funded and is currently supported by the sale of surplus assets. Capital receipts of over £55m are required to be realised to allow the programme to be fully funded. Clearly a revised budget required for this project as a consequence of the Carillion collapse will leave a funding shortfall on the programme. This can only realistically be closed by either realising more capital receipts or reducing other elements of the programme. The current capital programme has around £65m earmarked to schemes, which are having full business cases developed and have yet to be approved and therefore requires reviewing.
- 4.2 It is imperative that the VTP2 programme is completed and that funding for up to a maximum of £9.4m will be required. It is proposed that a review of the whole capital programme is brought back to the next Executive Cabinet on 25 July 2018 to consider a revised capital programme that allows the VTP2 programme to be completed within the resources available.
- 4.3 Once the construction phase has been approved and funding agreed. A further report on the operation of the whole administrative estate will need to be presented to Executive Cabinet outlining the recant strategy.

5. EXTERNAL FUNDING IMPLICATIONS

- 5.1 The Council received a formal funding agreement from the Greater Manchester Combined Authority (GMCA), dated 13 September 2016, for £4.06m Skills Capital funding.
- 5.2 The Council has now claimed £4.0m towards the construction costs and will continue to submit quarterly claims to the GMCA until the project is complete. These quarterly claims will seek to recover the fees of the GMCA's independent Project Monitor.
- 5.3 GMCA has already been notified that the Council will be seeking additional Skills Capital funding once final costs are established. It is recommended that the Director of Growth is authorised to submit a bid for additional Skills Capital funding to GMCA for the additional costs of the College element of the project.

6. PROGRAMME

- 6.1 A detailed construction programme has been provided by the LEP and some key points to note in relation to the programme are:
- a) The programme remains provisional until the completion of formal contracts.
 - b) There is an overall delay of at least 6 months to the practical completion of the construction contract.
 - c) A two or three week demobilisation period will be required following practical completion of the building, to allow for dismantling the site compound, making good of the external areas and completing works to provide safe temporary access and servicing to the building.
 - d) A phased recant period will commence following demobilisation for a period of up to 12 weeks and will be coordinated with the Council, the College, Wilkinson's and other occupiers within the Council's demise.
 - e) Work to commence the phased delivery of permanent public realm works around the building will start once the phased recant has been completed.
- 6.2 An updated programme will be reported to the next meeting of Executive Cabinet on 25 July 2018.

7. VALUE FOR MONEY ASSESSMENT

- 7.1 Cushman & Wakefield have been appointed as Independent Client Advisers to provide independent assurance for the Council, Value for Money advice and have been retained to act as project monitor until project completion.
- 7.2 Cushman & Wakefield have provided an opinion on the overall value for money of the LEP proposal to the Council and in conclusion state:

"In the circumstances, we consider that the proposal to engage RCG [Robertson Construction Group] will provide a reasonable level of value for the completion of this project. The margin added to sub-contractor packages is around the average and so represents good value for money, providing of course that the base costs to which the percentage is applied are proactively managed by the LEP and RCG. so far we consider that the LEP and RCG have worked hard to minimise the impact of Carillion's demise on the project cost. Most of the sub-contractors employed by Carillion have been re-engaged, which has a significant benefit in terms of project knowledge, and warranties where these are applicable.

An alternative procurement method would have been to re-tender the outstanding works to complete the building. Whilst this would have enabled a definitive test of current market pricing, there would have been significant delays before the project could have re-started due to the time required for:

- re-evaluation of designs and co-ordination between packages;*
- tender documents to be prepared;*
- assessment of the returned tenders;*
- lead-in periods.*

Because an alternative approach would have extended the programme to that currently being followed, there would be no guarantee that seeking competitive tenders would have resulted in a reduced cost to complete, due to:

- costs in preparing tender documents;*
- inflation over the period of the tender and acceptance process;*
- an industry wide shortage of skilled labour;*
- the strong likelihood that main contractors would still want to retain most of the previously engaged sub-contractors, who in turn would potentially be taking on alternative work in the meantime and thus charge a premium or even turn down the opportunity to tender*

9. RISK ASSESSMENT

9.1 The primary high-level risks, impacts, and mitigation to the project are set out in the table below:

Risk	Impact	Mitigation
Financial	Inability to fund the additional costs required to complete the project.	<ul style="list-style-type: none"> • Approval of additional funding including prudent allowance for contingency • Bid for additional Skills Capital funding to GMCA
Community and Stakeholder	Reputational damage with the local community and stakeholders.	<ul style="list-style-type: none"> • Approval and implementation of revised project communication plan
Economic	Non-realisation of the anticipated economic benefits from the project.	<ul style="list-style-type: none"> • Completion of the project will safeguard that the benefits are realised
Education	Major disruption to Tameside College's operations for the 2018/19 academic year.	<ul style="list-style-type: none"> • Contingency planning with Tameside College to minimise disruption

10. COMMUNICATIONS

10.1 A revised Project Communication Plan is currently being developed to ensure that there is clear, consistent and transparent messaging for all internal and external partners.

11. CONCLUSIONS

- 11.1 The liquidation of Carillion on 15 January 2018 has had major cost and time implications on the delivery of the VTP2 construction project. Carillion owed around £2 billion to its 30,000 suppliers, sub-contractors and short-term creditors who risk getting nothing back from the liquidation
- 11.2 The Council has moved swiftly to request proposals for the remobilisation and completion of the project and VTP2 will be among the first public sector projects of this scale affected by Carillion's liquidation to have an agreed route to completion. Other similar projects are reporting projected delays of 1 to 2 years.
- 11.3 The overall delivery has been delayed by at least 6 months with additional costs currently assessed as £8.289m. A risk and insurance provision of up to £1.1m may also be required subject to final due diligence.
- 11.4 The approach outlined in this report represents the most satisfactory course of action for the Council to pursue to achieve the earliest possible completion of the VTP2 project.

12. RECOMMENDATIONS

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

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Agenda Item 6

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	9 July 2018
Reporting Officer:	Ian Saxon – Director Operations and Neighbourhoods
Subject:	ASSET MANAGEMENT
Report Summary:	The attached report is intended to update members of the Strategic Planning and Monitoring Capital Panel and seek approval for any capital repair spend on the Councils property.
Recommendations:	That Strategic Capital Panel Members review the contents of the report and RECOMMEND to Executive Cabinet the spend associated with statutory compliance capital repairs for the period January 2018 to May 2018 of £15,680
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)	The Three Year Capital programme includes earmarked resource of £3 million for the Refurbishment of Capital Assets and £2m for Property Assets Statutory Compliance works. Works to date have been reported to the Strategic Planning and Capital Monitoring Panel retrospectively as completed. The use of these funds should be determined by the Council's Estate Strategy and Asset Management Plan. A more detail business case and strategy for the use of these funds should be presented to Members, setting out how these resources will be prioritised and informed by the Estates Strategy and Asset Management Plan, to ensure effective use of limited resources.
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. We need to ensure that any repairs undertaken to properties fall within benchmarking to ensure achieving value for money.
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 Alison Lloyd- Walsh, Head of Environmental Development Tel: 0161 342 3332 / Alison.lloyd-walsh@tameside.gov.uk

1. BACKGROUND

- 1.1 The Council has a duty to ensure that its buildings provide a safe and effective physical environment for staff and services to operate from. The monitoring and regulation of this is undertaken by a series of statutory checks across a range of requirements e.g fire safety, asbestos management and electrical safety. These checks are carried out at fixed intervals and reports produced to state condition and also inform in regard to remedial works that need to be undertaken to ensure compliancy. These notified repairs and upgrades to building fabric and condition are the subject of this report.
- 1.2 In addition to compliance issues informed by the regular statutory checks there are in addition repairs and replacements identified during the day to day management of our buildings. These may be repairs and replacements brought about by one off events such as vandalism and extreme weather or they may be due to breakage or failure during normal operations. If the issue is deemed to be causing a serious risk it will require immediate rectification. Where the costs of replacement and repair are deemed to be of benefit in regards to the Councils capital assets then costs are met from the statutory compliance fund.

2. ITEMISATION OF SPEND – JANUARY 2018 TO MAY 2018

- 2.1 This report provides details in regards to the capital spend on statutory compliance repairs on the Councils buildings during the period January 2018 to May 2018.

Building	Work Undertaken	Cost
Tame Street Transport Depot	Emergency lighting system upgrade	1,209.40
George Lawton Hall	Emergency lighting system upgrade	2,739.20
Clough Fold Children Home	Fire protection upgrade to door	270.78
Boyds Walk	Fire protection upgrade to door	258.75
Grafton Centre	Fire protection upgrade to boiler room	561.75
Denton Town Hall	Fire protection upgrade to door and emergency lighting	964.75
Heginbottom Mill	Fire protection upgrade to doors alarm control and detection	1,042.57
Wilshaw House	Repair to kitchen wall – food hygiene	468.85
Ashton Market Hall	Fire risk assessment remedial – various fabric	1,264.02
31 Clarence Arcade	Emergency lighting system upgrade	314.97
320 Stockport Road	Boiler replacement – food hygiene	388.77
Hyde Town Hall	Fire risk assessment remedial - door	294.25
Tame Street Engineers	Fire risk assessment remedial – various fabric	254.04
Denton Festival Hall	Emergency lighting system upgrade	419.98
Hyde Cemetery	Fixed electrical safety replacement	767.41
Stalybridge Library	Main lift shaft compliancy failure - rectification	337.05
Hyde Town Hall	External steps unsafe – make safe	538.70
Birch Lane Family Support	Fire risk assessment remedial – various fabric	1,339.09
Hyde Town Hall Business Units	Emergency lighting system upgrade	340.26
Dukinfield Library	Fire risk assessment remedial – various fabric	275.00
Hyde Market Hall	External fire escape – make safe	331.70
St Peters Children Centre	Emergency lighting system upgrade	305.25
Ridgehill Children Centre	Fire risk assessment remedial – various fabric	291.95
Hattersley Children Centre	Emergency lighting system upgrade	271.72
Tameside Central Library	Fire risk assessment remedial – various fabric	430.14
	Total Spend	15,680.35

3 RECOMMENDATIONS

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

Report To: STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

Date: 9 July 2018

Reporting Officer: David Moore – Director of Growth

Subject: EDUCATION CAPITAL INVESTMENT

Report Summary: This report advises members of the Panel on the latest position with the Council's Education Capital Programme and seeks the recommendation of various approvals as set out in the report.

The report also highlights the risks associated with the timely delivery of School Condition and Basic Need projects due to the delay in appointing a new Facilities Management provider under the Additional Services Contract following the collapse of Carillion Construction Limited.

Recommendations: That the Panel notes the contents of the report and recommends approval for the following amendments to the Education Capital Programme to Executive Cabinet:

1. The allocation of Basic Need funding to schemes as outlined in Section 3 and **Appendix 1** of the report.
2. The allocation of School Condition Allocation funding to schemes as outlined in Section 3 and **Appendix 2** of the report.
3. The allocation of the £211,254 available from the Special Provision Fund for 2018/19 towards the cost of expanding Hawthorns Special School.
4. Note the risks associated with the timely delivery of School Condition and Basic Need projects due to the delay in appointing a new Facilities Management provider under the Additional Services Contract following the collapse of Carillion Construction Limited.

Links to Community Strategy: The proposals contained in this report will support the delivery of the community strategy

Policy Implications: In line with current policy.

Financial Implications: **Basic Need Grant**

(Authorised by the section 151 Officer)

The council has £6,337,873 of Basic Need Funding available to spend in 2018/19. This is a balance of unspent grant from 2016/17 and 2017/18 – the Council did not receive any allocation in 2018/19. Notification has been received of an allocation of £4,800,000 for 2019/20 and nil for 2020/21.

Section 2 of this report identifies that grant has been earmarked for schemes totalling £5,989,038 which have previously been reported to the Strategic Planning and Capital Monitoring Panel. Appendix 2 identifies an additional amount of £505,093 is required for Alder Community High School. This additional request exceeds the available unallocated funding. A detailed review of all earmarked schemes is currently being undertaken and it is anticipated that resource will be identified from other earmarked

schemes where costs are now expected to be less than budget or where the scheme will not take place until 2019/20. The outcome of this review will be reported to the next meeting of the Strategic Planning and Capital Monitoring Panel.

School Condition Grant

The Council has £1,260,709 of School Condition funding available to be spent during the 2018/19 financial year, to improve and maintain the school estate. Most of this has been earmarked for identified schemes as summarised in paragraph 2.7.

This report proposes a further net allocation of £350,000 which is detailed in **Appendix 2**. This additional allocation exceeds the available unallocated funding. A detailed review of all earmarked schemes in 2018/19 and 2017/18 is being undertaken and it is anticipated that resource will be identified from other earmarked schemes where costs are now expected to be less than budget. The outcome of this review will be reported to the next meeting of the Strategic Planning and Capital Monitoring Panel.

The allocation of 2018-19 School Condition funding must be spent within the financial year to which it relates otherwise there is a risk that the amount will need to be returned to government.

Legal Implications: (Authorised by the Borough Solicitor)

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

The Council has clear duties under the education legislation to ensure its schools are properly maintained and fit for purpose to ensure the best possible environment within which to study and develop. This includes ensuring allocated monies are spent appropriately where and when required to avoid a possible challenge to these duties.

The council has a strategic procurement arrangement in place with the LEP and in the first instance must go through the schedule 3 arrangements or any other appropriate mechanism under the contract to secure delivery of the projects to ensure building and price risk properly managed by the LEP who are required to secure a vfm judgment on each project. Should the LEP not be able to deliver the projects and advise the Council in accordance with the tight timescales set out under the contract then the Council will need to seek alternative arrangements in line with procurement rules and the Council's own financial arrangements.

The schedule appended at 1 needs to have clarity as to who doing the work so that they can be held accountable through the contracts.

Risk Management:

Risk management is addressed within the body of the report.

Access to Information:

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



Telephone: 0161 342 2795



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

1. INTRODUCTION

- 1.1 This report provides an update on the latest position with the Council's Education Capital Programme 2018/19 and seeks recommendation for approval of various proposals in line with Council priorities.
- 1.2 The Council's powers to provide and maintain educational facilities are set out in the Education Act 1996. The Council also has a statutory duty under Section 14 of the Education Act 1996, to secure sufficient and suitable places for pupils in its area in primary and secondary schools across the borough.
- 1.3 The government allocates funding for school buildings under number categories which are described in Section 2 of this report.
- 1.4 Strategic Planning and Capital Monitoring Panel (SPCMP) is requested to note the contents of the report and recommend approval for the following amendments to the Education Capital Programme to Executive Cabinet:
- a) The allocation of Basic Need funding to schemes as outlined in Section 2 and **Appendix 1** of the report.
 - b) The allocation of School Condition Allocation funding to schemes as outlined in Section 2 and **Appendix 2** of the report.
 - c) The allocation of the £211,254 available from the Special Provision Fund for 2018/19 towards the cost of expanding Hawthorns Special School.
 - d) The allocation of an additional £505k, from the Basic Need budget, as set out in **Appendix 1**, to allow works to be progressed.
 - e) Note the risks associated with the timely delivery of School Condition and Basic Need projects due to the delay in appointing a new Facilities Management provider under the Additional Services Contract following the collapse of Carillion Construction Limited.

2. FUNDING AND FINANCIAL POSITION

- 2.1 The government allocates ring fenced grant funding for school buildings under the following categories:

Basic Need Funding

- 2.2 This funding is allocated to support the development of new pupil places and the table below sets out the current Basic Need Funding allocation:

Funding	Amount £
Basic Need Allocation for 2017/2018	£4,883,289
Unallocated Basic Need funding carried forward from 2016/2017	£13,584
Insurance claim returned to Basic Need Fund (Cromwell urgent rebuild)	£1,441,000
Total Basic Need funding available in 2018/19	£6,337,873
Spent as at 31 May 2018	£0
Earmarked as at 31 May 2018	£5,989,038
Unallocated as at 31 May 2018	348,835

- 2.3 The Council has not been allocated any Basic Need Funding for 2018/19. On 5 October 2017, the Government announced the 2019/20 allocations for Basic Need funding with Tameside being allocated £4,800,000.
- 2.4 On 29 May 2018, the Government announced the 2020/21 allocations for Basic Need funding with Tameside receiving no allocation. This is due to no reported shortfall in the predicted new number pupil places required for 2020/21 based on current plans.
- 2.5 The majority of the Basic Need funding currently available is profiled to be spent during this financial year in order to deliver the required additional school places by September 2018. Other schemes are in development to deliver the additional school places required by September 2019.

School Condition Allocation (SCA) Funding

- 2.6 This grant is allocated for the maintenance of school buildings. The funding is part formulaic (based on pupil numbers) and part reflecting recent condition surveys conducted by the Education and Skills Funding Agency.
- 2.7 The table below sets out the current School Condition Allocation:

Funding	Amount £
SCA Allocation 2017/2018	£1,399,805
Deduction of over allocation for 2017/2018	-£139,096
Total SCA funding available in 2018/19	£1,260,709
Spent as at 31 May 2018	£26,065
Earmarked as at 31 May 2018	£1,230,950
Unallocated as at 31 May 2018	£3,694

Devolved Formula Capital (DFC) Funding

- 2.8 Devolved Formula Capital is direct funding for individual schools to maintain their buildings and fund small scale capital projects. It is calculated on a formulaic basis using the school census dataset. The 2018/2019 grant for Tameside is £382,532 and schools make individual arrangements for schemes.

Healthy Pupils Capital Fund (HPCF)

- 2.9 The Healthy Pupils Capital Fund is a new allocation designed to improve children's and young people's physical and mental health by improving and increasing availability to facilities for physical activity, healthy eating, mental health and wellbeing and medical conditions. Funding is provided from the Soft Drinks Industry Levy for 2018/2019 only. The allocation can be used for a wide variety of purposes including modifications to improve accessibility for pupils with disabilities. Further information will be provided on the allocation of these funds in a future report.

Special Provision Fund

- 2.10 This is a new fund to support local authorities in improving the quality and range of provision for children and young people with SEN and disabilities aged 0-25. It is intended for children and young people with education, health and care plans for whom the local authority is responsible.
- 2.11 It is proposed to allocate the £211,254 available in the Special Provision Fund for Tameside towards the expansion of Hawthorns Special School. The school is significantly over capacity and it is planned to extend the school by creating two additional classrooms.

3. PROGRAMME UPDATE

Liquidation of Carillion

- 3.1 On 15 January 2018, the High Court appointed the Official Receiver as liquidator of Carillion Plc, Carillion Construction Limited and some 5 other associated companies on the petition of the company's directors. The Court also appointed PWC as special managers to support the Official Receiver in the managing the affairs, business and property of the companies.
- 3.2 Carillion Construction Limited was the LEP's principal delivery partner for the Council's Education Capital Programme. They were appointed under the Additional Services Contract.
- 3.3 Following the collapse of Carillion a significant number of the Council's School Condition and Basic Need projects have stalled.
- 3.4 Alternative delivery options have been considered and progressed, where appropriate, to ensure that urgent works, especially those related to Health and Safety, are undertaken and that the Council continues to deliver its statutory duty to provide the necessary school places needed from September 2018. Where a permanent solution cannot be provided within the timescales we now have available, contingency plans are being developed, in partnership with the schools.

Basic Need Schemes 2018/19

- 3.5 The current focus of the Council's Basic Need programme is to create additional places in secondary schools where forecasts have indicated a requirement.
- 3.6 A significant amount of work is currently on-going to ensure that sufficient places are available in both Primary and High Schools from September 2018.

i. Aldwyn and Hawthorns

This scheme increases capacity at Aldwyn School from a 45-pupil intake to 60 and includes a two-classroom extension at Hawthorns School. The Council sealed the formal contract documentation in September 2017 but the LEP had not signed the contract with Carillion at the time the contractor entered into liquidation. Alternative delivery options are currently being considered to reduce the risk of further significant delays. This is likely to result in increased costs due to inflation since the original tenders in summer 2016. Additional pupils continue to be admitted to Aldwyn and, because of the further delay to starting this scheme a second temporary classroom will be required from September 2018, as well as the extension of the hire period of the first temporary classroom, which was provided from September 2017. The budget costs for these temporary classrooms have previously been approved by Cabinet.

ii. St. John's CE Dukinfield

The final two-classroom extension to enable the school to increase pupil numbers from 30 to 45 for the September 2018 intake. The scheme was due to be tendered by Carillion, in January 2018 but is now inevitably delayed. Contingency planning is underway with the school. A budget cost of £750,000 from the Basic Need Fund has previously been approved and we await the LEP's submission of a project programme and final cost.

iii. Alder Community High School

Agreement has been reached with the school to increase pupil numbers from the present 155 to an intake of 180 which involves some significant internal remodelling as well as a four-classroom extension. The works will be delivered by Pyramid Schools - the PFI Special Purpose Vehicle (SPV).

Tenders for this work were returned from four contractors on 26 March 2018 and all exceeded the budget previously allocated. Following an extensive commercial review and value engineering exercise, led by Interserve Facility Management (on behalf of the SPV), the Council received a recommendation that Interserve Construction Ltd should be awarded the contract based on quality and cost.

The SPCMP is asked to recommend to Cabinet, the allocation of an additional £505k, from the Basic Need budget, as set out in **Appendix 1**, to allow works to be progressed.

iv. Hyde Community College

Agreement has been reached with the school to increase its capacity from 210 to 240 places. The works will be delivered by Amber Infrastructure, the PFI SPV. A budget of £1,720,554 has previously been approved from Basic Need Funding. Final costs will be available once a replacement Facility Management Company has been appointed. Part of the work involves the conversion of the existing construction shed into classrooms. This will take longer than the summer holidays and so a temporary double classroom will be required while the works are completed. A further report with confirmed costs and programme will be brought to a future meeting.

v. Mossley Hollins High School

Agreement has been reached with the school to increase its capacity from 156 to 180 places. The works will be delivered by Amber Infrastructure the PFI SPV. A budget cost of £1,580,000 from Basic Need Funding has previously been approved. Because the scope of works has been reduced, with agreement from the school, it is anticipated that savings will be generated. A waiver report was approved in May 2018 which allowed the works to be procured through the LHC framework. Planning permission has been granted and works are on target to be complete by the critical date of September 2018.

vi. Rayner Stephens High School

A scheme to increase capacity from 150 to 180 places has now been agreed with the school. The Council is currently considering a number of delivery options as initial investigations have revealed that some of the works are more complex than first thought. It has been agreed with the school to carry out a further review of their requirements which will involve postponing some of the works until summer 2019. Internal alterations will take place over summer 2018. An estimated budget of £450,000 has previously been approved.

vii. Laurus Trust (Free School) - The Council's proposals to meet the demand for high school places from September 2018 includes the provision of new places at the proposed Free School to be operated by the Laurus Trust. The funding agreement between the Trust and the DfE has now been completed and the new school is due to open in temporary accommodation in Droylsden from September 2018.

3.8 **Appendix 1** provides details of the 2018/2019 Basic Need projects, previously approved, which require approval for additional funding above £100,000.

School Condition Allocation (SCA) Schemes 2017/2018 and 2018/2019

3.9 A significant part of the 2017/2018 school building works were carried out over summer 2017 but many other schemes were due to start during February and Easter 2018 school holidays. This programme would have ensured efficient delivery of an agreed programme of works to fully spend the 2017/18 SCA allocation.

- 3.10 Due to the collapse of Carillion the Education Capital programme is now under review and the programme and costs will be confirmed once there is greater clarity on when a new FM provider will be appointed.
- 3.11 It is proposed, however, that the 2018/2019 SCA funded programme continues to be targeted at primary schools. Appendix 2 identifies the School Condition Allocation projects, previously approved, which require additional funding above £100,000
- 3.12 Spending decisions have to date been based on surveys carried out a number of years ago supported by more recent mechanical and engineering services. These surveys have helped the Council identify spending priorities but there is now a need to update building condition surveys on maintained schools. The surveys will include asbestos management surveys for schools built before 2000 as those built after 2000 will not have asbestos present.
- 3.13 The re-surveying of schools will provide accurate and up-to-date information on school condition and will inform better targeting of increasingly scarce capital resources in an open and transparent manner.
- 3.14 The surveys were planned to be undertaken in January 2018 to allow a programme of works to be established for the start of the new financial year. The project brief is currently with the LEP and surveys will take place when a new contractor is appointed. A budget of £150,000 has previously been approved for this essential work.
- 3.15 A contingency budget of £100,000 is included for urgent works given the age and condition of the Council's schools estate.

4. PROCUREMENT AND VALUE ADDED

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

5. RISK MANAGEMENT

- 5.1 The Council has a statutory duty under the Education Act 2011, to secure sufficient and suitable places for pupils in its area in primary and secondary schools across the borough. It also has the responsibility for the maintenance of community and voluntary aided school buildings, even though it does not own voluntary aided school buildings.

- 5.2 The liquidation of Carillion has created a significant risk to the timely delivery of Education capital projects. Officers have been exploring and implementing alternative delivery options to ensure the programme is not further adversely affected. However, the delivery of most schemes remains reliant on the successful appointment of a new contractor under the Additional Services Contract.
- 5.3 To avoid disrupting education delivery, generally the most intrusive work is best carried out over the summer break, which means that plans for new projects need to be well-developed before the summer. The situation this year means that significant delays are inevitable. Liaison will continue with individual schools to seek to mitigate any adverse effects of the delays.
- 5.4 Inflation in the building industry is also a more significant risk than previously experienced and larger schemes will be most affected. Early scoping and pricing of the works will mitigate against this and enable projects to be delivered in a timely and cost-effective manner.

6. CONCLUSION

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

7. RECOMMENDATIONS

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

APPENDIX 1

Basic Need Funding Schemes - Financial Update

The table below provides details of Basic Need funding projects, previously approved, which require approval for additional funding above £100,000.

Section 2.2 of this report identifies an unallocated balance of Basic Need Grant of £348,835. This request for additional funding exceeds the balance of available funding based on amounts earmarked for schemes. However, all earmarked allocations are currently being reviewed and it is anticipated that funding will be released from the earmarked allocations.

Scheme	Budget Estimate Approved March 2018	Costs following Tender Submission June 2018	Proposed Change in Funding
Alder Community High School – 4 class extension and entrance remodelling	640,633	1,145,726	+505,093

APPENDIX 2

School Condition Allocation Schemes – Financial Update

The table below provides details of the School Condition Allocation funding projects, previously approved, which require additional funding above £100,000.

Section 2.8 of this report identifies unallocated School Condition Allocation of £3,694. This request for additional funding exceeds the balance of available funding based on amounts earmarked for schemes. However, all earmarked allocations are currently being reviewed and it is anticipated that funding will be released from the earmarked allocations.

Scheme	Approved March 2018	Proposed June 2018	Proposed Change in Funding	Latest Position
Russell Scott/ Primary Capital Programme	266,000	366,000	+100,000	Additional drainage works required
St Anne's Primary roof replacement	300,000	550,000	+ 250,000	Additional costs for Phase 2 roof, new entrances and playground replacement
St Thomas Moore	0	200,000	+200,000	Contribution towards a larger scheme being funded from LCVAP

Agenda Item 8

Report to:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	9 July 2018
Reporting Officer:	David Moore – Director of Growth
Subject:	SECTION 106 AGREEMENTS AND DEVELOPER CONTRIBUTIONS
Report summary:	<p>The report summarises the current position with regard to receipts received from section 106 contributions (necessary to secure appropriate development), identifies the residual developer contributions available and any requests to draw down funding.</p> <p>The report provides an update to the previous SCP report on 12 March 2018.</p>
Recommendations:	<ol style="list-style-type: none">1. To note the contents of this report.2. To receive a future report setting out how contributions secured through planning agreements could align and support priorities established in the capital programme.
Links to community strategy:	Successfully implementing schemes funded through s106 Agreements support a number of Community Strategy priorities including supportive communities, a safe environment, a 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, namely policy H5 Open Space Provision, H6 Education and Community Facilities and T13 Transport Investment.
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 Solicitor)	Agreements must comply with the requirements of section 106 of the Town and Country Planning Act 1990 and the Community Infrastructure Levy Regulations. It is important that any monies paid under the legislation is used efficiently and effectively to mitigate the impact of planning as intended and that the Council doesn't find itself in a position where it is required to refund the developer as not used.
Risk Management:	<p>Developers will be entitled to claw back any contributions if they are not spent within timescales as per the agreements made.</p> <p>Contributions may not be received on time or at all without adequate monitoring. Any specific conditions included with agreements must also be considered to minimise the risk of</p>

developer challenges.

In accordance with Audit recommendations additional resources are being secured which will include specific requirements to monitor and track Section 106 payments and expenditure.

Access to information:

The background papers can be obtained from the author of the report, Martyn Leigh by



Telephone: 0161 342 3456



e-mail: martyn.leigh@tameside.gov.uk

1. INTRODUCTION

- 1.1 This report summarises the financial position at 31 May 2018 with regard to receipts for Section 106 Agreements secured under the Town and Country Planning Act, and Developer Contributions which is specified expenditure for other than the nature of the and makes comments for each service area. This is followed by a section on new agreements made and requests to draw down funding.
- 1.2 Under current legislation financial contributions secured through planning (Section 106) agreements have to be specific, necessary and relevant to the development proposed. This means that financial contributions have to be spent on identified projects/locations specified at the time a decision is made on the application.

2. AGREEMENTS UPDATE

- 2.1 The summary position statement at 31 May 2018 for s106 Agreements and Developer Contributions is as follows:

Table 2.1 Section 106 Agreement Funds:

Section 106		Community Services	Engineering Services	Services for Children & Young People	Other	Total
		£000	£000	£000	£000	£000
S106 - Applied - Budget Transferred to Service Area	Balance Transferred Previous Years (2006/07 - 2017/18)	817	1,632	1,250	16	3,715
	Total	817	1,632	1,250	16	3,715
S106 - Not yet earmarked	Brought Forward from 2017/18	(279)	(174)	(598)	(1)	(1,052)
	Received Periods 1 - 3	(47)		(54)		(101)
	Received Periods 4 - 6					0
	Received Periods 7 - 9					0
	Received Periods 10 - 12					0
	Transferred to Service Area					0
	Total	(326)	(174)	(652)	(1)	(1,153)

S106 - Not yet reached trigger point	(352)	(114)	(510)	(52)	(1,028)
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2.2 The current position for s106 Agreements is £1,153,000 in credit as at 31 May 2018.

Services for Children and Young People

- The balance of unallocated s106 funds stands at £652,000

2.3 **Community Services (Operations and greenspace)**

- The balance of unallocated s106 funds stands at £326,000.

2.4 **Engineering Services**

- The balance of unallocated s106 funds stands at £114,000.

3. DEVELOPER CONTRIBUTIONS (SECURED PRIOR TO INFRASTRUCTURE LEVY REGULATIONS)

3.1 This element relates to more historic receipts where the precise location for spending has not been determined. This was acceptable at the time and perhaps this provides an element of flexibility to sit alongside the capital programme.

Developer Contributions	Green Space Contribution	Community Education Contribution	Integrated Transport Contribution	4% Administration Charge	Totals
	£000	£000	£000	£000	£000
Brought Forward from 2017/18	(145)	(68)	(14)	(1)	(228)
Received Periods 1 - 3	0	0	0	0	0
Received Periods 4 - 7	0	0	0	0	0
Received Periods 8 - 10	0	0	0	0	0
Received Periods 10 - Outturn	0	0	0	0	0
Transferred to Service Area	0	0	0	0	0
Approved at previous SCP for release at year end	112	0	0	0	112
Total	(32)	(68)	(14)	(1)	(116)

3.2 The current position for Developer Contributions as at 31 May 2018 was £228,000 in credit, less approved allocations of £112,000 leaving a balance of £116,000.

3.3 **Services for Children and Young People.**

- The balance of available contributions stands at £68,000.

- 3.4 **Community Services (Operations and greenspace)**
 - The balance of available contributions stands at £32,000.
- 3.5 **Integrated Transport**
 - The balance of available contributions stands at £14,000.

4. NEW SECTION 106 AGREEMENTS

4.1 This identifies new agreements that have been negotiated and identifies where the contributions should be spent.

4.2 17/00774/FUL – Land on the south west side of and including 10-12 Slateacre Road, Hyde.

Planning permission was granted on 4 June 2018 following the completion of a Section 106 agreement for the demolition of 10 and 12 Slateacre Road and the construction of 10 semi-detached houses with associated access and infrastructure. The Section 106 agreement requires:

- £12,867.16 to be used as a Green Space Contribution to upgrade the path across Hacking Knife Meadow, Werneth Low.

17/00216/FUL - Moss Tavern, 99-101 Ashton Road, Droylsden.

Planning permission was granted on 3 May 2018 for the demolition of the existing public house and the redevelopment of the site to provide a three-storey mixed-use development, including 17 residential units and 1 ground floor retail unit, with associated car and cycle parking facilities. The Section 106 agreement requires:

- £12,443.89 to be used as a Green Space Contribution for the purposes of carrying out footpath repairs at Lees Park, Droylsden.

17/00794/FUL – 2-32 Wordsworth Road, Denton,.

Planning permission was granted on 14 March 2018 for a residential development comprising 16no. 3-bed houses. The Section 106 agreement requires:

- £18,101.61 to be used as an Education Facilities Contribution in respect of or towards the cost of an extension and related educational infrastructure to Denton Community College.
- £19,293.97 to be used as a Green Space Contribution in respect of or towards the cost of the following projects:

- Hulmes and Hardy Wood, Lower Haughton Dale:
 - Path improvements;
 - Pond restoration of Hulmes pond – partial excavation and resealing with clay; and,
 - Replacement of the post and rail fence from Meadow Lane to Arden Bridge.
- Haughton Dale:
 - Pond restoration in the Golt; and,
 - Path improvements in Apethorn Wood and in Gibraltar Wood

4.3 There are a number of resolutions where planning permission has been granted subject to agreements being entered in to which are currently being processed and finalised. When

formally entered in to and active these agreements will be reported to a future meeting of the Strategic Planning and Capital Monitoring Panel.

Requests to draw down funding

- 4.4 No new requests to draw down funding have been made since the previous report to the Panel.

5. RECOMMENDATION

- 5.1 To note the contents of this report and agree to receive a further report setting out how contributions secured through planning agreements could align and support priorities established in the capital programme.

Agenda Item 9

Report To:	STRATEGIC PLANNING & CAPITAL MONITORING PANEL
Date:	9 July 2018
Reporting Officer:	Ian Saxon - Director – Operations & Neighbourhoods
Subject:	ENGINEERING CAPITAL PROGRAMME 2018/19 UPDATE
Report Summary:	<p>The report sets out details of the 2018/19 Engineering Capital Programme for Engineering Services and sources of funding with specific reference to the Highways Structural Maintenance Programme and capital funding made available by the Council for both the Tameside Asset Management Plan (TAMP) for highways and flood prevention and repair of consequential flooding damage and additional parking facilities.</p> <p>The report also provide details of the GM Mayors Challenge Fund for Walking and Cycling and an update on the Council's Bid to the Department for Transport's Safer Roads Fund.</p>
Recommendations:	To note the report.
Links to Community Strategy:	<p>The schemes within the 2017/18 Engineering Capital Programme seek to provide an improved and more sustainable highway related asset for the residents and businesses of Tameside, thereby contributing to a safe environment, continuing economic regeneration and contributing to a low carbon economy; key priorities within the 2012-22 Tameside Sustainable Community Strategy.</p> <p>Development of work on improving the walking and cycling infrastructure supports a healthier borough and a move away from the reliance on cars as the first choice of transport.</p>
Policy Implications:	<p>The proposed funding allocation supports the Council's Corporate Plan priorities around the Sustainable Community Strategy.</p> <p>It also supports the objectives of the Greater Manchester 3rd Local Transport Plan and associated strategies thereby underpinning its aims and objectives at a regional and local level, including walking and cycling strategies, reducing congestion and improving air quality.</p>
Financial Implications: (Authorised by the Section 151 Officer)	<p>The Engineering Maintenance Block Allocation for 2018/19 totals £2.257m (£1.868m plus Incentive Fund £0.389m). The Incentive Fund element is greater than originally forecast, although the total allocation is unchanged. The Incentive Fund element is based on a self-assessment against criteria as set out in section 2 of this report. This allocation from the Department of Transport is in addition to the £5m TAMP funding from Council resources as referenced in section 3 of this report.</p> <p>Section 5 gives an update on the Street lighting LED replacement Programme with the final works being carried</p>

out in 2018/19. This will create annual savings of £0.426m and will be monitored as part of the quarterly revenue process.

Section 6 details other current programmes including bridges which requires approval to spend £0.02m of this year's Highways and Bridges capital programme to finalise work carried out under the Department for Transport's Challenge Fund. This will be funded from the maintenance allocation.

It is to be noted that the Council has been successful in a bid for the Department for Transport Safer Roads Fund and has been allocated £0.2m which will not be available until the financial year 2019-20. A further report will detail the works to be carried out and seek approval later in this financial year.

Section 7 details the Car Parking schemes at Darnton Road. The programme costs have risen by £0.122m over the original budgeted allocation. The additional cost will be financed from the revenue budget.

Expenditure on capital schemes must comply with guidance from the Code of Practice on Local Authority Accounting. Any non-capital related expenditure will be transferred to revenue and funded from existing revenue budgets.

Legal Implications:
(Authorised by the Borough Solicitor)

The Council has a statutory duty to maintain adopted highways and highway structures for which it is the highway authority under section 41 of the Highways Act 1980. The Cabinet approve the programme within the budget set by Council and the Panel are required to monitor to ensure it is being delivered efficiently, effectively, on time and within budget. This report is intended to assist with that and members should ask for such information they require to assure themselves of delivery.

Risk Management:

- Failure to approve the proposed Engineering Capital Programme will prevent the appropriate allocation of resources by the Authority.

A robust programme of works will be developed to ensure that the objectives underpinning the Department for Transport and other funding allocations will be met and at the same time meet the objectives contained in Tameside's Community Strategy.

- Inclement weather preventing commencement and completion of schemes.

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

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

Whilst the Council's Operational Services and external contractors have access to many material suppliers,

shortages of materials may necessitate alternatives to be substituted or approval will be sought to carry over the project into the following year for completion;

- The ability of the Council's own *Operational Services* or external contractor to implement the scheme in the current financial year.

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

- Statutory procedures linked to certain schemes could delay implementation.

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

- Mayor's Challenge Fund Bids.

Failure to deliver the programme after securing funding will impact on the future success of bids from this source.

Access to Information:

The background papers relating to this report can be inspected by contacting the report authors, Steven Oxford



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1. BACKGROUND INFORMATION

- 1.1 In the six Metropolitan Counties outside Greater London, the duty to formulate Local Transport Plans (LTP) is the responsibility of the Integrated Transport Authority (ITA). In the case of Greater Manchester this is Transport for Greater Manchester (TfGM) reporting to the Greater Manchester Combined Authority (GMCA).

2. HIGHWAYS TAMESIDE ASSET MANAGEMENT PLAN (TAMP)

- 2.1 Department for Transport (DfT) funding allocations for highway related schemes addresses a range of issues based on achieving agreed targets at a Greater Manchester and national level.
- 2.2 The Incentive Fund Element of the Highways Maintenance Block Allocation has been an increasing percentage of the total and in order to receive this element of the allocation, the Council must show it meets specific criteria around (amongst others) its highway asset management planning, consultation and stakeholder involvement, value for money and allocation of resources.
- 2.3 Councils are rated in three bands and only those Council's that achieve the top band, Band3, receive this allocation. Tameside's Engineers, together with colleagues in Finance have worked together not only to deliver the expected outcomes, but also to provide the evidence to support the Council's submission and achieve a Band 3 status to secure this funding.
- 2.4 Table 1 below shows how the allocation is divided to for the Incentive Fund Element, which currently contributes over 17% of the overall allocation and this percentage has increased year on year and it is expected to increase in future years.

Table 1

Maintenance Block Allocation 2018/19	
Highways Maintenance Block	£1.868m
Incentive Fund Element	£0.389m
Total	£2.257m

- 2.5 The Council's Strategic Planning & Capital Monitoring Panel supported funding for the Highways TAMP in April 2017 to a value of £20m, over a four year period. This was confirmed by the Panel in October 2017 and subsequently approval was given for 17-18 £3.0m and a further £5.0m in 18-19 by the Executive Cabinet. The annual Structural Maintenance Works programme has traditionally, due to the limited resources available, been predominantly concerned with resurfacing. This has given little opportunity to bring about such improvements to the network.
- 2.6 This funding was identified as being required, not only to reduce the risk of (further) deterioration to the highway network, but at the same time to bring about improvements to the overall condition of the highway, and provides opportunities to incorporate improvements to the network e.g. parking bays, crossing points, cycling facilities etc.
- 2.7 The annual Structural Maintenance Works programme has traditionally, due to the limited resources available, been predominantly concerned with resurfacing. This has given little opportunity to bring about such improvements to the network.

3. MAINTENANCE PROGRAMME 2018/19

- 3.1 Highway Structural Maintenance is fundamental to extending the life of existing highways and making the best use of our assets. **Appendix 1** sets out the programme of works for 2018/19.
- 3.2 Current progress on the 213 named schemes in **Appendix 1** is; 107 schemes either completed or in progress, with the remainder programmed to be completed as per the programme schedule, with those schemes completed to date highlighted in the table.
- 3.3 Current spend is £1.33m with the outturn expected to be as per budget profile at £6.695m (TAMP - £5m plus Maintenance Block funding of £1.695m)

4. FLOODING – FLOOD PREVENTION AND CONSEQUENTIAL REPAIRS

- 4.1 The Strategic Planning & Capital Monitoring Panel on 9 October 2017, identified a £0.775m allocation for Flood Prevention and Repairs, with an original profiled spend of 2017/18 - £0.075m, 2018/19 - £0.300m and 2019/20 - £0.400m, subject to approved projects. Details of these proposals are highlighted below. This has already been approved at Cabinet in June 2018 and has been funded from reserves.

Flood Prevention

- 4.2 The aim is to increase resilience against flooding from watercourses by a series of improvements to 10 of the priority Council maintained culverts and to improve Health and Safety requirements at these locations. Reducing the risk of flooding at these locations will protect both the Council's infrastructure and provide resilience for the community against flooding.
- 4.3 Detailed survey works and scheme designs for the identified culverts have been commissioned and a scheme programme is being prioritised, together with a profiled spend of the £0.500m. A business case will be presented once this work has been completed.

Repair of Consequential Damage Repairs

- 4.4 In addition, £0.275m was allocated to repair extensive damage that has occurred to a number of routes (roads, footpaths and bridleways) in the east of the borough as a result of the extensive flooding due to unprecedented rainfall associated with storms in November 2016 caused by Storm Angus. This was in June cabinet report
- 4.5 A number of routes were affected and these remained unusable having been closed off to users in the interest of public safety. In addition to a number of carriageways have been damaged and there is scour damage to bridges along the River Tame. In June report can we add anything to this?
- 4.6 During 2017/18 works were completed at 8 locations at a cost of £0.088m as below in **Table 2**.
- 4.7 The remaining works to be completed during 2018/19 are included in **Table 2**.

Table 2

Flooding - Consequential Damage		2017/18 (£'000s)		2018/19 (£'000s)	
Route	Work				
Pennine B/Way	Brushes Cottages to Besom Lane	1.6	Done		
Pennine B/Way	Castle Lane - clear drain & repair bridleway	0.4	Done		
Pennine B/Way	Winterhill Farm - Flexipave 1	5.0	Done		
Pennine B/Way	Winterhill Farm - Flexipave 2	10.0	Done		
Wheatfield repair	Storm damage	15.0	Done		
Flaxfield Farm repair	Storm damage	35.0	Done		
Grafton Street	Re-surface pathway after flood damage	4.0	Done		
Dewsnap Lane	Re-surface bridleway after flood damage	17.0	Done		
LON/4	Replace bridge and support embankment			18.0	Est
Stoney Road	Re-surface bridleway after flood damage			16.0	Est
Edge Lane	Re-surface bridleway after flood damage			25.0	Est
DUK/3	Re-surface bridleway after flood damage			20.0	Est
LON/109	Re-surface bridleway after flood damage			18.0	Est
STA/121	Re-surface bridleway after flood damage			20.0	Est
		88.00		117.00	
Total			205.00		

4.8 The revised spend profile for the £275k allocated to Flood Repairs is as a result; 2017/18; £130k, 2018/19; £75k and 2019/20; £70k.

5. STREET LIGHTING - LED (LIGHT EMITTING DIODE) REPLACEMENT PROGRAMME

Minor Roads

- 5.1 In 2015, the Council approved capital funding for a LED Programme, to replace 17,000 street lamps on the Borough's minor roads in a 3 year investment programme of £5.00m.
- 5.2 Table 3 below shows the progress of the scheme, with 500 columns carried over for replacement into 2018/19.

Table 3

Year 1 (2015/16)	2,000 LED replacements	£0.40m
Year 2 (2016/17)	7,295 LED replacements	£2.30m
Year 3 (2017/18) Planned 7,705	7,205 LED replacements Actual	£1.66m
Sub Total	16,500	£4.36m
Year 4 (2018/19) carried forward	500 LED replacements	£0.64m
Total	17,000	£5.00m

- 5.3 Final progress on the scheme will be available at year end outturn.
- 5.4 Once completed, the scheme will achieve the estimated annual savings of £0.426m, made up of a reduction in both energy and maintenance costs.

Major Roads

- 5.5 A business case for an investment by the Council to continue this programme to cover the major strategic and classified roads in the Borough for replacing street lights with LED lamps is being prepared for presentation to the Panel in a separate report.
- 5.6 Should the Panel approve this capital investment, progress on programme will be reported via the regular Engineering Capital Programme Update.

6. OTHER CAPITAL WORKS

Bridges & Structures - Department for Transport Challenge Fund

- 6.1 Following a successful bid to the above fund, the Council was allocated £3.00m for a programme of retaining wall schemes.
- 6.2 Work has now been completed on these schemes, with a minor overspend of £20,000 (less than 1%) to be funded from this year's Highway Structures and Bridges capital programme.
- Bid to DfT Safer Roads Fund; A670 Mossley Road, Mossley**
- 6.3 Panel was advised in October 2017 of a joint bid along with Oldham for road safety improvements along the A670 corridor, including section of A670 Mossley Road, Mossley.
- 6.4 Although the allocation of funding from this bidding process was expected in January, the Council received notification of the outcome on 14 June 2018.
- 6.5 The Council was successful in its bid and has been allocated the full amount of £200,000 included in the bid.
- 6.6 This funding will be available in 2019-2020 not 2018-19 as set out in June 2018 report.
- 6.7 The works will see the introduction of a puffin crossing at St Georges school on A670 Stamford Road / Mossley Road Mossley and several VMS boards along the corridor as well as renewed road markings and some footway widening works.
- 6.8 However, this original plan may be developed in light of the developments of the GM Mayor's initiatives on Made to Move, Streets for All and strategic improvements of the Local Cycling, Walking, Infrastructure Plan, detailed below in Section 7.

Car Parking at Darnton Road

- 6.9 A report to the Panel in March 2017 identified a business case to introduce five new car parks (with one of these being in two sections denoted as 2 and 2A) in and around Tameside Hospital, identifying estimated costs and potential pay-back period, with a proposed phased introduction of the new car parks on a programmed basis.
- 6.10 An investment of £0.950m was approved and it was indicated that following the initial investment the scheme would achieve pay back within two years. Potentially generating a sum of £0.590m a year on year thereafter.
- 6.11 During initial discussions Car Park 1 and Car Park 4 were removed from the schedule, one for building works within the hospital and the other due to leasing issues.
- 6.12 Land ownership of the remaining potential car parks was mixed with Car Park 5 wholly on Tameside land and the others in shared ownership.
- 6.13 Table 4 below, details current expected completion dates, together with revised construction estimates and numbers of spaces available following detailed design.

Table 4

	Parking spaces	Projected Annual income £'000	Projected Income 2018-19 £'000	Construction Cost Estimate (£'000)	Notes
CP5	230	230	135	*700	Open mid-August 2018
CP3	35	47	25	192	Open Sept 2018
CP2	78	105	50	150	Open Sept 2018
CP2a	22	30	15	30	Awaiting planning approval (potential opening October 2018)
TOTAL	365	412	225	1,072	

6.14 Budget Commentary

*Significant increased construction costs for Car Park 5 due to:

- Additional excavation required to reduce levels to suit revised DDA compliant access, as required, to secure planning approval;
- Significant additional excavation and subsequent fill required within site due to abnormal ground conditions
- Additional cost in removal and disposal of Japanese Knotweed from site
- Additional tree clearance required because of entrance repositioning.
- Presence of invasive plant species also presents problem on Car Park 3 which has increased estimated cost due to treatment required.

6.15 Projected income based on Car Park 5 spaces generating £1,000 per space per annum and other Car Parks in closer proximity to the Hospital generating £1,350 per space per annum.

6.16 Other issues –

- In order for Car Park 2 to becoming “pay and display” this requires a highway stopping up order to be made, for which objections have been lodged by utility companies; and easement/confirmation that Utility companies will retain access is required from Trust as landowner has been required.
- An objection has been received to the advertised Off Street Parking Order for Car Park 5, which requires resolution and may require an Objection Report being presented to Speaker’s Panel.

6.17 The current project is currently running at £0.122m over the initial allocation.

6.18 This additional cost will need to be recovered from future income, before any profit-share arrangements are finalised between the Council and Tameside Hospital NHS Foundation Trust.

7. THE GM MAYOR’S CYCLING AND WALKING CHALLENGE FUND PROGRAMME

7.1 The Mayor’s Cycling and Walking Challenge Fund (MCF), aims to kick start the delivery of the GM Cycling and Walking Commissioner’s Made to Move report, and continue Greater Manchester’s journey to becoming a city region where walking and cycling are the natural choices for shorter journeys, as set out in the Greater Manchester Transport Strategy 2040.

7.2 The MCF is split into two funding pots, namely ‘Active Centres and Corridors’ and ‘Active Neighbourhoods’.

7.3 These two themes are interlinked with the following objectives;

Active Centres and Corridors

- Improve efficient movement of people (not just motor traffic) between and across towns and city centres;
- Improve access to local centres by cycling and walking;
- Reduce negative impacts of traffic on local communities; and
- Ensure walking and cycling improvements on major routes between and through town and city centres are developed as part of a holistic corridor strategy, based on “Streets for All” principles.
- Primarily focused on major schemes

Active Neighbourhoods

- Reduce car dependency for short trips;
- Improve walking and cycling access to key local facilities (jobs, education, health and shops);
- Improve first and last mile access to public transport by walking and cycling;
- Improve walking and cycling to/from new housing developments; and/or
- Reduce severance impacts of major roads that pass through local communities.
- Primarily focused on minor schemes/packages

7.4 The Council has been working closely with the GM Mayor’s Walking & Cycling Commissioner’s team, undertaking network planning sessions in the context of wider strategic network aims and to support Tameside’s long-term strategy to shift travel away from cars and encourage walking and cycling.

7.5 The Council has taken the opportunity to review its process for identifying improvements as part of highway improvements and each scheme prior to commencement is assessed with a view to improving walking and cycling infrastructure.

7.6 The MCF provides the opportunity to take this appraisal to the next level and, rather looking at each highway scheme individually, the opportunity is available to use the work of Strategic Cycling Group as the primary focus. Membership of the group includes Sustrans, TfGM Walking & Cycling Team, Tameside Engineers, Health Service professionals and Senior Tameside Officers and meets monthly to discuss both strategic issues and practical improvements.

7.7 By drawing together all this strategic network development planning, the work on the TAMP and other highway capital schemes, the Council is preparing a list of proposals to submit to this Fund.

7.8 Proposed schemes will be submitted in blocks under both the ‘Active Centres and Corridors’ and ‘Active Neighbourhoods’ for walking and cycling infrastructure improvements.

7.9 The intention of the MCF is to invite proposals to be submitted on a 3 monthly basis and unlike many bidding funds, proposals can be re-submitted and amended to incorporate further improvements in subsequent bids.

7.10 Summary details of the initial Proposals from Tameside are included as **Appendix 2**.

7.11 In addition to these two bids, the Council will also be submitting a bid to the MCF to support developments in Stalybridge for the Town Centre Challenge and Ashton Public Realm works (Vision Tameside), both of which are complementary to and sit within the Council’s strategic framework.

8. COMMUNICATIONS STRATEGY

- 8.1 It is essential that these major works are communicated effectively with both Members of the Council and the citizens of the Borough in addition to the statutory co-ordination of works on the highway. To this end we will be working with the Council's Communications Team to ensure that Town Councils are made aware of any planned works and also making use of social media for the latest information.

9. FINANCIAL CAPITAL MONITORING

- 9.1 The Quarter 1 Capital Monitoring will be undertaken at the end of June. A verbal update on any major exceptions to plans will be provided as required.

10. RECOMMENDATIONS

- 10.1 As detailed on the front page of this report.

APPENDIX 1

Highways Works Programme 2018/2019

(Completed schemes to date highlighted)

Ward	Road	From / To	Work
Audenshaw	Ashlands Drive	Full Length	Footway Micro
Audenshaw	Audenshaw Road	Manor Road to Manchester Road	Carriageway Resurfacing
Audenshaw	Corporation Road	Egerton Street to Leech Brook Avenue	Carriageway Micro
Audenshaw	Enville Street	Guide Lane to Eldon Close	Footway Micro
Audenshaw	Enville Street	Guide Lane to Redmond Close	Carriageway Micro
Audenshaw	Guide Lane KRN	Water Street to Rail Bridge (L/C 5) inc. Bridge	Carriageway Resurfacing
Audenshaw	Hazelwood Drive	Full Length	Footway Micro
Audenshaw	Linden Avenue	Full Length	Carriageway Micro
Audenshaw	Lumb Lane	Aldwyn Park Road to Manchester Road	Carriageway Resurfacing
Audenshaw	Nelson Street	Full Length	Footway Micro
Audenshaw	Poplar Street	Full Length	Footway Micro
Audenshaw	Ravenwood Drive	Full Length	Footway Micro
Audenshaw	Redmond Close	Full Length	Carriageway Micro
Audenshaw	Redwood Drive	Full Length	Footway Micro
Audenshaw	Shepley Road	Guide Lane to Cemetery Road	Carriageway Resurfacing
Ashton Waterloo	Alt Hill Lane	Waggon Road to Fern Lea	Carriageway Micro
Ashton Hurst	Coronation Road	Full Length	Carriageway Micro
Ashton St Michaels	Cottingham Drive	Full Length	Footway Resurfacing
Ashton St Michaels	Fountain Street	Mossley Rd to L/C 9 and Opp Side	Footway Resurfacing
Ashton St Michaels	Garden Walk	Full Length	Footway Resurfacing
Ashton Hurst	Green Hurst Road	Full Length	Carriageway Micro
Ashton St Peters	Hill Street	Portland Street South to Cavendish Street	Carriageway Resurfacing
Ashton St Michaels	Hurst Brook Close	Full Length	Footway Resurfacing
Ashton St Peters	Katherine St	L/C 11 to Bentinck Street	Footway Resurfacing
Ashton Waterloo	Knowle Avenue	Richmond Street to Taunton Road	Carriageway Micro
Ashton Hurst	Lees Road	St Albans Ave to Green Hurst Road	Carriageway Resurfacing
Ashton St Michaels	Lower Green	Full Length	Footway Micro
Ashton St Peters	Manchester Road KRN	William Street to Margaret Street	Carriageway Resurfacing
Ashton St Michaels	Middle Green	All except O/S 32-40 (flagged)	Footway Micro
Ashton Waterloo	Mill Brow	Old Mill to Dean Terrace	Carriageway Resurfacing

Ward	Road	From / To	Work
Ashton St Michaels	Montague Road	Mossley Road to Beaufort Road	Carriageway Micro
Ashton Waterloo	Newmarket Road	Oldham Road to Taunton Road	Carriageway Resurfacing
Ashton St Peters	Park Parade	L/C 37 near Scotland Street to L.C 72	Carriageway Micro
Ashton St Michaels	Pot Hill	To Pub (one side) / G/E 40 (other side) inc. Pot Hill Square	Footway Micro
Ashton St Peters	Richmond Street	Katherine Street to Kenyon Street	Carriageway Resurfacing
Ashton Hurst	Rowley Street	Full Length	Carriageway Micro
Ashton St Peters	Stockport Road	South Street to Birch Street	Carriageway Resurfacing
Ashton St Michaels	Sunnyside Grove	Full Length	Footway Micro
Ashton Waterloo	Tiverton Place	Full Length	Footway Micro
Ashton Waterloo	Watermill Court	Full Length	Footway Micro
Ashton Waterloo	Wilshaw Grove	Full Length	Footway Micro
Ashton Waterloo	Wilshaw Lane	Wilshaw Grove to R/O Jubilee Bridge	Carriageway Resurfacing
Denton South	Arlington Avenue	Full Length	Footway Micro
Denton West	Ash Road	Windsor Road to Thornley Lane North	Carriageway Micro
Denton South	Aylesbury Avenue	Full Length	Carriageway Micro
Denton South	Beverley Ave	Full Length	Footway Micro
Denton South	Bowker Avenue	Full Length	Carriageway Micro
Denton South	Clarendon Road	Full Length	Carriageway Micro
Denton South	Dixon Road	Full Length	Carriageway Micro
Denton South	Exeter Avenue	Full Length	Carriageway Micro
Denton South	Fernley Ave	Full Length	Footway Micro
Denton South	Flemish Road	Full Length	Carriageway Micro
Denton West	Hulme Road	Full Length	Carriageway Resurfacing
Denton North East	King Street	Full Length	Carriageway Resurfacing
Denton North East	Lake Road	Full Length	Carriageway Resurfacing
Denton South	Lancaster Road	Mancunian Road to Two Trees Lane	Carriageway Micro
Denton South	Lydgate Close	Full Length	Carriageway Micro
Denton North East	Manchester Road North	Oldham Street to Seymour Street	Carriageway Micro
Denton South	Mancunian Road	Edale Road to Baslow Road	Carriageway Resurfacing
Denton South	Moorfield Avenue	Full Length	Footway Micro
Denton South	Moorfield Avenue	Full Length	Carriageway Micro
Denton South	Northstead Avenue	Full Length	Carriageway Micro
Denton South	Portal Grove	Full Length	Carriageway Micro
Denton North East	Queen Street	Full Length	Carriageway Resurfacing
Denton South	Silverdale Ave	Full Length	Footway Micro

Ward	Road	From / To	Work
Denton South	St Marys Avenue	Full Length	Carriageway Micro
Denton South	Stockport Road	Cemetery Road to Scott Road	Carriageway Resurfacing
Denton South	Strathmore Ave	Full Length	Footway Micro
Denton South	Sunningdale Road	Full Length	Carriageway Micro
Denton South	Trowbridge Road	Full Length	Carriageway Micro
Denton South	Warwick Avenue	Full Length	Carriageway Micro
Denton South	West Park Ave	Full Length	Footway Micro
Denton South	Winchester Avenue	Full Length	Carriageway Micro
Denton West	Windmill Lane	Windermere Rd to L/C 37	Carriageway Resurfacing
Denton South	Worcester Avenue	Full Length	Carriageway Micro
Droylsden West	Ashdale Crescent	Full Length	Carriageway Micro
Droylsden West	Ashley Road	Lewis Road to Lynn Drive	Carriageway Micro
Droylsden East	Ashton Hill Lane	Gorseley Fields to Market Street	Footway Micro
Droylsden West	Baslow Road	Full Length	Carriageway Resurfacing
Droylsden West	Cornwall Road	Full Length	Carriageway Micro
Droylsden West	Dovedale Avenue	Full Length	Carriageway Resurfacing
Droylsden West	Edge Lane	Hamnett Street to Alderdale Drive	Footway Resurfacing
Droylsden East	Ellen Street	From No. 2 Trent Walk to No. 7 Lune Walk	Carriageway Resurfacing
Droylsden East	Ellen Street	Full Length	Footway Micro
Droylsden West	Greenside Crescent	Full Length	Footway Resurfacing
Droylsden West	Greenside Lane	Fiveways to Springfield Road	Carriageway Resurfacing
Droylsden West	Hales Close	Full Length	Footway Resurfacing
Droylsden West	Hawkestone Avenue	Full Length	Carriageway Resurfacing
Droylsden West	Kelsall Drive	Full Length	Carriageway Resurfacing
Droylsden East	Kings Walk	Full Length	Footway Micro
Droylsden East	Lune Walk	Full Length	Footway Micro
Droylsden East	Mere Avenue	Full Length	Carriageway Resurfacing
Droylsden West	Peakdale Road	No. 20 to Haven Drive	Carriageway Resurfacing
Droylsden East	Ribble Walk	Full Length	Footway Micro
Droylsden East	St Andrews Avenue	Full Length	Carriageway Resurfacing
Droylsden West	Sunnyside Road	Cypress Road to 31 Sunnyside Road	Carriageway Resurfacing
Droylsden West	The Crescent	Full Length	Carriageway Micro
Droylsden West	The Quadrant	Full Length	Carriageway Resurfacing
Droylsden East	Trent Walk	Full Length	Footway Micro
Dukinfield/Stalybridge	Abbey Road	Full Length	Footway Micro
Dukinfield/Stalybridge	Ash Tree Drive	Full Length	Carriageway Micro

Ward	Road	From / To	Work
Dukinfield	Birch Lane	Birch View to No. 238 Birch Lane	Carriageway Resurfacing
Dukinfield	Boyds Walk	Birch Lane to King Street	Carriageway Micro
Dukinfield	Cheetham Hill Road	No. 212 to Yew Tree Lane	Carriageway Resurfacing
Dukinfield/Stalybridge	Coronation Avenue	Full Length	Footway Micro
Dukinfield	Crescent Road	Astley Street to Town Lane	Carriageway Resurfacing
Dukinfield	Dean Court	Full Length (Adopted Section)	Carriageway Micro
Dukinfield	Dewsnap Lane	No. 120 to Armadale Road	Carriageway Resurfacing
Dukinfield/Stalybridge	Dovestone Crescent	Full Length	Footway Micro
Dukinfield/Stalybridge	Elm Tree Drive	Full Length	Carriageway Micro
Dukinfield/Stalybridge	Fir Tree Lane	Gloucester Rise to Gorse Hall Road	Carriageway Micro
Dukinfield	Globe Lane	Globe Square to White Bridge	Carriageway Resurfacing
Dukinfield/Stalybridge	Gorse Hall Road	Cheetham Hill Road to Lyne Edge Crescent	Carriageway Micro
Dukinfield/Stalybridge	Greenbooth Close	Full Length	Footway Micro
Dukinfield/Stalybridge	High Street	Tame Street to Pine Road	Carriageway Resurfacing
Dukinfield	Hill Street	Full Length	Carriageway Micro
Dukinfield	Jubilee Avenue	Full Length	Carriageway Micro
Dukinfield	Lodge Lane	Various F/W Lengths	Footway Resurfacing
Dukinfield/Stalybridge	Lyne Edge Crescent	Lyne Edge Road to Yew Tree Lane	Carriageway Micro
Dukinfield/Stalybridge	Lyne Edge Road	Yew Tree Lane to Gloucester Rise	Carriageway Micro
Dukinfield/Stalybridge	Mountbatten Avenue	Full Length	Footway Micro
Dukinfield	Park Road	Crescent Road to Riverside	Carriageway Resurfacing
Dukinfield	Parkin Close	Full Length	Carriageway Micro
Dukinfield	Peel Street	Full Length	Carriageway Micro
Dukinfield	Poplar Road	Oak Tree Drive to Fir Tree Lane	Carriageway Micro
Dukinfield	Queen Street	Full Length	Carriageway Micro
Dukinfield/Stalybridge	Queensway	Full Length	Footway Micro
Dukinfield/Stalybridge	Redmire Mews	Full Length	Footway Micro
Dukinfield/Stalybridge	Rowan Crescent	Full Length	Footway Micro
Dukinfield/Stalybridge	Sycamore Close	Full Length	Carriageway Micro
Dukinfield/Stalybridge	Water Grove Road	Full Length	Footway Micro
Dukinfield/Stalybridge	Yew Tree Lane	From Water Grove Road to Lyne Edge Road	Carriageway Resurfacing
Hyde Newton	Ashton Road	No. 53 to Talbot Road	Carriageway Resurfacing
Hyde Newton	Bagshaw Street	Including Swindells Street (Both Full Length)	Carriageway Micro
Hyde Werneth	Bankfield	Full Length	Footway Micro
Hyde Werneth	Brabyns Road	Full Length	Carriageway Micro

Ward	Road	From / To	Work
Hyde Werneth	Brabyns Road	Full Length	Footway Micro
Hyde Newton	Carter Street	Full Length	Carriageway Micro
Hyde Werneth	Carter Street	Full Length	Footway Micro
Hyde Newton	Commercial Street	Full Length	Carriageway Micro
Hyde Werneth	Dannywood Close	Full Length	Footway Micro
Hyde Newton	Dow Street	Full Length	Carriageway Micro
Hyde Werneth	Dow Street	Full Length	Footway Micro
Hyde Newton	Dukinfield Road KRN	Hyde Newton St to Nursery Road	Carriageway Resurfacing
Hyde Werneth	Foxholes Road	Full Length	Footway Micro
Hyde Werneth	Gee Cross Fold	Full Length	Footway Micro
Hyde Werneth	Great Norbury Street	Railway Street to rail bridge	Carriageway Resurfacing
Hyde Werneth	Hudson Road	Full Length	Footway Micro
Hyde Werneth	Lord Derby Road	Full Length	Footway Micro
Hyde Godley	Lynton Walk	Hatts Rd West to G/E 14	Footway Resurfacing
Hyde Godley	Mansfield Road	Lumn Road to Walker Lane	Carriageway Micro
Hyde Newton	Markham Street	Full Length	Carriageway Micro
Hyde Godley	Matley Lane	L/C 4 to Victoria Street	Carriageway Micro
Hyde Godley	Milverton Walk	G/E 11 to Lynton Ave	Footway Resurfacing
Hyde Newton	Park Road	Lodge Lane to Clarendon Street	Carriageway Micro
Hyde Newton	Queenhill Drive	Full Length	Footway Micro
Hyde Newton	Rydal Avenue	Full Length	Carriageway Micro
Hyde Werneth	Silver Hill Road	Napier Street to G/E 24	Carriageway Resurfacing
Hyde Newton	Smith Street	Full Length	Carriageway Micro
Hyde Godley	St Paul's Hill Road	No. 12 to Crossbridge Road	Carriageway Micro
Longdendale	Ashworth Lane	No. 57 to Market Place	Carriageway Micro
Longdendale	Back Moor KRN	Stalybridge Road to Mottram Moor	Carriageway Resurfacing
Longdendale	Chapman Road	Hattersley Road East to Stockport Road	Carriageway Micro
Longdendale	Ellison Close	Full Length	Footway Micro
Longdendale	Hattersley Road West	No. 175 (L/C 52) to Sandy Bank Avenue	Carriageway Resurfacing
Longdendale	Hawthorn Grove	Full Length	Footway Micro
Longdendale	Organ Way	Full Length	Footway Micro
Longdendale	Printers Fold	Full Length	Footway Micro
Longdendale	Rosebank Close	Full Length	Footway Micro
Longdendale	Spring Street	Full Length	Footway Micro
Longdendale	Spring Street	Full Length (Adopted Section)	Carriageway Micro
Longdendale	The Boulevard	Full Length	Carriageway Micro
Hyde Godley	Underwood Road	Hattersley Road West to Wardlebrook Avenue	Carriageway Micro
Longdendale	Woodlands Close	Full Length	Carriageway Micro

Ward	Road	From / To	Work
Longdendale	Woolley Lane KRN	Mottram Moor to No. 85 (& S/O No. 9 to Bridge)	Carriageway Resurfacing
Mossley	Ash Hill Drive	Full Length	Footway Micro
Mossley	Beechwood Drive	Full Length	Footway Micro
Mossley	Cote Lane	Full Length	Footway Micro
Mossley	Crown Hill	Full Length	Footway Micro
Mossley	Dale Avenue	Full Length	Footway Micro
Mossley	Dalesfield Crescent	Full Length	Carriageway Micro
Mossley	Denbigh Street	Full Length	Footway Micro
Mossley	Hollins Lane	Full Length	Carriageway Micro
Mossley	King Street	Full Length	Carriageway Micro
Mossley	Lees Road	No. 69 to Holly Bank Farm	Carriageway Micro
Mossley	Lower Hey Lane	Full Length	Footway Micro
Mossley	Manchester Road	Near Mill Lane	Footway Resurfacing
Mossley	Manchester Road KRN	Tame Valley Close to No 385 Manchester Road	Carriageway Resurfacing
Mossley	Meadow Close	Full Length	Footway Micro
Mossley	Moorlands Crescent	Full Length	Carriageway Micro
Mossley	Moorside Road	Full Length	Carriageway Micro
Mossley	Queensway	Full Length	Footway Micro
Mossley	Regent Drive	Full Length	Footway Micro
Mossley	Staley Road	Derby Street to Cemetery Road	Carriageway Resurfacing
Mossley	Station Road	Full Length	Carriageway Micro
Mossley	The Rowans	Full Length	Carriageway Micro
Mossley	The Sycamores	Full Length	Carriageway Micro
Mossley	The Uplands	Full Length	Carriageway Micro
Stalybridge South	Ashes Close	Full Length	Footway Micro
Stalybridge South	Ashes Lane	Full Length	Footway Micro
Stalybridge South	Blundering Lane	Matley Lane to Woodend Lane	Carriageway Micro
Stalybridge South	Burnside Close	Full Length	Carriageway Micro
Stalybridge North	Caroline Street	High Street to Market Street	Carriageway Resurfacing
Stalybridge North	Carrbrook Close	Full Length	Footway Resurfacing
Stalybridge North	Carrbrook Crescent	Full Length	Footway Resurfacing
Stalybridge North	Darnton Road	No. 19 to Astley Road	Carriageway Resurfacing
Stalybridge South	Foxhill Drive	Full Length	Footway Micro
Stalybridge South	Hassall Street	Cecil Street to Mottram Road	Carriageway Micro
Stalybridge South	Heaps Farm Court	Full Length	Footway Micro
Stalybridge South	Huddersfield Road	No. 221 to No. 311 (Brushes Road to Parkfields)	Carriageway Resurfacing
Stalybridge South	Mottram Old Road	No 2 to Shutts Lane	Carriageway Micro
Stalybridge North	Oakfield Avenue	Full Length	Footway Resurfacing
Stalybridge South	Old Rd	Full Length	Footway Micro
Stalybridge/Dukinfield	Park Road	Tame Street to Clarence Street	Carriageway Micro

Ward	Road	From / To	Work
Stalybridge South	Quarry Clough	Full Length	Footway Micro
Stalybridge North	Rassbottom Street	Stamford Street to Market Street	Carriageway Resurfacing
Dukinfield/Stalybridge	Tame Street	Depot Gates to Clarence Street (both sides)	Footway Resurfacing
Dukinfield/Stalybridge	Warrington Street	Acres Lane to Taylor	Carriageway Micro
Stalybridge North	Waterloo Road	Market Street to Trinity Street	Carriageway Micro
Stalybridge South	Wellbank	Full Length	Footway Micro
Stalybridge South	Woodend Lane	Blundering Lane to Mottram Road	Carriageway Micro

APPENDIX 2

2018/19 Mayor's Cycling and Walking Challenge Fund - Proposal 1

Category	Town	Scheme Name	From / To	Description	Total Est (£'000s)	Phase A (£'000s)	Phase B/C (£'000s)
Active Centres & Corridors	Ashton	Rayner Lane	Audenshaw Railway path to Lord Sheldon Way and Ashton Moss link	Surface existing footpaths, bridleways and low trafficked roads linking with existing facilities at either end and Metrolink stop.	275	220	55
Active Centres & Corridors	Stalybridge	Market Street / Melbourne Street	Stalybridge Town Centre Challenge	Prohibition of traffic. Reduced speed limits Pedestrianisation and cycle routes.	see separate bid		
Active Centres & Corridors	Ashton	Wellington Road/ Turner Lane	Ashton Town Centre Public Realm	Prohibition of traffic. Reduced speed limits Pedestrianisation and cycle routes.	see separate bid		
Active Centres & Corridors	Ashton	Warrington Street	Warrington Street to Ashton interchange and train station	Contraflow, punch through x 2, route through pedestrian area	14	11	3
Active Centres & Corridors	Ashton	Lees Road	Oldham boundary to Broadoak Road	Segregated cycle track linking 4 schools to residential areas and to Oldham borough.	475	11	464
Active Centres & Corridors	Denton	A57 (West)	A57 - Manchester Boundary to Crown Point North Retail Park	Segregated cycle track, shared footway, punch through and quiet street to retail park. Potential link to Russell Scott Primary	tbc		B/C
Active Centres & Corridors	Denton	Ross Lave Lane	Stockport boundary at Reddish Vale to Town Lane	Improve surface to allow use for commuters. Crosses M60 and avoids use of Windmill Lane. Part of the TPT and NCN 62	440	440	0
Active Centres & Corridors	Hattersley	Stockport Road	Hattersley Viaduct to Ashworth Lane Hattersley - extend to roindabout Phase 2	Segregated cycle lanes to protect through 40mph zone and on approach to busy roundabout	360	275	85

Active Centres & Corridors	Hyde	Green Lane	St Pauls Hill Road to Mottram Old Road	Improve surface to allow use for commuters. Avoids use of Mottram Old Road. Low traffic Part of the TPT and NCN 62	tbc		B/C
Active Centres & Corridors	Hyde	Stockport Road	Stockport boundary at Woodley, Stockport Road to Dowson Road	Segregated cycle lanes to protect through 40mph zone	110	0	110
Active Neighbourhoods	Ashton	Hill Street	Hill Street, Victoria Street to Trafalgar Square	Contraflow, junction improvements, punch-through x 2. Links with CCAG scheme.	220	220	0
Active Neighbourhoods	Audenshaw	Clarendon Road	Clarendon Road punch through	Improve existing punch through to meet current design standards. Improve current CCAG route linkages	3.3	3.3	0
Active Neighbourhoods	Audenshaw	Groby Road	Groby Road Playing fields track to Audenshaw Road	Shared footway and wide lane to link Audenshaw Road to existing CCAG route. Avoid busy section of road.	13.2	13.2	0
Active Neighbourhoods	Stalybridge	Stamford Park	West Hill School, Astley Street, Stamford Park to Mossley Road	Link to school x 2 and hospital, quiet streets, traffic free route through park. Extension of CCAG route.	150	150	0
Active Neighbourhoods	Stalybridge	Stamford Drive	Rassbottom Street, crossing Clarence Street to Frederick Street	Link Stalybridge Train Station and West Hill School (CCAG scheme) to Ashton via quiet streets. Crossing of Clarence Street severance included	110	55	55
Active Neighbourhoods	Borough Wide	School cycle Education 'Bikeability'	Extension of scheme to additional schools across the borough	Double children trained this year. All children next year	110	38.5	71.5
Active Neighbourhoods	Borough Wide	School cycle parking	Various schools across the borough which lack current facilities		tbc		B

Active Neighbourhoods - Severances	Ashton	Lord Sheldon Way	Crossing of Lord Sheldon Way to Alexandria Drive	Upgrade existing Pelican crossing to link to existing routes.	66		66	
Active Neighbourhoods - Severances	Denton	St Lawrence Road	Crossing of Stockport Road from Town Lane to St Lawrence Road	Upgrade existing Pelican crossing. Share footway to get to crossing	tbc		B	
Active Neighbourhoods - Severances	Denton	Egerton Street	Crossing of Ashton Road from Egerton Street to Turner Street	Upgrade existing Pelican crossing (4 on junction) Shared footway to get to crossing	tbc		B	
Active Neighbourhoods - Severances	Borough Wide	Upgrade crossing facilities	Various Zebras upgraded to Tiger and various Pelican / Puffin upgraded to Toucan	List being assembled. Minimum of 5 delivered in year	110		110	
Active Neighbourhoods - Severances	Borough Wide	One way streets	Various locations	Review all one way streets and formalise contra flows on routes	tbc		B	
Active Neighbourhoods - Severances	Borough Wide	Signs review and route signing	Various locations	Review all signage, update and commence route signings	55		55	
Active Neighbourhoods - Severances	Borough Wide	20mph / 10mph Zones	Reduction in speed limits at key locations borough wide	To be identified	tbc		B	
					Total Est Cost	2,511.5	1,437.0	1,074.5
					Phase A	Design, estimate, consultation complete - works can commence when funding in place		
					Phase B	Design, estimate in preparation, consultation required		
					Phase C	Concept / Feasibility only		

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	9 July 2018
Reporting Officer:	David Moore – Interim Director of Growth.
Subject:	LEISURE ASSETS CAPITAL INVESTMENT PROGRAMME UPDATE
Report Summary:	This report provides a summary of progress to date in relation to the delivery of the Council's capital investment programme to improve sports and leisure facilities approved by Executive Cabinet on 24 March 2016.
Recommendations:	That Strategic Planning and Capital Monitoring Panel notes the content of this report.
Links to Community Strategy:	The Community Strategy 2012-22 (and the Corporate Plan 2013-18) outlines the priorities for improving the Borough. The Leisure Assets Capital Investment Programme directly links to the Tameside Sustainable Community Strategy objective of 'Healthy Tameside'.
Policy Implications:	This Leisure Assets Capital Investment Programme supports the Tameside Health and Wellbeing Strategy and specifically the strategic priority for reducing physical inactivity and improving physical activity levels across Tameside.
Financial Implications: (Authorised by the Section 151 Officer)	<p>The Executive Cabinet approved a £20.4m leisure facility investment budget on 24 March 2016.</p> <p>Included within the total investment budget was £2m for the Active Hyde pool extension scheme. On 30 August 2017 Executive Cabinet approved an additional investment of £1.096m and a further £0.088m was approved by Cabinet on 21 March 2018, taking the total approved budget for Hyde Pool to £3.185m.</p> <p>The 2017/18 period 10 capital monitoring report sought approval for budget re-phasing into 2018/19 for Active Hyde and the Tameside Wellness Centre, due to delays being experienced on both schemes.</p> <p>Elected Members should note section 3 of the report. This explains there is a clear risk to both the Council and Active Tameside that delays to facility completion dates will impact on the opportunity for Active Tameside to realise the expected levels of additional revenue. The Council's financial plan assumes reductions to the annual revenue investment in Active Tameside as a result of Active Tameside being able to realise these additional revenues which are now being delayed.</p> <p>As set out in section 2 of this report, Sport England have approved a stage 1 application for capital funding to support the Tameside Wellness Centre project. Any funding provided by Sport England will be used to enhance the scheme and will result in an increase in the overall value of the scheme in the capital programme.</p>

Legal Implications:
(Authorised by the Borough Solicitor)

It is important, given the Council's fiduciary duty to its taxpayers, and its health and wellbeing responsibilities to its communities, that members ensure a strategic and sustainable leisure offer is continually developed, reviewed and maintained.

There are a number of risks highlighted in the report which will benefit from a review of that offer which is currently programmed for this financial year.

Risk Management:

Risk management is considered in section 3 of this report.

Access to Information:

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



Telephone: 0161 342 2795



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

1. INTRODUCTION

- 1.1 This report provides a summary of progress to date in relation to the delivery of the Council's capital investment programme to improve sports and leisure facilities approved by Executive Cabinet on 24 March 2016. The investment programme is now providing high quality sports and leisure facilities creating a platform to reduce physical inactivity and supporting the development of a sustainable funding model for Active Tameside.
- 1.2 Additional benefits from the programme include a reduction in dependence on other Council and health related services, increased participation in community life and improved quality of life for all residents including the most vulnerable.
- 1.3 Once implemented in full, the proposals will enable revenue investment in Active Tameside to be reduced from £1.865 million in 2015/16 to £0.441 million by the end of the contract in 2023/24 (a reduction of £1.424 million or 76%).
- 1.4 Approval for any capital re-phasing highlighted in this report will be dealt with in the Capital Monitoring Report presented to the Executive Cabinet.

2. PROGRAMME UPDATE

- 2.1 The Leisure Assets Capital Investment Programme is comprised of a number of individual projects:
- 2.2 **Active Copley Heating System Replacement (£0.369m)** - The heating system installation at Active Copley has been completed and is now fully operational. The final payment for the installation was made by the Council at the end of the defects liability period some two years ago. There is an ongoing dispute between the Carillion, the LEP's main contractor and their sub-contractor regarding an alleged outstanding final payment of £60,000. This is not a matter for the Council and is being dealt with by the LEP and Carillion's liquidator.
- 2.3 **Active Copley Pitch Replacement (£0.177m)** - The synthetic turf pitch installation at Active Copley has been completed. The pitches are now fully operational.
- 2.4 **Active Medlock Roof Replacement (£0.120m)** - The roof replacement scheme has been completed.
- 2.5 **Active Hyde Pool Extension (£3.096m)** – A revised budget of £3,096m for the extension of Active Hyde was recommended for approval by Strategic Planning and Capital Monitoring Panel on 10 July 2017. In addition, a further £88,280 was approved by Executive Cabinet on 21 March 2018 to increase the capital allocation to £3,185,000 in the 2018-2019 capital programme. It was envisaged that the additional capital would enable work to start on site in May 2018 subject to contract.
- 2.6 The LEP subsequently advised the Council that its preferred contractor withdrew its interest in the scheme just before the scheduled contract signing. In order to mitigate the risk of further delays caused by the withdrawal, the LEP is currently exploring other options.
- 2.7 Executive Cabinet have agreed to a review of all schemes that have not commenced. This is part of a reprioritisation of the capital programme, which will be taken to Executive Cabinet in July. This review will consider all the impacts of not progressing with the scheme.
- 2.8 **Active Hyde Wave Machine Replacement (£0.060m)** - The Wave Machine installation at Active Hyde will require a two-week partial facility closure due to the need to drain the pool tank to facilitate the installation. Active Tameside is currently planning a general

refurbishment of the pool tank to coincide with the wave machine installation. It is envisaged that the pool will close for a two week period later in the year to coincide with the centre's quietest period in terms of attendance. The timing will mitigate the income losses for Active Tameside during the two week period.

- 2.9 **Tameside Wellness Centre, Denton (£13.674m Council investment & £1.050m repayable loan by Active Tameside)** – The Tameside Wellness Centre scheme is progressing following a Council Key Decision of 27 April 2017. The Development Agreement and Sale Agreement have now been signed by the Council and Network Space.
- 2.10 Consultation on the design of the centre concluded on the 5 November 2017. The responses received were generally very positive. The consultation findings have been used to inform design adjustments to support the planning application which was submitted in May 2018.
- 2.11 Discussions continue with Sport England to determine the nature and value of a capital grant to support the project. The Stage 1 submission, seeking a capital contribution of £1.491m, was approved by Sport England Panel on 20 February 2018. The solicited Stage 2 application has now been submitted and will be considered on 12 July 2018. Sport England requires that their funding can only be used to enhance the scheme and as a condition of grant, will require a Restriction on Title of the Council's Freehold ownership of the site in order to protect their investment.
- 2.12 Work to facilitate an early delivery of the scheme continues to be progressed with the developer and the preferred contractor. The target date for the practical completion of the new facility is December 2019 subject to planning approval and contracts.
- 2.13 **Active Dukinfield (iTRAIN) (£1.3m Council investment & £1m repayable loan by Active Tameside)** - The Active Dukinfield (iTRAIN) development is now complete and the facility is fully operational.
- 2.14 **Active Longdendale (Total Adrenaline) (£0.600m repayable loan by Active Tameside)** - The new play centre (Total Adrenaline) opened to the public on 19 November 2016.
- 2.15 Overall, good progress is being maintained with the delivery of the Council's capital investment programme to improve sports and leisure facilities.

3. RISK MANAGEMENT

- 3.1 The major risks associated with all capital schemes include funding, increasing costs and time delays occurring during the development and delivery phases. The Council continues to manage and monitor schemes using robust project management methodology and governance to mitigate these risks.
- 3.2 The capital investment report approved by the Executive Cabinet on 24 March 2016, as referred to in section 1.1, included supporting a rationale to reduce the annual revenue investment payable by the Council to Active Tameside i.e. a reduction from £1.865 million in 2015/16 to £0.441 million by the end of the contract in 2023/24.
- 3.3 The planned reduction included a number of proposals associated with the capital investment programme via additional revenue that would be realised by Active Tameside from the new facilities (Section 14). The reduction profile was based on expected facility completion dates at that time.
- 3.4 There is a clear risk to both the Council and Active Tameside that delays to facility completion dates will impact on the opportunity for Active Tameside to realise the expected levels of additional revenue which will subsequently enable the Council to reduce the level

of annual revenue investment payable during the existing contract period. The context of the additional revenue that would not be realised for each month a facility completion is delayed is an estimated sum of £35,000 for the Tameside Wellness Centre and an estimated sum of £ 6,000 for Hyde Pool.

3.5 The risk register for the Leisure Asset Investment Programme is attached at **Appendix 1**.

4. RECOMMENDATIONS

4.1 As set out on the report cover.

APPENDIX 1

Risk Register at July 2018

	Risk Description	Mitigation Plan	Raw Consequence	Raw Likelihood	Raw Risk Level	Actions	Residual Consequence	Residual Likelihood	Residual Risk Level
1 Wellness Centre	Sport England funding application is unsuccessful resulting in the delivery of a modified scheme. This could result in public and stakeholder dissatisfaction and may affect the operational viability of the facility and its health outcomes.	Strong application. A number of pre application engagements have taken place with SE at regional and national level.	4	3	12	Continued dialogue with Sport England at regional and national level. Specialist consultant employed to support application development.	4	3	12
2 - Wellness Centre	Sport England funding decision delayed resulting in delays to the programme.	Strong application. Application now submitted. To be formally considered in July.	3	3	9	Continued dialogue with Sport England at regional and national level.	3	3	9
Wellness Centre	Planning approval delayed or onerous conditions attached such as restricted hours of use. Delays to planning consent would impact on the programme. Onerous conditions may impact on business case.	Pre application discussions taken place with Planning. Extensive public consultation conducted to support the application.	3	3	9	Continued dialogue with Planning.	3	2	6
4 Wellness Centre	Tender outcome unaffordable resulting in modifications to the design resulting in programme delay.	Detailed/benchmarked cost plan produced	3	3	9	Cost plan checked by Sport England's technical advisor and cost plan to be validated by Cushman and Wakefield.	3	2	6
5 Hyde Pool	The scheme remains on hold resulting in further delays and increased cost.	Report to SPCMP	4	4	16	None at this point	4	4	16
6 Hyde Pool	If the scheme progresses there may be a cost increase due to delays and change of preferred contractor.	Work with the preferred contractor to reduce costs where possible	4	4	16	Continued dialogue with the contractor via the LEP	4	4	16
7 Hyde Pool	Use group dissatisfaction		4	4	16	Develop Coms plan once the outcome of the review is known	4	4	16

8 Active Tameside	Ongoing delays impact on Active Tameside's revenue position. There is an estimated impact of £35,000 per month of reduced revenue that will be realised by Active Tameside beyond the project completion date for the Wellness Centre. In addition there is an estimated impact of £6,000 per month of reduced revenue that will be realised by Active Tameside beyond the project completion date for Hyde Pool.	Ongoing discussions with Active Tameside in order to minimise the impact of lost income generated from the new and improved facilities	4	4	16	Continued dialogue with Active Tameside	4	4	16
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